

**ELLIS COUNTY, TEXAS**

Comprehensive Annual Financial  
Report

**For the Year Ended  
September 30, 2012**

**Prepared by: Ellis County Auditor's Office**

**ELLIS COUNTY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 2012**

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# **INTRODUCTORY SECTION**



## ELLIS COUNTY AUDITOR'S OFFICE

Michael S. Navarro, CPA  
County Auditor

Audit Division

Beth Allen  
First Assistant

DeVonda Spurlock  
Assistant

Kim Brown  
Assistant

Lisa Arent  
Assistant

Address

101 West Main, Suite 301  
Waxahachie, Texas 75165

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Audit (972) 825-5120  
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March 26, 2013

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, 2012 is hereby submitted.

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

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

### Profile of the Government

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

### **Local Economy**

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

Reasonably priced real property has spurred residential development over the last twenty years, which in turn spawns population growth. According to the United States Census Bureau, the population of Ellis County is 149,610, as of the last official Census in 2010. This represents a growth of 34.3% from the 2000 Census. Ellis County experienced a 30.8% increase from 1990 to 2000. Ellis County has a diverse population consisting of White 65.4%, Hispanic or Latino 23.5%, Black or African American 9.0%, and other races 2.1%. The most recent data from the US Census Bureau (2005) shows that of persons age 25+, 77.8% in Ellis County are high school graduates compared to the state rate of 75.7%. 17.1% hold a bachelor's degree or higher compared to the state rate of 23.2%. The mean travel time to work for workers age 16+ is 30.3 minutes compared to the 25.4 minutes for Texas. Residents are continuing to be drawn to the County due to the small, hometown values and relaxed atmosphere combined with the close proximity to the Dallas/Ft. Worth metroplex that the County offers.

The most recent estimates from the US Census Bureau show that the median household money income in Ellis County is \$63,843 compared to the state median of \$50,049. The home ownership rate in Ellis County is 74.4% compared to the state rate of 63.8%. There are 54,365 housing units in the County, of which 50,503 are occupied. In Ellis County, 11.7% of the population is below the poverty level compared to the state rate of 15.8%. These statistics clearly show that the economic condition in the County makes the area attractive.

Taxable property value decreased once again from \$10,313,473,113 in tax year 2010 to \$10,300,059,387 in tax year 2011. This decline has been somewhat counterbalanced by past aggressive tax abatement policies that bring additional taxable value to the tax roll annually. The current tax abatement on the 2011 assessed value is \$99,838,200. After a two year decline, in 2012, taxable property values reverted back to their historical upswing trend. The 2012 taxable value is \$10,386,783,061. From preliminary discussions with the Ellis Central Appraisal District, I expect the 2013 value to be up an estimated 1%.

### **Major Initiatives and Capital Planning**

Ellis County has recently begun discussions on exploring the possibility of having a private, for profit jail management company manage the County jail. Several Texas counties have entered outside management agreements and have been able to reduce the costs of their jail operations substantially. The Ellis County Purchasing Agent is in the early stages of putting together a request for proposal to gather information to bring back to the Commissioners Court for further discussion.

The County is also considering building a records management facility at the County Farm site. This facility would serve as both a long and short term storage solution for the different County departments. Preliminary drawings have both a climate controlled storage area as well as an open storage area. Departments would have their own locked storage areas within the facility. Bids have been opened and evaluated, but the decision to move forward has yet to be made on this project. Funding would be provided through the Permanent Improvement Fund.

House Bill 1793 has been introduced to the Texas Legislature. This bill would create the 443<sup>rd</sup> Judicial District, which would be the 3<sup>rd</sup> district court in Ellis County. This bill was read and referred to the Judiciary & Civil Jurisprudence committee. The bill is currently in committee. In 2010, the County completed construction of a modern courts and administration building, which is currently home to the 40<sup>th</sup> and 378<sup>th</sup> Judicial District Courts. Within the facility, unfinished space was left for future build out. According to the Ellis County Judge, if approved, the 443<sup>rd</sup> Judicial District Court may begin operations in a previous location with the intent of completing the build-out in the courts and administration building as necessity dictates.

### **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 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 also serves as the County Investment Officer. The Treasurer is also responsible for bank reconciliation and distributing disbursements.

### **Independent Audit**

State statutes do not require an annual audit by independent, certified public accountants. However, the accounting firm of Pattillo, Brown and Hill, L.L.P., was engaged by the County to perform an annual audit in accordance with local policy. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in

the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial 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, 2012, 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, 2011. This was the sixteenth consecutive year that this government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **Acknowledgments**

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

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

Sincerely,



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, 2011

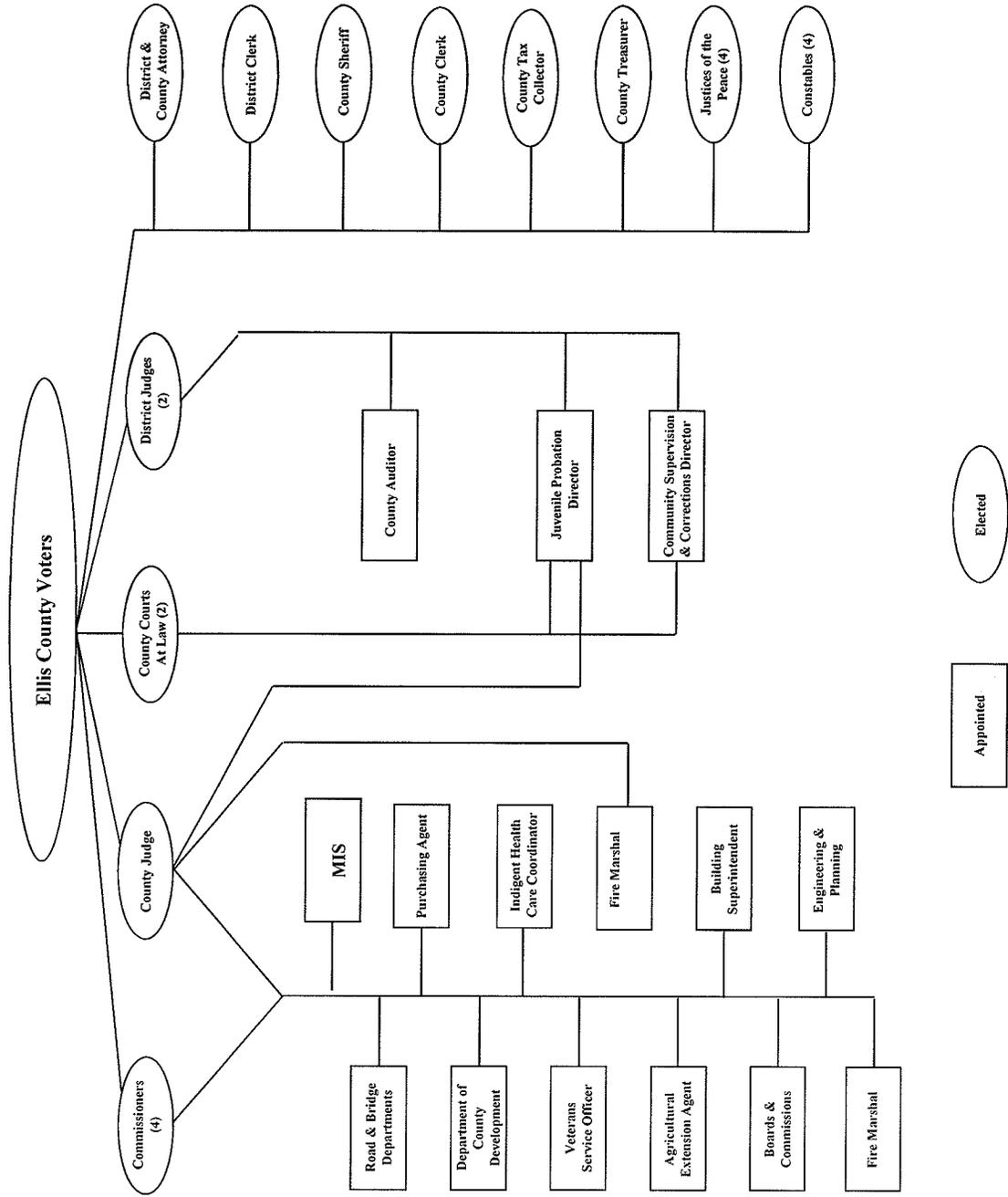
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



*Christopher P. Morrell*  
President

*Jeffrey R. Emer*  
Executive Director

# ELLIS COUNTY, TEXAS ORGANIZATIONAL CHART



DIRECTORY OF PUBLIC OFFICIALS

COMMISSIONERS COURT

COUNTY JUDGE

Carol Bush

COUNTY COMMISSIONERS

Precinct 1

Dennis Robinson

Precinct 2

Bill Dodson

Precinct 3

Paul Perry

Precinct 4

Ron Brown

JUDICIAL

DISTRICT JUDGE

40<sup>th</sup> Judicial District

Bob Carroll

378<sup>th</sup> Judicial District

Joe Grubbs

COUNTY COURT AT LAW JUDGE I

Jim Chapman

COUNTY COURT AT LAW JUDGE II

Gene Calvert

JUSTICE OF THE PEACE

Precinct 1

Bill Woody

Precinct 2

Jackie Miller

Precinct 3

Curtis Polk

Precinct 4

Steve Egan

LAW ENFORCEMENT AND LEGAL

SHERIFF

Johnny Brown

COUNTY ATTORNEY

Patrick Wilson

CONSTABLES

Precinct 1

Roy Callender

Precinct 2

Terry Nay

Precinct 3

Jimmie Ray

Precinct 4

Michael Jones

ADULT PROBATION OFFICER\*

Gary Hunter

JUVENILE PROBATION OFFICER\*

Darrin Ray

FINANCIAL ADMINISTRATION

COUNTY AUDITOR\*

Michael S. Navarro

COUNTY TREASURER

Cheryl Chambers

TAX COLLECTOR

John Bridges

PURCHASING AGENT\*

Kim Gould

RECORDING OFFICIALS

DISTRICT CLERK

Melanie Reed

COUNTY CLERK

Cindy Polley

\*Denotes appointed officials. All others are elected officials.

## **FINANCIAL SECTION**



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

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ellis County, Texas as of and for the year ended September 30, 2012, 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2013, on our consideration of Ellis County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion, the analysis of funding progress and budgetary comparison information on pages 3 through 10 and 40 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

March 26, 2013

## 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, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages I-IV of this report.

### FINANCIAL HIGHLIGHTS

The assets of Ellis County exceeded its liabilities at the close of the most recent fiscal year by \$38,497,811 (*net assets*). Of this amount, \$10,750,738 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.

- The government's total net assets increased by \$167,212.
- As of the close of the current fiscal year, Ellis County's governmental funds reported combined ending fund balances of \$21,212,564, an increase of \$585,929 in comparison with the prior year. The majority of this increase was due to a \$3,490,515 decrease in total expenditures. \$8,668,112 is *available for spending* at the government's discretion (*unassigned fund balance*) in accordance with applicable laws.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,668,112 or 25.43% of total General Fund expenditures.
- The County's total debt decreased by \$2,363,432 (3.6%) during the current fiscal year. This decrease is attributed to principal payments made during the current fiscal year offset by the net OPEB obligation.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

Ellis County maintains 42 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 Permanent Improvement Fund, which are considered to be major funds. Data from the other 40 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 13 – 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 statements because the resources of those funds are *not* available to support Ellis County's own programs.

The basic fiduciary fund financial statements can be found on page 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 – 39 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*, including Ellis County's General Fund budget to actual comparison. Required supplementary information can be found on pages 40 – 51 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 52 – 104 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Ellis County, assets exceeded liabilities by \$38,497,811 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 52.0% 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	
	2012	2011
Current and other assets	\$ 25,448,115	\$ 25,803,084
Capital assets	78,988,574	81,808,651
Total assets	<u>104,436,689</u>	<u>107,611,735</u>
Long-term liabilities	62,889,976	65,253,408
Other liabilities	3,048,902	4,027,728
Total liabilities	<u>65,938,878</u>	<u>69,281,136</u>
Net assets:		
Invested in capital assets, net of related debt	20,020,454	19,964,231
Restricted	7,726,619	7,694,058
Unrestricted	<u>10,750,738</u>	<u>10,672,310</u>
Total net assets	<u>\$ 38,497,811</u>	<u>\$ 38,330,599</u>

An additional portion of Ellis County's net assets (20.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$10,750,738 may be used to meet the government's ongoing obligations to citizens and creditors.

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

**Governmental activities.** Governmental activities increased Ellis County's net assets by \$167,212, thereby accounting for 0.4% of the total net assets of Ellis County.

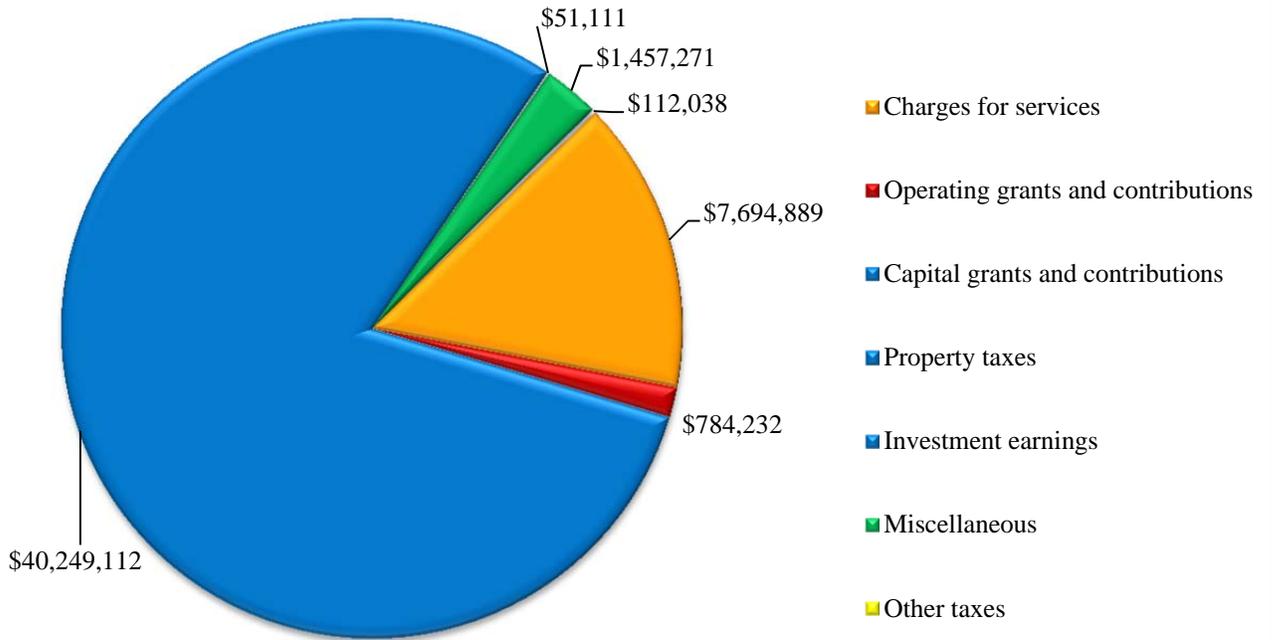
**Ellis County's Changes in Net Assets**

	Governmental Activities	
	2012	2011
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 7,694,889	\$ 7,555,945
Operating grants and contributions	784,232	516,274
Capital grants and contributions	-	30,350
General revenues:		
Property taxes	40,249,112	39,275,233
Investment earnings	51,111	50,629
Miscellaneous	1,457,271	2,491,482
Other taxes	112,038	145,363
Total Revenues	50,348,653	50,065,276
<b>EXPENSES</b>		
General government	12,646,463	13,621,198
Judicial	5,655,574	5,565,386
Public safety	19,371,604	19,288,492
Health and welfare	1,265,966	1,216,930
Conservation	190,068	192,434
Roads and highways	8,306,733	8,088,420
Interest on long-term debt	2,745,033	2,958,767
Total Expenses	50,181,441	50,931,627
<b>INCREASE (DECREASE) IN NET ASSETS</b>	167,212	( 866,351)
<b>NET ASSETS, BEGINNING</b>	38,330,599	39,196,950
<b>NET ASSETS, ENDING</b>	\$ 38,497,811	\$ 38,330,599

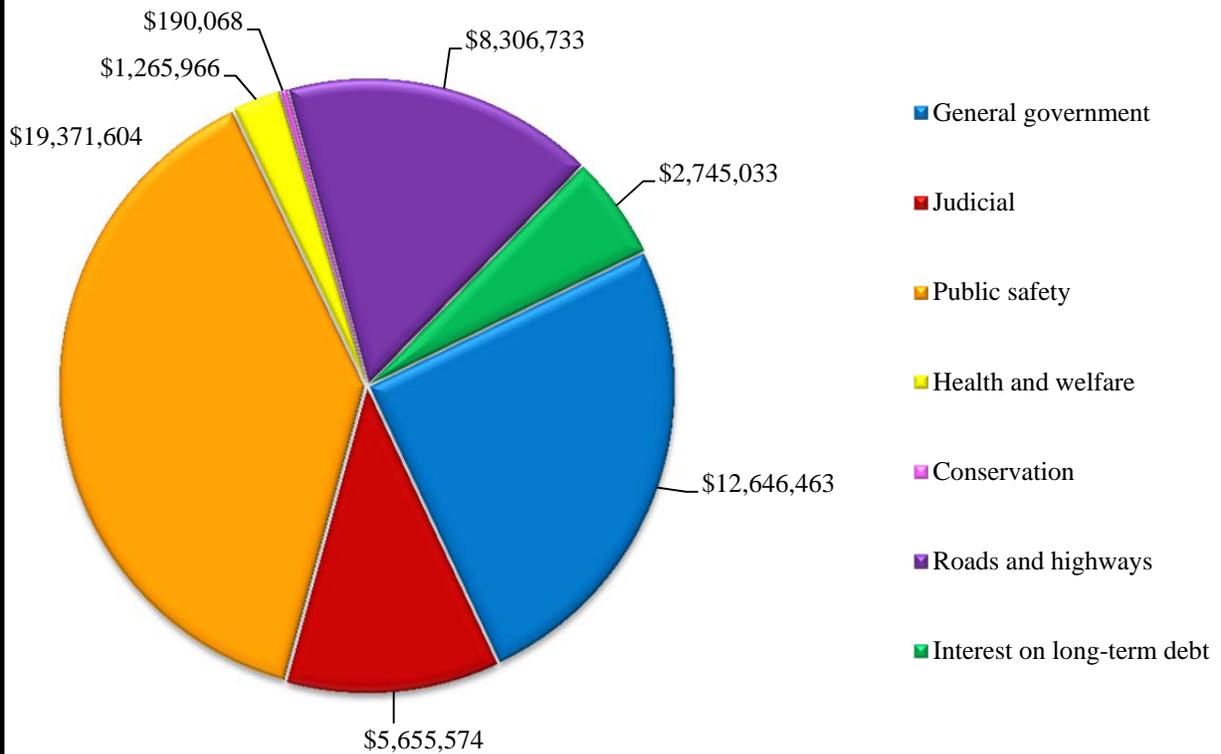
Property taxes increased by \$973,879 (2.5%) during the year. This result is mainly due to an increase in the total tax rate.

Expenses decreased in 2012, driven by a 7.2% decrease in general government and interest on long-term debt offset by an increase in roads and highways.

## REVENUES BY SOURCE



## EXPENSES 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, *unassigned 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, unassigned total fund balance of the General Fund was \$8,668,112. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned total fund balance represents 25.43% of total General Fund expenditures.

The fund balance of Ellis County's General Fund increased by \$1,070,861 during the current fiscal year. This increase is primarily due to a 2.58% decrease in current year expenditures.

The Permanent Improvement Fund has an ending fund balance of \$2,572,219, a decrease of \$540,259 from the prior year. This decrease is a result of capital outlay expenditures.

### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor (\$389,647 increase in appropriations) and can be briefly summarized as follows:

- Material budget amendments were made to allocate additional funding for juvenile detention services, juvenile residential services, procure chiller units for the detention facility, provide for patrol vehicle purchases, and for additional emergency management equipment needs.

### CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets.** Ellis County's investment in capital assets for its governmental activities as of September 30, 2012, amounts to \$78,988,574 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and system improvements, and machinery and equipment.

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

	Governmental Activities	
	2012	2011
Land	\$ 2,010,679	\$ 1,971,948
Construction work in progress	164,615	2,431,354
Buildings and improvements	73,483,414	73,511,112
Machinery and equipment	3,329,866	3,894,237
Total	\$ 78,988,574	\$ 81,808,651

The County had the following additions to fixed assets:

Purchase of land	\$ 38,731
Addition to construction in progress for building projects	540,715
Purchase of vehicles and equipment	382,174

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

**Long-term debt.** At the end of the current fiscal year, Ellis County had total debt outstanding of \$62,889,976.

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

General Obligation Bonds	\$ 47,667,864
Refunding Bonds	11,300,256
Total	\$ 58,968,120

The County also had vacation payable of \$1,376,621 and net OPEB obligation of \$2,545,235.

The County's overall debt decreased from the prior year due to principal payments made during the fiscal year. Additionally, interest accrued on capital appreciation bonds held by the County in the amount of \$277,218.

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

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

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Taxable assessed valuation trends have been relatively flat since the recession due in large part to a weakened housing market. Historically, the tax base has experienced steady rates of growth. Management anticipates growth in the tax base of approximately 1% over the next year. The tax rate to fund the 2013 budget has been set at \$0.413599.
- The County has continued to maintain solid reserves, due to conservative budget and spending practices.
- The overall direct debt burden from the County is low. Management has no near term debt plans, and assisted by “pay as you go” capital spending, the county’s capital needs appear manageable.
- Unfunded/underfunded mandates imposed by the State of Texas continue to be borne on the backs of local taxpayers including programs such as indigent health care, juvenile probation, legal representation for indigent defendants, and meeting standards imposed by the Texas Jail Commission.
- Estimated Revenue for fiscal year 2013 is \$36,088,244 for the General Fund, and estimated expenditures are \$36,088,244.

All of these factors were considered in preparing Ellis County’s budget for the 2013 fiscal year.

## **REQUESTS FOR INFORMATION**

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

## **BASIC FINANCIAL SECTION**

**ELLIS COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2012**

	Primary Government
	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 23,339,748
Receivables, net of allowances for uncollectibles	
Taxes	911,622
Other	765,479
Deferred Charges	431,266
Capital assets:	
Land	2,010,679
Buildings and improvements	100,736,150
Furniture and equipment	12,455,399
Construction in progress	164,615
Accumulated depreciation	( 36,378,269)
Total capital assets, net of accumulated depreciation	78,988,574
 Total assets	 104,436,689
<b>LIABILITIES</b>	
Accounts payable	1,754,711
Accrued liabilities	901,123
Accrued interest	393,068
Noncurrent liabilities:	
Due within one year	3,764,155
Due in more than one year	59,125,821
Total liabilities	65,938,878
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	20,020,454
Restricted for:	
Road and bridge	2,552,772
Public safety	1,757,295
Technology and security	59,771
Records management	775,459
Other statutorily restricted funds	46,415
Debt service	2,534,907
Unrestricted	10,750,738
 Total net assets	 \$ 38,497,811

**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, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Assets
					Primary Government
					Governmental Activities
<b>Primary Government:</b>					
Governmental Activities:					
General government	\$ 12,646,463	\$ 2,872,892	\$ 425,811	\$ -	\$( 9,347,760)
Judicial	5,655,574	1,903,553	44,577	-	( 3,707,444)
Public safety	19,371,604	709,275	252,797	-	( 18,409,532)
Health and welfare	1,265,966	-	-	-	( 1,265,966)
Conservation	190,068	-	-	-	( 190,068)
Roads and highways	8,306,733	2,209,169	61,047	-	( 6,036,517)
Interest on long-term debt	<u>2,745,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 2,745,033)</u>
Total governmental activities	<u>50,181,441</u>	<u>7,694,889</u>	<u>784,232</u>	<u>-</u>	<u>( 41,702,320)</u>
Total primary government	<u>\$ 50,181,441</u>	<u>\$ 7,694,889</u>	<u>\$ 784,232</u>	<u>\$ -</u>	<u>\$( 41,702,320)</u>
General Revenues:					
Taxes:					
Property taxes, levied for general purposes				\$ 34,477,608	
Property taxes, levied for debt service				5,771,504	
Other taxes				112,038	
Miscellaneous				1,457,271	
Investment earnings				<u>51,111</u>	
Total general revenues				<u>41,869,532</u>	
				Change in net assets	167,212
				Net assets, beginning	<u>38,330,599</u>
				Net assets, ending	<u>\$ 38,497,811</u>

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

**ELLIS COUNTY, TEXAS**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2012**

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 10,772,112	\$ 2,577,189	\$ 9,990,447	\$ 23,339,748
Receivables, net of allowances for uncollectibles:				
Taxes receivable	652,751	-	258,871	911,622
Accounts receivable	421,113	-	-	421,113
Other receivables	<u>25,334</u>	<u>-</u>	<u>-</u>	<u>25,334</u>
Total assets	\$ <u>11,871,310</u>	\$ <u>2,577,189</u>	\$ <u>10,249,318</u>	\$ <u>24,697,817</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,198,540	\$ 4,970	\$ 551,201	\$ 1,754,711
Accrued liabilities	800,348	-	100,775	901,123
Deferred revenue	<u>593,553</u>	<u>-</u>	<u>235,866</u>	<u>829,419</u>
Total liabilities	<u>2,592,441</u>	<u>4,970</u>	<u>887,842</u>	<u>3,485,253</u>
Fund balances:				
Restricted for:				
Road and bridge	-	-	2,552,772	2,552,772
Public safety	-	-	1,723,468	1,723,468
Technology and security	-	-	59,771	59,771
Records management	-	-	775,459	775,459
Other statutorily restricted funds	-	-	46,415	46,415
Debt service	-	-	2,534,907	2,534,907
Assigned				
Capital expenditures	610,757	-	33,827	644,584
Capital projects	-	2,572,219	1,634,857	4,207,076
Unassigned	<u>8,668,112</u>	<u>-</u>	<u>-</u>	<u>8,668,112</u>
Total fund balances	<u>9,278,869</u>	<u>2,572,219</u>	<u>9,361,476</u>	<u>21,212,564</u>
Total liabilities and fund balances	\$ <u>11,871,310</u>	\$ <u>2,577,189</u>	\$ <u>10,249,318</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	78,988,574
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,579,717
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	( 63,283,044)
Net assets of governmental activities	\$ <u>38,497,811</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, 2012**

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 29,168,466	\$ -	\$ 11,206,157	\$ 40,374,623
Intergovernmental	683,321	-	102,795	786,116
Licenses and permits	-	-	2,106,952	2,106,952
Fees of office	3,471,222	-	341,758	3,812,980
Fines and forfeitures	1,116,202	-	512,355	1,628,557
Interest earnings	25,930	3,166	22,015	51,111
Other	<u>712,810</u>	<u>40,000</u>	<u>827,138</u>	<u>1,579,948</u>
Total revenues	<u>35,177,951</u>	<u>43,166</u>	<u>15,119,170</u>	<u>50,340,287</u>
<b>EXPENDITURES</b>				
Current:				
General government	10,532,098	221,552	218,378	10,972,028
Judicial	5,069,926	-	497,931	5,567,857
Public safety	17,030,252	-	239,046	17,269,298
Health and welfare	1,265,966	-	-	1,265,966
Conservation	189,848	-	-	189,848
Roads and highways	-	-	8,396,593	8,396,593
Capital outlay	-	441,873	-	441,873
Debt service:				
Principal	-	-	3,225,000	3,225,000
Interest and fiscal charges	-	-	2,486,061	2,486,061
Total expenditures	<u>34,088,090</u>	<u>663,425</u>	<u>15,063,009</u>	<u>49,814,524</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,089,861</u>	<u>( 620,259)</u>	<u>56,161</u>	<u>525,763</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	-	5,485,000	5,485,000
Payment to escrow agent	-	-	(5,424,834)	( 5,424,834)
Transfers in	61,000	80,000	-	141,000
Transfers out	<u>(80,000)</u>	<u>-</u>	<u>(61,000)</u>	<u>( 141,000)</u>
Total other financing sources (uses)	<u>(19,000)</u>	<u>80,000</u>	<u>(834)</u>	<u>60,166</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,070,861	( 540,259)	55,327	585,929
<b>FUND BALANCES, BEGINNING</b>	<u>8,208,008</u>	<u>3,112,478</u>	<u>9,306,149</u>	<u>20,626,635</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 9,278,869</u>	<u>\$ 2,572,219</u>	<u>\$ 9,361,476</u>	<u>\$ 21,212,564</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, 2012

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

Net change in fund balances - total governmental funds (page 14) \$ 585,929

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. ( 2,820,077)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 8,366

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. 3,153,518

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. ( 760,524)

Change in net assets of governmental activities (page 12) \$ 167,212

**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, 2012**

	Agency Funds
<b>ASSETS</b>	
Cash and investments	\$ <u>9,621,449</u>
Total assets	\$ <u><u>9,621,449</u></u>
<b>LIABILITIES</b>	
Due to other governments	\$ 2,098,812
Due to beneficiaries	<u>7,522,637</u>
Total liabilities	\$ <u><u>9,621,449</u></u>

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

## **NOTES TO FINANCIAL STATEMENTS**

# ELLIS COUNTY, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

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

#### B. Basis of Presentation

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

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

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

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The government reports the following major governmental funds:

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

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

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the government reports the following fund types:

Governmental Funds:

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

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

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

Fiduciary Funds:

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

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

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

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

(continued)

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

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments**

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

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

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

**Receivables and Payables**

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

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 25% of outstanding property taxes at September 30, 2012.

**Capital Assets**

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

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

(continued)

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

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

**Capital Assets**

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

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

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

**Compensated Absences**

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

**Net Other Post Employment Benefit Obligation**

The liability for pension-related debt is fully liquidated by the General Fund.

**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 Balance**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by resolution of Commissioners' Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent is determined by Commissioners' Court.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

(continued)

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

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

**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.

In the government-wide financial statements, the County's restrictions on net assets are for amounts that are not available for appropriation. The County's restricted net assets are as follows:

Restricted for Road and bridge	\$	2,552,772
Restricted for Public safety		1,757,295
Restricted for Technology and security		59,771
Restricted for Records management		775,459
Restricted for Other statutorily restricted funds		46,415
Restricted for Debt service		<u>2,534,907</u>
Total	\$	<u>7,726,619</u>

**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, 2012, 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 five fiscal years.

(continued)

## 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.”

The details of this \$63,283,044 difference are as follows:

General Obligation Bonds and Certificates of Obligation	\$ 56,824,251
Accreted interest payable	2,143,869
Accrued interest payable	393,068
Net OPEB obligation	2,545,235
Compensated absences	<u>1,376,621</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 63,283,044</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 \$(2,820,077) difference are as follows:

Capital outlay (includes \$585,520 not classified as capital expenditures on the fund statements)	\$ 961,620
Disposals	22,560
Depreciation expense	<u>( 3,804,257)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$( 2,820,077)</u>

(continued)

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

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

Another element of that reconciliation states, "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The details of this \$3,153,518 difference are as follows:

Principal repayments:	
Bond payments	\$ 8,530,000
Amortization of premium on bond issuance	18,643
Amortization of deferred loss on refunding	(29,959)
Debt issuance:	
General obligation debt	(5,485,000)
Deferred loss on refunding	<u>119,834</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 3,153,518</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 department level. State law provides that amendments approved by the Commissioners' Court may be made to the original budget provided that funds are available for the added disbursements. The original approved budget is issued in a separate report. Reported budgeted amounts reflect the budget as originally adopted and all budget amendments approved by the Commissioners' Court.

(continued)

#### 4. DETAILED NOTES ON ALL FUNDS

##### Deposits and Investments

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

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

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

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, 2012, all of the County's \$15,705,185 deposit balance was covered by FDIC insurance or collateralized with securities held by the pledging financial institution.

(continued)

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

##### Deposits and Investments (Continued)

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

(continued)

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

**Deposits and Investments** (Continued)

As of September 30, 2012, the County had the following investments:

	<u>Fair Amount</u>	<u>Weighted Average Maturity (Days)</u>
<b>General Fund</b>		
Lone Star Pool	\$ 815,300	49
MBIA - Investment Pool	1,844,582	46
TEXSTAR	433,035	46
Investors' Cash Trust - MMM	108,243	45
Texas TERM	2,322,359	54
Texas Pool	<u>500,397</u>	40
Total general fund	<u>6,023,917</u>	
<b>Permanent Improvement Fund</b>		
Lone Star Pool	209,080	49
Investors' Cash Trust - MMM	129,246	45
TEXSTAR	<u>2,118,472</u>	46
Total Permanent Improvement Fund	<u>2,456,798</u>	
<b>Nonmajor Funds</b>		
Lone Star Pool	5,093,812	49
Investors' Cash Trust - MMM	990,023	45
TEXSTAR	786,021	46
MBIA - Investment Pool	1,215,984	46
Texas TERM	<u>560,886</u>	54
Total nonmajor funds	<u>8,646,726</u>	
<b>Totals</b>		
Investments Not Subject to Categorization		
Investments Pools/MM	<u>17,127,441</u>	
Totals	<u>\$ 17,127,441</u>	

(continued)

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

**Property Tax**

Property taxes attach as liens on property as of January 1. Taxes are levied on October 1, are due by January 31 and become delinquent on February 1. County property tax revenues are recognized when levied to the extent that they result in available spendable resources. The County is permitted by Section 9 of the Texas Constitution to levy taxes up to \$.80 per \$100 of assessed valuation for general government services, permanent improvement, road and bridge and jury fund purposes other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. The combined tax-rate to finance general government services, permanent improvements, road and bridge and jury fund purposes including payment of principal and interest on long-term debt for the year ended September 30, 2012, was \$.413599 per \$100 of assessed valuation.

- (1) The County's Tax Collector acts as an agent in the billing and collecting of taxes for other taxing authorities. These transactions are recorded in an agency account.
- (2) The tax rates for the County, computed per \$100 from the present taxable assessed valuation of \$10,300,059,387 for 2011, which funds 2012 is as follows:

General Maintenance and Operations Rate:		
Interest and Sinking (Debt Rate)		\$0.059754
Operations Rate		0.320337
Farm to Market Rate		<u>0.033508</u>
Total Tax Rate		<u>\$0.413599</u>

**Receivables**

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

	General	Nonmajor Funds	Total
Receivables:			
Taxes	\$ 870,335	\$ 345,159	\$ 1,215,494
Accounts receivable	421,113	-	421,113
Other receivables	<u>25,334</u>	<u>-</u>	<u>25,334</u>
Gross receivables	1,316,782	345,159	1,661,941
Less: allowance for uncollectibles	<u>217,584</u>	<u>86,288</u>	<u>303,872</u>
Net Total Receivables	<u>\$ 1,099,198</u>	<u>\$ 258,871</u>	<u>\$ 1,358,069</u>

(continued)

4. DETAILED NOTES ON ALL FUNDS (Continued)

**Receivables** (Continued)

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

	<u>Unavailable</u>	<u>Total</u>
General fund:		
Delinquent property taxes receivable	\$ 593,553	\$ 593,553
Nonmajor funds:		
Delinquent property taxes receivable	<u>235,866</u>	<u>235,866</u>
Governmental Funds	<u>\$ 829,419</u>	<u>\$ 829,419</u>

**Capital Assets**

Capital asset activity for the year ended September 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,971,948	\$ 38,731	\$ -	\$ 2,010,679
Construction work in progress	<u>2,431,354</u>	<u>540,715</u>	<u>2,807,454</u>	<u>164,615</u>
Total capital assets, not being depreciated	<u>4,403,302</u>	<u>579,446</u>	<u>2,807,454</u>	<u>2,175,294</u>
Capital assets, being depreciated:				
Buildings and improvements	97,928,696	2,807,454	-	100,736,150
Machinery and equipment	<u>12,408,398</u>	<u>382,174</u>	<u>335,173</u>	<u>12,455,399</u>
Total capital assets, being depreciated	<u>110,337,094</u>	<u>3,189,628</u>	<u>335,173</u>	<u>113,191,549</u>
Less accumulated depreciation for:				
Buildings and improvements	24,417,584	2,835,152	-	27,252,736
Machinery and equipment	<u>8,514,161</u>	<u>969,105</u>	<u>357,733</u>	<u>9,125,533</u>
Total accumulated depreciation	<u>32,931,745</u>	<u>3,804,257</u>	<u>357,733</u>	<u>36,378,269</u>
Total capital assets, being depreciated, net	<u>77,405,349</u>	<u>( 614,629)</u>	<u>( 22,560)</u>	<u>76,813,280</u>
Governmental activities capital assets, net	<u>\$ 81,808,651</u>	<u>\$ ( 35,183)</u>	<u>\$ 2,784,894</u>	<u>\$ 78,988,574</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	\$ 1,441,083
Judicial	18,052
Public safety	1,964,142
Conservation	400
Roads and highways	<u>380,580</u>
Total depreciation expense - governmental activities	<u>\$ 3,804,257</u>

**Capital Leases**

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities
Machinery and equipment	\$ 534,556
Less: Accumulated depreciation	<u>261,069</u>
Total	<u>\$ 273,487</u>

During the year ended September 30, 2012, all capital leases associated with the above equipment were paid in full.

**Long-term Debt**

**Long-term Debt Walk-forward**

	Payable Amounts Outstanding 10/01/11	Issued	Retired	Accretion	Outstanding 09/30/12
General obligation bonds	\$ 48,720,000	\$ -	\$ 1,425,000	\$ -	\$ 47,295,000
Premium on issuance	391,507	-	18,643	-	372,864
Refunding bonds	12,732,913	5,485,000	7,105,000	277,218	11,390,131
Less deferred amounts of refunding		( 119,834)	( 29,959)		( 89,875)
Net OPEB obligation	1,993,003	886,646	334,414	-	2,545,235
Compensated absences	<u>1,415,985</u>	<u>1,389,914</u>	<u>1,429,278</u>	-	<u>1,376,621</u>
Totals	<u>\$ 65,253,408</u>	<u>\$ 7,641,726</u>	<u>\$ 10,282,376</u>	<u>\$ 277,218</u>	<u>\$ 62,889,976</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, 2012, is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable Amounts Outstanding 10/01/11	Issued	Retired	Accretion on Bonds	Outstanding 09/30/12	Amounts Due Within One Year
General Obligation Bonds, 2007	4.0-5.25%	\$ 53,875,000	\$ 2,330,088	\$ 48,720,000	\$ -	\$ 1,425,000	\$ -	\$ 47,295,000	\$ 1,490,000
Premium on Issuance			-	391,507	-	18,643	-	372,864	-
General Obligation Refunding Bonds, Series 2002	3.0-5.56%	17,146,262	29,569	11,597,913	-	6,550,000	277,218	5,325,131	-
General Obligation Refunding Bonds, Series 2010	2.18%	1,635,000	24,743	1,135,000	-	555,000	-	580,000	580,000
General Obligation Refunding Bonds, Series 2011	1.39%	5,485,000	-	-	5,485,000	-	-	5,485,000	1,350,000
Less deferred amounts on refunding	N/A	N/A	-	-	( 119,834)	( 29,959)	-	(89,875)	-
Net OPEB obligation	N/A	N/A	-	1,993,003	886,646	334,414	-	2,545,235	-
Compensated absences	N/A	N/A	-	1,415,985	1,389,914	1,429,278	-	1,376,621	344,155
Totals			\$ 2,385,704	\$ 65,253,408	\$ 7,641,726	\$ 10,282,376	\$ 277,218	\$ 62,889,976	\$ 3,764,155

##### **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	
2013	3,420,000	2,349,028	\$ 5,769,028
2014	3,605,000	2,249,394	5,854,394
2015	3,695,000	2,154,781	5,849,781
2016	3,381,533	2,470,155	5,851,688
2017	3,373,062	2,486,426	5,859,488
2018-2022	12,095,536	9,519,927	21,615,463
2023-2027	12,845,000	5,941,863	18,786,863
2028-2032	16,270,000	2,520,000	18,790,000
Total	\$ 58,685,131	\$ 29,691,574	\$ 88,376,705

(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, 2012, are approximately \$2,143,869 accordingly, accretion on these bonds of approximately \$277,218 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.

**Advance Refunding**

The government issued \$5,485,000 in general obligation bonds with an interest rate of 1.390%. The proceeds were used to advance refund \$5,305,000 of an outstanding 2002 general obligation bond which had interest rates ranging from 3.00% to 5.56%. The net proceeds of \$5,424,834 (less additional proceeds of \$166 and after of payment of \$60,000 in cost of issuance) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2002 general obligation bond is considered defeased and the liability for the bond has been removed from the statement of net assets.

The reacquisition price exceeded the net carrying amount of the old debt by \$119,834. This amount is being netted against the new debt and amortized over the life of the refunding debt. The government advance refunded the 2002 general obligation bond to reduce its total debt service payments over 3 years by \$277,120 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$272,664.

**Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of September 30, 2012, is as follows:

**Interfund transfers:**

	<u>Transfers In</u>		
	<u>General</u>	<u>Permanent Improvement Fund</u>	<u>Total</u>
Transfers Out:			
General fund	\$ -	\$ 80,000	\$ 80,000
Other governmental funds	<u>61,000</u>	<u>-</u>	<u>61,000</u>
Total Transfers Out	<u>\$ 61,000</u>	<u>\$ 80,000</u>	<u>\$ 141,000</u>

(continued)

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

##### **Interfund Receivables, Payables and Transfers** (Continued)

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

##### **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 in the past three years.

###### **Health Care Coverage**

During the year ended September 30, 2012, employees of the County were covered by a health insurance plan (the "Plan"). The County contributed 100% of the premium for each employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a Preferred Provider Organization. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the County and the licensed insurer is renewable, and terms of coverage and contribution costs are included in the contractual provisions.

The latest financial statements for the self-insurance fund are available for the year ended September 30, 2012, 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.

###### **Grants**

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

(continued)

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

##### Retirement Plan

##### **Plan Description**

Ellis County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 624 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

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

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

##### **Funding Policy**

The employer has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually.

The employer contributed using the actuarially determined rate of 9.32% for the months of the accounting year in 2011, and 9.77% for the months of the calendar year in 2012.

The deposit rate payable by employee members for the calendar year 2012 is the rate of 7.00% as adopted by the governing body of the employer. The employer deposit rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

(continued)

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

**Retirement Plan** (Continued)

**Annual Pension Cost**

For the employer's accounting year ending September 30, 2012, the annual pension cost for the TCDRS plan for its employees was \$3,550,890 and the actual contributions were \$3,550,890.

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, 2009 and December 31, 2010, the basis for determining the contribution rates for calendar years 2011 and 2012. The December 31, 2011, actuarial valuation is the most recent valuation.

**Actuarial Valuation Information**

Actuarial Valuation Date	12/31/09	12/31/10	12/31/11
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	20	20	20
Asset valuation method	SAF: 10-year smoothed value ESF: fund value	SAF: 10-year smoothed value ESF: fund value	SAF: 10-year smoothed value ESF: fund value
Actuarial Assumptions:			
Investment return (1)	8.00%	8.00%	8.00%
Projected salary increases (1)	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

(1) includes inflation at the stated rate

**Trend Information for the Retirement Plan for the Employees of Ellis County**

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/2010	\$ 3,686,031	100%	-
09/30/2011	3,589,715	100%	-
09/30/2012	3,550,590	100%	-

The funded status as of December 31, 2011, is presented as follows:

Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (1) (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	44,744,136	53,683,828	8,939,692	83.35%	21,363,068	41.85%

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

(continued)

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

##### Retirement Plan (Continued)

##### **Annual Pension Cost** (Continued)

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

##### Postemployment Health Care

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

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

- Must be drawing a monthly annuity from the Texas County & District Retirement System, and who retired directly from active employment with Ellis County.
- Can continue medical and dental benefits that were in effect on date of retirement.
- No open enrollment opportunity (can drop coverage at any time, but cannot add)
- Beneficiary can continue enrollment in plan as long as is drawing monthly annuity.
- Make the following payments to the County:
  1. Retiree - \$314/month
  2. Retiree's spouse - \$314/month
  3. Retiree's dependent - \$314/month
  4. Dental - \$30/month

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

(continued)

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

**Postemployment Health Care** (Continued)

*Funding Policy and Annual OPEB Cost.* The County's annual other postemployment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The annual OPEB cost for the fiscal year ending September 30, 2012, is as follows:

Fiscal Year	<u>2012</u>
Annual Required Contribution (ARC)	\$ 796,961
Interest on Net OPEB Obligation	89,685
Adjustment to the ARC	<u>( 83,092)</u>
Annual OPEB Cost	803,554
Contributions Made	<u>( 251,322)</u>
Increase in Net OPEB Obligation	552,232
Net OPEB Obligation, beginning of year	<u>1,993,003</u>
Net OPEB Obligation, ending of year	<u>\$ 2,545,235</u>
Percentage of ARC contribution	31.3%

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2012 and the preceding two fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Amount Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
09/30/2010	\$ 851,350	\$ 130,604	15.3%	\$ 1,457,975
09/30/2011	778,572	243,544	31.3%	1,993,003
09/30/2012	803,554	251,322	31.3%	2,545,235

*Funded Status and Funding Progress.* The funding status of the County's retiree health care plan, under GASB Statement No. 45 as of December 31, 2010 is as follows:

<u>Actuarial Valuation Date</u>	<u>12/31/2010</u>
Actuarial value of assets	\$ -
Actuarial accrued liabilities (AAL)	6,179,551
Unfunded actuarial accrued liability (UAAL)	6,179,551
Funded ratio	0.00%
Covered payroll (active plan members)	21,687,321
UAAL as a percentage of covered payroll	28.5%

(continued)

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

**Postemployment Health Care (Continued)**

Under the reporting parameters, the County's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$6,179,551 at December 31, 2010. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 28.5%.

**Actuarial Methods and Assumptions**

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

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

**Actuarial Methods and Assumptions**

Inflation Rate	3.00% per annum
Investment rate of return	4.50% net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of payroll
Amortization period	30-year, open amortization
Payroll Growth	3.0% per annum
Healthcare cost trend rate	Initial rate of 9.0% declining to an ultimate rate of 4.50% after 9 years

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

ELLIS COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Ad valorem tax	\$ 30,066,913	\$ 30,066,913	\$ 29,056,428	\$( 1,010,485)
Mixed drink tax	120,000	120,000	112,038	( 7,962)
Total taxes	<u>30,186,913</u>	<u>30,186,913</u>	<u>29,168,466</u>	<u>( 1,018,447)</u>
Intergovernmental:				
State - hazardous waste fees	45,000	45,000	84,199	39,199
Other	211,571	310,671	599,122	288,451
Total intergovernmental	<u>256,571</u>	<u>355,671</u>	<u>683,321</u>	<u>327,650</u>
Fees of Office:				
District Clerk	368,050	368,050	430,587	62,537
County Clerk	1,008,900	1,008,900	1,007,992	( 908)
Sheriff	272,900	272,900	250,765	( 22,135)
County Attorney	57,835	58,835	55,820	( 3,015)
Tax Collector	809,800	809,800	1,014,125	204,325
County Court-At-Law	157,800	157,800	156,440	( 1,360)
Justice of the Peace, Precinct #1	53,250	53,250	42,471	( 10,779)
Justice of the Peace, Precinct #2	90,100	90,100	73,971	( 16,129)
Justice of the Peace, Precinct #3	14,300	14,300	22,744	8,444
Justice of the Peace, Precinct #4	41,175	41,175	37,195	( 3,980)
Constable, Precinct #1	39,050	39,050	28,726	( 10,324)
Constable, Precinct #2	81,000	81,000	57,344	( 23,656)
Constable, Precinct #3	30,400	30,400	36,277	5,877
Constable, Precinct #4	65,850	65,850	51,220	( 14,630)
Elections	3,000	3,000	6,834	3,834
Public Works Administration	173,718	173,718	198,711	24,993
Total Fees of Office	<u>3,267,128</u>	<u>3,268,128</u>	<u>3,471,222</u>	<u>203,094</u>
Fines and forfeitures	<u>1,348,950</u>	<u>1,348,950</u>	<u>1,116,202</u>	<u>( 232,748)</u>
Interest earnings	<u>25,000</u>	<u>25,000</u>	<u>25,930</u>	<u>930</u>
Miscellaneous:				
Jail pay phone commission	84,000	84,000	85,856	1,856
Miscellaneous	525,797	584,900	626,954	42,054
Total miscellaneous	<u>609,797</u>	<u>668,900</u>	<u>712,810</u>	<u>43,910</u>
Total revenues	<u>\$ 35,694,359</u>	<u>\$ 35,853,562</u>	<u>\$ 35,177,951</u>	<u>\$( 675,611)</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, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
County Clerk:				
Salaries	\$ 568,287	\$ 568,287	\$ 561,148	\$ 7,139
Benefits	225,175	218,760	218,746	14
Supplies	20,240	23,976	23,976	-
Capital outlay	1,500	1,500	-	1,500
Other	22,200	24,879	24,879	-
Total County Clerk	<u>837,402</u>	<u>837,402</u>	<u>828,749</u>	<u>8,653</u>
County Judge:				
Salaries	154,556	154,556	154,556	-
Benefits	49,322	50,496	50,496	-
Supplies	3,500	3,500	3,043	457
Other	12,500	11,326	9,356	1,970
Total County Judge	<u>219,878</u>	<u>219,878</u>	<u>217,451</u>	<u>2,427</u>
Juvenile Services:				
Salaries	282,701	289,744	289,744	-
Benefits	216,682	216,988	216,988	-
Supplies	5,000	5,000	434	4,566
Capital outlay	6,000	6,064	6,064	-
Other	30,450	31,757	31,757	-
Juvenile detention service	585,826	879,252	879,252	-
Nonresidential	72,000	19,855	13,537	6,318
Total Juvenile Services	<u>1,198,659</u>	<u>1,448,660</u>	<u>1,437,776</u>	<u>10,884</u>
Department of Development:				
Salaries	350,261	350,261	348,416	1,845
Benefits	129,163	129,163	127,694	1,469
Supplies	4,000	4,000	2,444	1,556
Capital outlay	2,500	3,778	3,278	500
Other	6,600	5,796	5,796	-
Automobile	17,700	17,226	13,231	3,995
Total Department of Development	<u>510,224</u>	<u>510,224</u>	<u>500,859</u>	<u>9,365</u>
Veterans Services:				
Salaries	30,355	30,355	22,620	7,735
Benefits	7,072	7,187	5,177	2,010
Supplies	500	305	200	105
Other	700	780	780	-
Total Veterans Services	<u>38,627</u>	<u>38,627</u>	<u>28,777</u>	<u>9,850</u>
Commissioners' Court:				
Salaries	352,820	352,820	352,223	597
Benefits	97,538	97,538	96,574	964
Supplies	450	441	159	282
Other	600	609	609	-
Total Commissioners' Court	<u>\$ 451,408</u>	<u>\$ 451,408</u>	<u>\$ 449,565</u>	<u>\$ 1,843</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, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
<b>GENERAL GOVERNMENT (Continued)</b>				
Community Supervision/Corrections:				
Capital outlay	\$ 2,500	\$ 2,500	\$ 2,458	\$ 42
Utilities	100	100	-	100
Total Community Supervision/Correction	<u>2,600</u>	<u>2,600</u>	<u>2,458</u>	<u>142</u>
Nondepartmental:				
Payroll insurance expense	585,000	596,941	555,909	41,032
Other	1,405,872	1,621,229	1,334,003	287,226
Organizational dues/subscriptions	185,000	187,202	186,494	708
Comprehensive insurance	305,000	294,075	213,879	80,196
Tax appraisal fee	390,000	388,521	320,880	67,641
Legal/professional fees	537,578	334,238	70,550	263,688
Total Nondepartmental	<u>3,408,450</u>	<u>3,422,206</u>	<u>2,681,715</u>	<u>740,491</u>
Purchasing:				
Salaries	131,864	131,864	124,816	7,048
Benefits	44,755	44,755	41,982	2,773
Capital outlay - for all departments	1,300	-	-	-
Other	8,600	9,900	9,860	40
Total Purchasing	<u>186,519</u>	<u>186,519</u>	<u>176,658</u>	<u>9,861</u>
Elections:				
Salaries	153,130	155,454	155,454	-
Benefits	58,823	59,582	59,582	-
Capital outlay	1,300	-	-	-
Election workers salaries/benefits	51,000	39,174	39,174	-
Other	95,140	135,442	135,442	-
Total Elections	<u>359,393</u>	<u>389,652</u>	<u>389,652</u>	<u>-</u>
County Auditor:				
Salaries	262,176	269,558	263,071	6,487
Benefits	82,537	84,016	81,944	2,072
Supplies	4,500	6,037	6,037	-
Capital outlay	2,300	1,758	1,707	51
Other	7,125	7,125	3,540	3,585
Total County Auditor	<u>358,638</u>	<u>368,494</u>	<u>356,299</u>	<u>12,195</u>
Tax Assessor/Collector:				
Salaries	605,265	605,265	601,607	3,658
Benefits	238,063	237,756	235,351	2,405
Supplies	14,100	20,760	20,760	-
Other	28,400	28,047	27,966	81
Telephone	-	10,559	10,559	-
Postage	40,000	24,141	23,388	753
Capital outlay	700	-	-	-
Total Tax Assessor/Collector	<u>\$ 926,528</u>	<u>\$ 926,528</u>	<u>\$ 919,631</u>	<u>\$ 6,897</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, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
<b>GENERAL GOVERNMENT (Continued)</b>				
Treasurer:				
Salaries	\$ 136,663	\$ 137,092	\$ 137,092	\$ -
Benefits	45,960	45,531	44,817	714
Other	14,550	10,695	9,374	1,321
Capital outlay	500	4,355	4,284	71
Total Treasurer	<u>197,673</u>	<u>197,673</u>	<u>195,567</u>	<u>2,106</u>
Human Services:				
Salaries	157,239	157,239	143,512	13,727
Benefits	56,937	56,937	53,047	3,890
Supplies	5,900	5,877	2,375	3,502
Utilities	-	944	944	-
Other	1,019,749	1,021,403	997,279	24,124
Total Human Services	<u>1,239,825</u>	<u>1,242,400</u>	<u>1,197,157</u>	<u>45,243</u>
Courthouse/Office Building:				
Salaries	198,501	201,844	201,844	-
Benefits	87,051	86,905	86,342	563
Supplies	19,500	19,304	19,304	-
Capital outlay	2,000	2,000	1,999	1
Other	21,750	15,750	15,174	576
Telephone	-	779	779	-
Repairs and maintenance	99,050	107,125	107,125	-
Total Courthouse/Office Buildings	<u>427,852</u>	<u>433,707</u>	<u>432,567</u>	<u>1,140</u>
Engineering:				
Salaries	347,054	347,054	327,330	19,724
Benefits	101,132	101,132	96,689	4,443
Supplies	2,200	4,600	4,308	292
Capital outlay	4,000	5,500	5,418	82
Other	32,800	26,271	24,208	2,063
Utilities	-	2,629	2,629	-
Total Engineering	<u>487,186</u>	<u>487,186</u>	<u>460,582</u>	<u>26,604</u>
MIS:				
Salaries	184,628	184,628	184,628	-
Benefits	55,945	54,945	54,691	254
Supplies	11,480	4,632	4,632	-
Capital outlay	2,400	5,629	5,565	64
Other	2,500	7,119	7,119	-
Total MIS	<u>256,953</u>	<u>256,953</u>	<u>256,635</u>	<u>318</u>
Total General Government	<u>\$ 11,107,815</u>	<u>\$ 11,420,117</u>	<u>\$ 10,532,098</u>	<u>\$ 888,019</u>

(continued)

**ELLIS COUNTY, TEXAS**

**GENERAL FUND**

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

**(Continued)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
<b>JUDICIAL</b>				
40th Judicial District Judge:				
Salaries	\$ 98,836	\$ 98,851	\$ 98,851	\$ -
Benefits	39,853	39,853	38,982	871
Supplies	6,500	7,445	7,445	-
Capital outlay	3,500	3,485	3,009	476
Other	16,450	15,505	11,099	4,406
Total 40th Judicial District Judge	165,139	165,139	159,386	5,753
378th Judicial District Judge:				
Salaries	36,591	36,591	36,591	-
Benefits	21,160	21,160	21,101	59
Supplies	6,000	5,500	484	5,016
Capital outlay	3,000	3,000	243	2,757
Other	13,400	13,900	7,587	6,313
Total 378th Judicial District Judge	80,151	80,151	66,006	14,145
District Clerk:				
Salaries	413,161	413,161	412,556	605
Benefits	161,328	161,328	158,202	3,126
Supplies	17,500	17,500	15,798	1,702
Capital outlay	3,500	3,500	2,318	1,182
Other	111,000	111,000	100,476	10,524
Total District Clerk	706,489	706,489	689,350	17,139
County Court-at-Law:				
Salaries	227,796	227,796	227,796	-
Benefits	62,525	62,592	62,592	-
Capital outlay	1,000	933	644	289
Other	22,200	22,200	22,176	24
Total County Court-at-Law	313,521	313,521	313,208	313
County Court-at-Law #2:				
Salaries	227,796	227,796	227,796	-
Benefits	62,242	62,242	61,949	293
Other	14,112	15,134	12,943	2,191
Utilities	-	676	676	-
Supplies	5,000	4,002	3,669	333
Capital outlay	900	200	144	56
Total County Court-at-Law #2	\$ 310,050	\$ 310,050	\$ 307,177	\$ 2,873

**(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, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
<b>JUDICIAL (Continued)</b>				
Justice of the Peace #1:				
Salaries	\$ 152,254	\$ 152,254	\$ 152,254	\$ -
Benefits	55,916	55,706	55,706	-
Capital outlay	500	100	-	100
Other	18,450	19,060	19,060	-
Total Justice of the Peace #1	<u>227,120</u>	<u>227,120</u>	<u>227,020</u>	<u>100</u>
Justice of the Peace #2:				
Salaries	209,140	209,140	209,030	110
Benefits	80,516	79,975	79,776	199
Capital outlay	2,250	4,300	4,300	-
Other	18,510	17,001	17,001	-
Total Justice of the Peace #2	<u>310,416</u>	<u>310,416</u>	<u>310,107</u>	<u>309</u>
Justice of the Peace #3:				
Salaries	146,565	146,565	144,699	1,866
Benefits	49,043	49,043	48,169	874
Capital outlay	800	925	925	-
Other	9,750	9,625	8,688	937
Total Justice of the Peace #3	<u>206,158</u>	<u>206,158</u>	<u>202,481</u>	<u>3,677</u>
Justice of the Peace #4:				
Salaries	152,254	152,254	152,254	-
Benefits	55,563	54,806	54,806	-
Capital outlay	3,000	3,143	3,143	-
Other	19,460	20,526	20,526	-
Total Justice of the Peace #4	<u>230,277</u>	<u>230,729</u>	<u>230,729</u>	<u>-</u>
Court Reporter:				
Other	80,000	80,000	76,161	3,839
Total Court Reporter	<u>80,000</u>	<u>80,000</u>	<u>76,161</u>	<u>3,839</u>
County and District Attorney:				
Salaries	1,801,445	1,801,445	1,781,043	20,402
Benefits	610,467	610,467	608,052	2,415
Supplies	16,500	16,000	14,260	1,740
Capital outlay	3,115	9,515	5,210	4,305
Other	98,925	94,025	79,736	14,289
Total County and District Attorney	<u>2,530,452</u>	<u>2,531,452</u>	<u>2,488,301</u>	<u>43,151</u>
Total Judicial	<u>\$ 5,159,773</u>	<u>\$ 5,161,225</u>	<u>\$ 5,069,926</u>	<u>\$ 91,299</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, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
<b>PUBLIC SAFETY</b>				
Sheriff:				
Salaries	\$ 5,113,255	\$ 4,843,760	\$ 4,800,034	\$ 43,726
Benefits	1,643,525	1,608,355	1,579,903	28,452
Supplies	40,000	25,000	22,290	2,710
Capital outlay	22,350	57,920	57,920	-
Other	468,450	372,974	372,974	-
Utilities	8,000	107,857	107,857	-
Automobile Purchases/Expenses	371,600	533,130	496,026	37,104
Total Sheriff	<u>7,667,180</u>	<u>7,548,996</u>	<u>7,437,004</u>	<u>111,992</u>
Highway Patrol:				
Salaries	34,880	34,880	34,880	-
Benefits	14,776	14,776	14,698	78
Total Highway Patrol	<u>49,656</u>	<u>49,656</u>	<u>49,578</u>	<u>78</u>
Fire Marshall:				
Salaries	101,915	108,143	78,996	29,147
Benefits	32,401	33,535	28,174	5,361
Automobile	7,430	10,057	9,746	311
Capital outlay	14,922	6,561	5,641	920
Other	66,550	72,284	72,284	-
Total Fire Marshall	<u>223,218</u>	<u>230,580</u>	<u>194,841</u>	<u>35,739</u>
Constable #1:				
Salaries	98,468	98,468	98,468	-
Benefits	31,963	31,963	30,891	1,072
Other	5,560	8,273	4,907	3,366
Automobile	9,075	10,539	10,539	-
Total Constable #1	<u>145,066</u>	<u>149,243</u>	<u>144,805</u>	<u>4,438</u>
Constable #2:				
Salaries	141,600	228,762	228,462	300
Benefits	46,953	46,953	46,316	637
Capital outlay	1,800	13,100	12,263	837
Other	9,220	8,337	8,337	-
Automobile	23,944	14,795	13,548	1,247
Total Constable #2	<u>\$ 223,517</u>	<u>\$ 311,947</u>	<u>\$ 308,926</u>	<u>\$ 3,021</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, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
<b>PUBLIC SAFETY (Continued)</b>				
Constable #3:				
Salaries	\$ 98,468	\$ 98,468	\$ 98,043	\$ 425
Benefits	31,963	31,963	31,689	274
Capital outlay	700	1,150	1,149	1
Other	4,960	7,257	5,799	1,458
Automobile	7,400	7,761	4,906	2,855
Total Constable #3	<u>143,491</u>	<u>146,599</u>	<u>141,586</u>	<u>5,013</u>
Constable #4:				
Salaries	98,468	97,741	97,268	473
Benefits	31,610	31,610	31,324	286
Capital outlay	5,300	6,400	5,615	785
Other	6,510	10,896	10,896	-
Automobile	13,515	11,431	11,431	-
Total Constable #4	<u>155,403</u>	<u>158,078</u>	<u>156,534</u>	<u>1,544</u>
Jail				
Salaries	4,777,532	4,200,027	4,139,436	60,591
Benefits	1,764,124	1,713,908	1,633,586	80,322
Utilities	460,000	510,216	510,216	-
Repairs	164,500	224,883	185,994	38,889
Supplies	1,922,380	1,843,141	1,843,141	-
Capital outlay	19,832	774,093	155,983	618,110
Other	215,860	145,360	128,622	16,738
Total Jail	<u>9,324,228</u>	<u>9,411,628</u>	<u>8,596,978</u>	<u>814,650</u>
Total Public Safety	<u>\$ 17,931,759</u>	<u>\$ 18,006,727</u>	<u>\$ 17,030,252</u>	<u>\$ 976,475</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, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
<b>HEALTH AND WELFARE</b>				
Mental Health/Juvenile Expense:				
Other	\$ 7,000	\$ 7,925	\$ 7,925	\$ -
Total Mental Health/Juvenile Expenses	<u>7,000</u>	<u>7,925</u>	<u>7,925</u>	<u>-</u>
Indigent Legal:				
Other	19,500	19,500	17,350	2,150
Legal and professional fees	<u>1,331,000</u>	<u>1,331,000</u>	<u>1,240,691</u>	<u>90,309</u>
Total Pauper	<u>1,350,500</u>	<u>1,350,500</u>	<u>1,258,041</u>	<u>92,459</u>
Total Health and Welfare	<u>1,357,500</u>	<u>1,358,425</u>	<u>1,265,966</u>	<u>92,459</u>
<b>CONSERVATION</b>				
Agricultural Extension Service:				
Salaries	125,362	125,369	125,369	-
Benefits	49,560	47,273	40,350	6,923
Supplies	5,130	5,918	5,918	-
Capital outlay	1,860	1,050	1,050	-
Other	14,000	14,310	13,399	911
Auto	2,600	2,600	1,770	830
Telephone	-	1,992	1,992	-
Total Agricultural Extension Service	<u>198,512</u>	<u>198,512</u>	<u>189,848</u>	<u>8,664</u>
Total Conservation	<u>198,512</u>	<u>198,512</u>	<u>189,848</u>	<u>8,664</u>
Total Expenditures	<u>35,755,359</u>	<u>36,145,006</u>	<u>34,088,090</u>	<u>2,056,916</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 61,000)</u>	<u>( 291,444)</u>	<u>1,089,861</u>	<u>1,381,305</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	( 80,000)	( 80,000)	-
Transfers in	<u>61,000</u>	<u>61,000</u>	<u>61,000</u>	<u>-</u>
Total other financing sources (uses)	<u>61,000</u>	<u>( 19,000)</u>	<u>( 19,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	( 310,444)	1,070,861	1,381,305
<b>FUND BALANCES, BEGINNING</b>	<u>8,208,008</u>	<u>8,208,008</u>	<u>8,208,008</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 8,208,008</u>	<u>\$ 7,897,564</u>	<u>\$ 9,278,869</u>	<u>\$ 1,381,305</u>

(continued)

**ELLIS COUNTY, TEXAS**

**SCHEDULE OF FUNDING PROGRESS FOR EMPLOYEE RETIREMENT SYSTEM**

**SEPTEMBER 30, 2012**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/09	\$ 38,447,887	\$ 45,950,079	\$ 7,502,192	83.67%	\$ 22,365,837	33.54%
12/31/10	41,140,125	49,490,094	8,349,969	83.13%	21,687,321	38.50%
12/31/11	44,744,136	53,683,828	8,939,692	83.35%	21,363,068	41.85%

**ELLIS COUNTY, TEXAS**

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS**

**SEPTEMBER 30, 2012**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/08	\$ -	\$ 5,811,749	\$ 5,811,749	- %	\$ 22,365,837	25.98%
12/31/10	-	6,179,551	6,179,551	- %	21,363,068	28.93%

## ELLIS COUNTY, TEXAS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2012

#### BUDGET INFORMATION

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

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

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

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

## **SPECIAL REVENUE FUNDS**

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

### **ROAD AND BRIDGE FUNDS**

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

### **FARM TO MARKET FUNDS**

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

### **LATERAL ROADS**

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

### **DISTRICT CLERK ARCHIVES**

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

### **JUSTICE COURT TECHNOLOGY FUND**

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

### **COUNTY AND DISTRICT COURT TECHNOLOGY FUND**

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

### **DISTRICT COURT RECORDS TECHNOLOGY FUND**

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

### **JURY FUND**

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

### **LAW LIBRARY FUND**

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

### **DISTRICT ATTORNEY HOT CHECK**

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

### **DISTRICT ATTORNEY SEIZURE FUND**

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

# **SPECIAL REVENUE FUNDS**

(Continued)

## **DISTRICT ATTORNEY FORFEITURE FUND**

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

## **SHERIFF SEIZURE FUND**

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

## **SHERIFF DRUG FORFEITURE FUND**

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

## **EMISSIONS ENFORCEMENT**

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

## **CONSTABLE FORFEITURE FUND**

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

## **RECORDS MANAGEMENT FUND**

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

## **GENERAL RECORDS MANAGEMENT PRESERVATION FUND**

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

## **COURTHOUSE SECURITY FUND**

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

## **SHERIFF FEDERAL FORFEITURE**

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

## **COURT RECORDS PRESERVATION**

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

## **COUNTY CLERK ARCHIVES MANAGEMENT**

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

## **LAW ENFORCEMENT BLOCK FUND**

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

## **CONSTABLE SEIZURE**

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

## **ELECTIONS ADMINISTRATION**

This fund is used to account for revenues and expenses related to Elections Administration activities.

## **DEBT SERVICE FUNDS**

### **DEBT SERVICE FUND**

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

### **2007 DEBT SERVICE FUND**

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

## **CAPITAL PROJECTS FUNDS**

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

### **RIGHT-OF-WAY AVAILABLE FUND**

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

### **ROAD DISTRICT #1 AVAILABLE FUND**

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

### **ROAD DISTRICT #5 AVAILABLE FUND**

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

### **ROAD DISTRICT #16 AVAILABLE FUND**

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

**ELLIS COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

	Special Revenue				
	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Farm to Market #1
<b>ASSETS</b>					
Cash and investments	\$ 228,036	\$ 401,404	\$ 599,231	\$ 428,318	\$ 355,373
Taxes receivable	12,377	9,877	16,554	8,016	19,717
Other receivables	-	-	-	-	-
Total assets	<u>\$ 240,413</u>	<u>\$ 411,281</u>	<u>\$ 615,785</u>	<u>\$ 436,334</u>	<u>\$ 375,090</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 21,562	\$ 22,244	\$ 44,300	\$ 114,308	\$ 138,022
Accrued liabilities	26,000	26,224	25,634	21,224	-
Deferred revenue	11,254	8,981	15,053	7,289	18,047
Total liabilities	<u>\$ 58,816</u>	<u>\$ 57,449</u>	<u>\$ 84,987</u>	<u>\$ 142,821</u>	<u>\$ 156,069</u>
<b>FUND BALANCES</b>					
Restricted for:					
Road and bridge	181,597	353,832	530,798	293,513	219,021
Public safety	-	-	-	-	-
Technology and security	-	-	-	-	-
Records management	-	-	-	-	-
Other statutorily restricted funds	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned for:					
Capital expenditures	-	-	-	-	-
Capital projects	-	-	-	-	-
Total fund balances	<u>181,597</u>	<u>353,832</u>	<u>530,798</u>	<u>293,513</u>	<u>219,021</u>
Total liabilities and fund balances	<u>\$ 240,413</u>	<u>\$ 411,281</u>	<u>\$ 615,785</u>	<u>\$ 436,334</u>	<u>\$ 375,090</u>

Special Revenue

Farm to Market #2	Farm to Market #3	Farm to Market #4	Lateral Road	District Clerk Archives	Justice Court Technology Fund	County & District Court Technology	District Court Records Technology	Jury
\$ 367,309	\$ 481,110	\$ 310,338	\$ 38	\$ 60,271	\$ 9,601	\$ 6,522	\$ 28,230	\$ 38,389
19,717	19,717	19,717	-	-	-	-	-	1,822
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 387,026</u>	<u>\$ 500,827</u>	<u>\$ 330,055</u>	<u>\$ 38</u>	<u>\$ 60,271</u>	<u>\$ 9,601</u>	<u>\$ 6,522</u>	<u>\$ 28,230</u>	<u>\$ 40,211</u>
\$ 63,760	\$ 105,137	\$ 20,897	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,201
-	-	-	-	-	-	-	-	-
18,047	18,047	18,047	-	-	-	-	-	1,657
<u>81,807</u>	<u>123,184</u>	<u>38,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,858</u>
305,219	377,643	291,111	38	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	9,601	6,522	28,230	-
-	-	-	-	60,271	-	-	-	-
-	-	-	-	-	-	-	-	34,353
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>305,219</u>	<u>377,643</u>	<u>291,111</u>	<u>38</u>	<u>60,271</u>	<u>9,601</u>	<u>6,522</u>	<u>28,230</u>	<u>34,353</u>
<u>\$ 387,026</u>	<u>\$ 500,827</u>	<u>\$ 330,055</u>	<u>\$ 38</u>	<u>\$ 60,271</u>	<u>\$ 9,601</u>	<u>\$ 6,522</u>	<u>\$ 28,230</u>	<u>\$ 40,211</u>

(continued)

**ELLIS COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**SEPTEMBER 30, 2012**

	Special Revenue				
	Law Library	District Attorney Hot Check	District Attorney Seizure	District Attorney Forfeiture	Sheriff Seizure
<b>ASSETS</b>					
Cash and investments	\$ 129,638	\$ 303,587	\$ 126,372	\$ 344,887	\$ 335,475
Taxes receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
Total assets	<u>\$ 129,638</u>	<u>\$ 303,587</u>	<u>\$ 126,372</u>	<u>\$ 344,887</u>	<u>\$ 335,475</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 5,219	\$ 178	\$ 5,484	\$ 1,731	\$ -
Accrued liabilities	1,693	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>6,912</u>	<u>178</u>	<u>5,484</u>	<u>1,731</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted for:					
Road and bridge	-	-	-	-	-
Public safety	-	303,409	120,888	343,156	335,475
Technology and security	-	-	-	-	-
Records management	122,726	-	-	-	-
Other statutorily restricted funds	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned for:					
Capital expenditures	-	-	-	-	-
Capital projects	-	-	-	-	-
Total fund balances	<u>122,726</u>	<u>303,409</u>	<u>120,888</u>	<u>343,156</u>	<u>335,475</u>
Total liabilities and fund balances	<u>\$ 129,638</u>	<u>\$ 303,587</u>	<u>\$ 126,372</u>	<u>\$ 344,887</u>	<u>\$ 335,475</u>

Special Revenue

Sheriff Drug Forfeiture	Emissions Enforcement	Constable Precinct #1 Forfeiture	Constable Precinct #2 Forfeiture	Constable Precinct #4 Forfeiture	Records Management	General Record Management Preservation	Courthouse Security	Sheriff Federal Forfeiture
\$ 96,742	\$ 9	\$ 181	\$ 15,916	\$ 1,287	\$ 2,575	\$ 182,893	\$ 15,418	\$ 523,728
-	-	-	-	-	-	-	-	-
<u>\$ 96,742</u>	<u>\$ 9</u>	<u>\$ 181</u>	<u>\$ 15,916</u>	<u>\$ 1,287</u>	<u>\$ 2,575</u>	<u>\$ 182,893</u>	<u>\$ 15,418</u>	<u>\$ 523,728</u>
\$ 2,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
<u>2,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
60,491	9	181	15,916	1,287	-	-	-	523,728
-	-	-	-	-	-	-	15,418	-
-	-	-	-	-	2,575	182,893	-	-
-	-	-	-	-	-	-	-	-
33,827	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>94,318</u>	<u>9</u>	<u>181</u>	<u>15,916</u>	<u>1,287</u>	<u>2,575</u>	<u>182,893</u>	<u>15,418</u>	<u>523,728</u>
<u>\$ 96,742</u>	<u>\$ 9</u>	<u>\$ 181</u>	<u>\$ 15,916</u>	<u>\$ 1,287</u>	<u>\$ 2,575</u>	<u>\$ 182,893</u>	<u>\$ 15,418</u>	<u>\$ 523,728</u>

(continued)

**ELLIS COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**SEPTEMBER 30, 2012**

	Special Revenue				
	Court Records Preservation	County Clerk Archives Management	Law Enforcement Block Fund	Constable Precinct #4 Seizure	Elections Administration
<b>ASSETS</b>					
Cash and investments	\$ 22,169	\$ 384,825	\$ 17,697	\$ 1,231	\$ 13,796
Taxes receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
<b>Total assets</b>	<b>\$ 22,169</b>	<b>\$ 384,825</b>	<b>\$ 17,697</b>	<b>\$ 1,231</b>	<b>\$ 13,796</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,734
Accrued liabilities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,734</b>
<b>FUND BALANCES</b>					
Restricted for:					
Road and bridge	-	-	-	-	-
Public safety	-	-	17,697	1,231	-
Technology and security	-	-	-	-	-
Records management	22,169	384,825	-	-	-
Other statutorily restricted funds	-	-	-	-	12,062
Debt service	-	-	-	-	-
Assigned for:					
Capital expenditures	-	-	-	-	-
Capital projects	-	-	-	-	-
<b>Total fund balances</b>	<b>22,169</b>	<b>384,825</b>	<b>17,697</b>	<b>1,231</b>	<b>12,062</b>
<b>Total liabilities and fund balances</b>	<b>\$ 22,169</b>	<b>\$ 384,825</b>	<b>\$ 17,697</b>	<b>\$ 1,231</b>	<b>\$ 13,796</b>

Debt Service		Capital Projects					
Debt Service	2007 Debt Service	Right of Way	2008 Right of Way	Road District #1	Road District #5	Road District #16	Totals
\$ 1,370,015	\$ 1,153,019	\$ 119,507	\$ 78,892	\$ 1,185,686	\$ 66,743	\$ 183,989	\$ 9,990,447
46,354	84,563	-	440	-	-	-	258,871
-	-	-	-	-	-	-	-
<u>\$ 1,416,369</u>	<u>\$ 1,237,582</u>	<u>\$ 119,507</u>	<u>\$ 79,332</u>	<u>\$ 1,185,686</u>	<u>\$ 66,743</u>	<u>\$ 183,989</u>	<u>\$ 10,249,318</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 551,201
-	-	-	-	-	-	-	100,775
42,151	76,893	-	400	-	-	-	235,866
<u>42,151</u>	<u>76,893</u>	<u>-</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>887,842</u>
-	-	-	-	-	-	-	2,552,772
-	-	-	-	-	-	-	1,723,468
-	-	-	-	-	-	-	59,771
-	-	-	-	-	-	-	775,459
-	-	-	-	-	-	-	46,415
1,374,218	1,160,689	-	-	-	-	-	2,534,907
-	-	-	-	-	-	-	33,827
-	-	119,507	78,932	1,185,686	66,743	183,989	1,634,857
<u>1,374,218</u>	<u>1,160,689</u>	<u>119,507</u>	<u>78,932</u>	<u>1,185,686</u>	<u>66,743</u>	<u>183,989</u>	<u>9,361,476</u>
<u>\$ 1,416,369</u>	<u>\$ 1,237,582</u>	<u>\$ 119,507</u>	<u>\$ 79,332</u>	<u>\$ 1,185,686</u>	<u>\$ 66,743</u>	<u>\$ 183,989</u>	<u>\$ 10,249,318</u>

**ELLIS COUNTY, TEXAS**

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

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Special Revenue				
	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Farm to Market #1
<b>REVENUES</b>					
Taxes	\$ 548,149	\$ 439,402	\$ 734,276	\$ 355,487	\$ 812,481
Intergovernmental	-	-	-	-	-
Auto registration	526,739	526,739	526,737	526,737	-
Fees of office	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest earnings	961	880	843	1,081	738
Other	41,583	3,381	75,097	338,098	102,217
Total revenues	<u>1,117,432</u>	<u>970,402</u>	<u>1,336,953</u>	<u>1,221,403</u>	<u>915,436</u>
<b>EXPENDITURES</b>					
General government	-	-	-	-	-
Judicial	-	-	-	-	-
Public safety	-	-	-	-	-
Roads and highways	1,373,943	916,386	1,142,534	1,309,958	1,108,376
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>1,373,943</u>	<u>916,386</u>	<u>1,142,534</u>	<u>1,309,958</u>	<u>1,108,376</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 256,511)</u>	<u>54,016</u>	<u>194,419</u>	<u>( 88,555)</u>	<u>( 192,940)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds issued	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 256,511)</u>	<u>54,016</u>	<u>194,419</u>	<u>( 88,555)</u>	<u>( 192,940)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>438,108</u>	<u>299,816</u>	<u>336,379</u>	<u>382,068</u>	<u>411,961</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 181,597</u>	<u>\$ 353,832</u>	<u>\$ 530,798</u>	<u>\$ 293,513</u>	<u>\$ 219,021</u>

Special Revenue

Farm to Market #2	Farm to Market #3	Farm to Market #4	Lateral Road	District Clerk Archives	Justice Court Technology Fund	County & District Court Technology	District Court Records Technology	Jury
\$ 812,481	\$ 812,481	\$ 812,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,029
-	-	-	61,047	-	-	-	-	41,748
-	-	-	-	-	-	-	-	-
-	-	-	-	11,630	21,840	3,018	11,060	-
-	-	-	-	-	-	-	-	-
827	685	934	6	-	-	-	-	49
<u>1,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,356</u>
<u>814,339</u>	<u>813,166</u>	<u>813,415</u>	<u>61,053</u>	<u>11,630</u>	<u>21,840</u>	<u>3,018</u>	<u>11,060</u>	<u>128,182</u>
-	-	-	-	-	24,285	-	-	-
-	-	-	-	-	-	-	-	105,306
-	-	-	-	-	-	-	-	-
856,249	734,323	845,796	109,028	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>856,249</u>	<u>734,323</u>	<u>845,796</u>	<u>109,028</u>	<u>-</u>	<u>24,285</u>	<u>-</u>	<u>-</u>	<u>105,306</u>
( 41,910)	78,843	( 32,381)	( 47,975)	11,630	( 2,445)	3,018	11,060	22,876
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
( 41,910)	78,843	( 32,381)	( 47,975)	11,630	( 2,445)	3,018	11,060	22,876
<u>347,129</u>	<u>298,800</u>	<u>323,492</u>	<u>48,013</u>	<u>48,641</u>	<u>12,046</u>	<u>3,504</u>	<u>17,170</u>	<u>11,477</u>
<u>\$ 305,219</u>	<u>\$ 377,643</u>	<u>\$ 291,111</u>	<u>\$ 38</u>	<u>\$ 60,271</u>	<u>\$ 9,601</u>	<u>\$ 6,522</u>	<u>\$ 28,230</u>	<u>\$ 34,353</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, 2012**

	Special Revenue				
	Law Library	District Attorney Hot Check	District Attorney Seizure	District Attorney Forfeiture	Sheriff Seizure
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Auto registration	-	-	-	-	-
Fees of office	-	28,595	-	-	-
Fines and forfeitures	-	-	144,111	84,104	12,786
Interest earnings	121	550	295	263	269
Other	96,205	5	-	-	-
Total revenues	<u>96,326</u>	<u>29,150</u>	<u>144,406</u>	<u>84,367</u>	<u>13,055</u>
<b>EXPENDITURES</b>					
General government	-	-	-	-	-
Judicial	86,026	4,852	217,902	83,845	-
Public safety	-	-	-	-	1,112
Roads and highways	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>86,026</u>	<u>4,852</u>	<u>217,902</u>	<u>83,845</u>	<u>1,112</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>10,300</u>	<u>24,298</u>	<u>( 73,496)</u>	<u>522</u>	<u>11,943</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds issued	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	10,300	24,298	( 73,496)	522	11,943
<b>FUND BALANCES, BEGINNING</b>	<u>112,426</u>	<u>279,111</u>	<u>194,384</u>	<u>342,634</u>	<u>323,532</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 122,726</u>	<u>\$ 303,409</u>	<u>\$ 120,888</u>	<u>\$ 343,156</u>	<u>\$ 335,475</u>

Special Revenue

Sheriff Drug Forfeiture	Emissions Enforcement	Constable Precinct #1 Forfeiture	Constable Precinct #2 Forfeiture	Constable Precinct #4 Forfeiture	Records Management	General Record Management Preservation	Courthouse Security	Sheriff Federal Forfeiture
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
889	-	-	15,114	-	144,985	39,148	71,864	-
232	9	-	9	1	-	127	81	255,351
-	-	-	-	803	-	19,592	-	-
<u>1,121</u>	<u>9</u>	<u>-</u>	<u>15,123</u>	<u>804</u>	<u>144,985</u>	<u>58,867</u>	<u>71,945</u>	<u>256,415</u>
-	-	-	-	-	142,410	49,949	-	-
-	-	-	-	-	-	-	-	-
33,273	-	-	2,685	-	-	-	-	200,972
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>33,273</u>	<u>-</u>	<u>-</u>	<u>2,685</u>	<u>-</u>	<u>142,410</u>	<u>49,949</u>	<u>-</u>	<u>200,972</u>
( 32,152)	9	-	12,438	804	2,575	8,918	71,945	55,443
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	( 61,000)	-
-	-	-	-	-	-	-	( 61,000)	-
( 32,152)	9	-	12,438	804	2,575	8,918	10,945	55,443
<u>126,470</u>	<u>-</u>	<u>181</u>	<u>3,478</u>	<u>483</u>	<u>-</u>	<u>173,975</u>	<u>4,473</u>	<u>468,285</u>
<u>\$ 94,318</u>	<u>\$ 9</u>	<u>\$ 181</u>	<u>\$ 15,916</u>	<u>\$ 1,287</u>	<u>\$ 2,575</u>	<u>\$ 182,893</u>	<u>\$ 15,418</u>	<u>\$ 523,728</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, 2012**

	Court Records Preservation	County Clerk Archives Management	Law Enforcement Block Fund	Constable Precinct #4 Seizure	Elections Administration
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Auto registration	-	-	-	-	-
Fees of office	9,618	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest earnings	-	250	38	2	-
Other	-	143,770	-	-	-
Total revenues	<u>9,618</u>	<u>144,020</u>	<u>38</u>	<u>2</u>	<u>-</u>
<b>EXPENDITURES</b>					
General government	-	-	-	-	1,734
Judicial	-	-	-	-	-
Public safety	-	-	-	1,004	-
Roads and highways	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,004</u>	<u>1,734</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>9,618</u>	<u>144,020</u>	<u>38</u>	<u>( 1,002)</u>	<u>( 1,734)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds issued	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	9,618	144,020	38	( 1,002)	( 1,734)
<b>FUND BALANCES, BEGINNING</b>	<u>12,551</u>	<u>240,805</u>	<u>17,659</u>	<u>2,233</u>	<u>13,796</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 22,169</u>	<u>\$ 384,825</u>	<u>\$ 17,697</u>	<u>\$ 1,231</u>	<u>\$ 12,062</u>

Debt Service		Capital Projects					Totals
Debt Service	2007 Debt Service	Right of Way	2008 Right of Way	Road District #1	Road District #5	Road District #16	
\$ 2,045,902	\$ 3,732,393	\$ -	\$ 19,595	\$ -	\$ -	\$ -	\$ 11,206,157
-	-	-	-	-	-	-	102,795
-	-	-	-	-	-	-	2,106,952
-	-	-	-	-	-	-	341,758
-	-	-	-	-	-	-	512,355
3,284	5,245	283	-	2,449	158	281	22,015
-	-	-	-	-	-	-	827,138
<u>2,049,186</u>	<u>3,737,638</u>	<u>283</u>	<u>19,595</u>	<u>2,449</u>	<u>158</u>	<u>281</u>	<u>15,119,170</u>
-	-	-	-	-	-	-	218,378
-	-	-	-	-	-	-	497,931
-	-	-	-	-	-	-	239,046
-	-	-	-	-	-	-	8,396,593
1,800,000	1,425,000	-	-	-	-	-	3,225,000
155,473	2,330,588	-	-	-	-	-	2,486,061
<u>1,955,473</u>	<u>3,755,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,063,009</u>
93,713	( 17,950)	283	19,595	2,449	158	281	56,161
5,485,000	-	-	-	-	-	-	5,485,000
( 5,424,834)	-	-	-	-	-	-	( 5,424,834)
-	-	-	-	-	-	-	( 61,000)
<u>60,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 834)</u>
153,879	( 17,950)	283	19,595	2,449	158	281	55,327
<u>1,220,339</u>	<u>1,178,639</u>	<u>119,224</u>	<u>59,337</u>	<u>1,183,237</u>	<u>66,585</u>	<u>183,708</u>	<u>9,306,149</u>
<u>\$ 1,374,218</u>	<u>\$ 1,160,689</u>	<u>\$ 119,507</u>	<u>\$ 78,932</u>	<u>\$ 1,185,686</u>	<u>\$ 66,743</u>	<u>\$ 183,989</u>	<u>\$ 9,361,476</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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Road and bridge taxes	\$ 567,475	\$ 548,149	\$( 19,326)
Auto registration	545,500	526,739	( 18,761)
Interest earnings	500	961	461
Other	<u>38,731</u>	<u>41,583</u>	<u>2,852</u>
Total revenues	<u>1,152,206</u>	<u>1,117,432</u>	<u>( 34,774)</u>
<b>EXPENDITURES</b>			
Roads and highways:			
Salaries	579,020	538,822	40,198
Benefits	229,256	217,308	11,948
Capital outlay	67,136	41,154	25,982
Other	<u>714,902</u>	<u>576,659</u>	<u>138,243</u>
Total expenditures	<u>1,590,314</u>	<u>1,373,943</u>	<u>216,371</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 438,108)	( 256,511)	181,597
<b>FUND BALANCE, BEGINNING</b>	<u>438,108</u>	<u>438,108</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ 181,597</u>	<u>\$ 181,597</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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Road and bridge taxes	\$ 456,352	\$ 439,402	\$( 16,950)
Auto registration	545,000	526,739	( 18,261)
Interest earnings	1,000	880	( 120)
Other	<u>3,376</u>	<u>3,381</u>	<u>5</u>
Total revenues	<u>1,005,728</u>	<u>970,402</u>	<u>( 35,326)</u>
<b>EXPENDITURES</b>			
Roads and highways:			
Salaries	625,000	588,575	36,425
Benefits	223,014	211,012	12,002
Other	90,578	75,645	14,933
Capital outlay	<u>67,136</u>	<u>41,154</u>	<u>25,982</u>
Total expenditures	<u>1,005,728</u>	<u>916,386</u>	<u>89,342</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	54,016	54,016
<b>FUND BALANCE, BEGINNING</b>	<u>299,816</u>	<u>299,816</u>	-
<b>FUND BALANCE, ENDING</b>	<u>\$ 299,816</u>	<u>\$ 353,832</u>	<u>\$ 54,016</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, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Road and bridge taxes	\$ 759,522	\$ 734,276	\$( 25,246)
License and permits	547,000	526,737	( 20,263)
Interest earnings	500	843	343
Other	<u>-</u>	<u>75,097</u>	<u>75,097</u>
Total revenues	<u>1,307,022</u>	<u>1,336,953</u>	<u>29,931</u>
<b>EXPENDITURES</b>			
Roads and highways:			
Salaries	649,433	591,070	58,363
Benefits	257,372	242,581	14,791
Capital outlay	67,136	41,154	25,982
Other	<u>333,081</u>	<u>267,729</u>	<u>65,352</u>
Total expenditures	<u>1,307,022</u>	<u>1,142,534</u>	<u>164,488</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	194,419	194,419
<b>FUND BALANCE, BEGINNING</b>	<u>336,379</u>	<u>336,379</u>	-
<b>FUND BALANCE, ENDING</b>	<u>\$ 336,379</u>	<u>\$ 530,798</u>	<u>\$ 194,419</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, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Road and bridge taxes	\$ 369,449	\$ 355,487	\$( 13,962)
License and permits	545,000	526,737	( 18,263)
Interest earnings	500	1,081	581
Other	<u>336,928</u>	<u>338,098</u>	<u>1,170</u>
Total revenues	<u>1,251,877</u>	<u>1,221,403</u>	<u>( 30,474)</u>
<b>EXPENDITURES</b>			
Roads and highways:			
Salaries	534,549	471,649	62,900
Benefits	189,388	175,273	14,115
Capital outlay	67,136	41,154	25,982
Other	<u>842,872</u>	<u>621,882</u>	<u>220,990</u>
Total expenditures	<u>1,633,945</u>	<u>1,309,958</u>	<u>323,987</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 382,068)	( 88,555)	293,513
<b>FUND BALANCE, BEGINNING</b>	<u>382,068</u>	<u>382,068</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ 293,513</u>	<u>\$ 293,513</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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Farm to market taxes	\$ 831,340	\$ 812,481	\$( 18,859)
Interest earnings	350	738	388
Other	<u>-</u>	<u>102,217</u>	<u>102,217</u>
Total revenues	<u>831,690</u>	<u>915,436</u>	<u>83,746</u>
<b>EXPENDITURES</b>			
Roads and highways:			
Capital outlay	279,988	278,169	1,819
Other	166,209	93,620	72,589
Road repairs and materials	767,454	710,235	57,219
Bridge repairs	<u>30,000</u>	<u>26,352</u>	<u>3,648</u>
Total roads and highways	<u>1,243,651</u>	<u>1,108,376</u>	<u>135,275</u>
Total expenditures	<u>1,243,651</u>	<u>1,108,376</u>	<u>135,275</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>( 411,961)</b>	<b>( 192,940)</b>	<b>219,021</b>
<b>FUND BALANCE, BEGINNING</b>	<u>411,961</u>	<u>411,961</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ 219,021</u>	<u>\$ 219,021</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, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Farm to market taxes	\$ 831,340	\$ 812,481	\$( 18,859)
Interest earnings	1,000	827	( 173)
Other	<u>1,031</u>	<u>1,031</u>	<u>-</u>
Total revenues	<u>833,371</u>	<u>814,339</u>	<u>( 19,032)</u>
<b>EXPENDITURES</b>			
Roads and highways:			
Capital outlay	45,874	-	45,874
Other	79,236	58,133	21,103
Road repairs and materials	830,027	798,116	31,911
Bridge repairs	<u>53,234</u>	<u>-</u>	<u>53,234</u>
Total expenditures	<u>1,008,371</u>	<u>856,249</u>	<u>152,122</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 175,000)	( 41,910)	133,090
<b>FUND BALANCE, BEGINNING</b>	<u>347,129</u>	<u>347,129</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 172,129</u>	<u>\$ 305,219</u>	<u>\$ 133,090</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, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Farm to market taxes	\$ 831,340	\$ 812,481	\$( 18,859)
Interest earnings	300	685	385
Total revenues	<u>831,640</u>	<u>813,166</u>	<u>( 18,474)</u>
<b>EXPENDITURES</b>			
Roads and highways:			
Other	65,865	52,045	13,820
Road repairs and materials	738,000	658,828	79,172
Bridge repairs	27,775	23,450	4,325
Total roads and highways	<u>831,640</u>	<u>734,323</u>	<u>97,317</u>
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>831,640</u>	<u>734,323</u>	<u>97,317</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	78,843	78,843
<b>FUND BALANCE, BEGINNING</b>	<u>298,800</u>	<u>298,800</u>	-
<b>FUND BALANCE, ENDING</b>	<u>\$ 298,800</u>	<u>\$ 377,643</u>	<u>\$ 78,843</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, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Farm to market taxes	\$ 831,340	\$ 812,481	\$( 18,859)
Interest earnings	600	934	334
Total revenues	<u>831,940</u>	<u>813,415</u>	<u>( 18,525)</u>
<b>EXPENDITURES</b>			
Roads and highways:			
Capital outlay	239,534	58,178	181,356
Other	212,298	204,543	7,755
Road repairs and materials	658,600	583,075	75,525
Bridge repairs	45,000	-	45,000
Total expenditures	<u>1,155,432</u>	<u>845,796</u>	<u>309,636</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>( 323,492)</b>	<b>( 32,381)</b>	<b>291,111</b>
<b>FUND BALANCE, BEGINNING</b>	<u>323,492</u>	<u>323,492</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ 291,111</u>	<u>\$ 291,111</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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ 61,047	\$ 61,047	\$ -
Interest earnings	<u>4</u>	<u>6</u>	<u>( 2)</u>
Total revenues	<u>61,051</u>	<u>61,053</u>	<u>2</u>
<b>EXPENDITURES</b>			
Roads and highways:			
Other	<u>109,064</u>	<u>109,028</u>	<u>36</u>
Total expenditures	<u>109,064</u>	<u>109,028</u>	<u>36</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 48,013)	( 47,975)	38
<b>FUND BALANCE, BEGINNING</b>	<u>48,013</u>	<u>48,013</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 38</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, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Fees of office	\$ 10,000	\$ 11,630	\$ 1,630
Total revenues	<u>10,000</u>	<u>11,630</u>	<u>1,630</u>
<b>EXPENDITURES</b>			
Judicial:			
Other	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>10,000</u>	<u>-</u>	<u>10,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	11,630	11,630
<b>FUND BALANCE, BEGINNING</b>	<u>48,641</u>	<u>48,641</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 48,641</u>	<u>\$ 60,271</u>	<u>\$ 11,630</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, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Other fees	\$ 24,000	\$ 21,840	\$( 2,160)
Total revenues	<u>24,000</u>	<u>21,840</u>	<u>( 2,160)</u>
<b>EXPENDITURES</b>			
General government:			
Other	<u>24,285</u>	<u>24,285</u>	<u>-</u>
Total expenditures	<u>24,285</u>	<u>24,285</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 285)	( 2,445)	( 2,160)
<b>FUND BALANCE, BEGINNING</b>	<u>12,046</u>	<u>12,046</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 11,761</u>	<u>\$ 9,601</u>	<u>\$( 2,160)</u>

**ELLIS COUNTY, TEXAS**

**COUNTY & DISTRICT COURT TECHNOLOGY FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Other fees	\$ 2,500	\$ 3,018	\$ 518
Total revenues	<u>2,500</u>	<u>3,018</u>	<u>518</u>
<b>EXPENDITURES</b>			
General government:			
Other	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total expenditures	<u>2,500</u>	<u>-</u>	<u>2,500</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	3,018	3,018
<b>FUND BALANCE, BEGINNING</b>	<u>3,504</u>	<u>3,504</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$ 3,504</u></u>	<u><u>\$ 6,522</u></u>	<u><u>\$ 3,018</u></u>

**ELLIS COUNTY, TEXAS**

**DISTRICT COURT RECORDS TECHNOLOGY FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Other fees	\$ 9,000	\$ 11,060	\$ 2,060
Total revenues	<u>9,000</u>	<u>11,060</u>	<u>2,060</u>
<b>EXPENDITURES</b>			
General government:			
Other	<u>9,000</u>	<u>-</u>	<u>9,000</u>
Total expenditures	<u>9,000</u>	<u>-</u>	<u>9,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	11,060	11,060
<b>FUND BALANCE, BEGINNING</b>	<u>17,170</u>	<u>17,170</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 17,170</u>	<u>\$ 28,230</u>	<u>\$ 11,060</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, 2012**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 83,900	\$ 81,029	\$( 2,871)
Intergovernmental	28,800	41,748	12,948
Interest earnings	100	49	( 51)
Other fees	4,000	5,356	1,356
Total revenues	116,800	128,182	11,382
<b>EXPENDITURES</b>			
Judicial:			
Jurors fees	116,800	105,306	11,494
Total expenditures	116,800	105,306	11,494
<b>NET CHANGE IN FUND BALANCE</b>	-	22,876	22,876
<b>FUND BALANCE, BEGINNING</b>	11,477	11,477	-
<b>FUND BALANCE, ENDING</b>	\$ 11,477	\$ 34,353	\$ 22,876

**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, 2012**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Interest earnings	\$ 100	\$ 121	\$ 21
Other fees	92,500	96,062	3,562
Other	-	143	143
Total revenues	92,600	96,326	3,726
<b>EXPENDITURES</b>			
Legal:			
Salaries	20,154	19,345	809
Benefits	7,439	6,844	595
Other	75,655	59,837	15,818
Capital outlay	500	-	500
Total expenditures	103,748	86,026	17,722
<b>NET CHANGE IN FUND BALANCE</b>	( 11,148)	10,300	21,448
<b>FUND BALANCE, BEGINNING</b>	112,426	112,426	-
<b>FUND BALANCE, ENDING</b>	\$ 101,278	\$ 122,726	\$ 21,448

**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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Interest earnings	\$ 300	\$ 550	\$ 250
Other fees	27,700	28,595	895
Miscellaneous	<u>-</u>	<u>5</u>	<u>5</u>
Total revenues	<u>28,000</u>	<u>29,150</u>	<u>1,150</u>
<b>EXPENDITURES</b>			
Legal:			
Salaries	16,284	-	16,284
Other	9,716	4,852	4,864
Capital outlay	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>28,000</u>	<u>4,852</u>	<u>23,148</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	24,298	24,298
<b>FUND BALANCE, BEGINNING</b>	<u>279,111</u>	<u>279,111</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 279,111</u>	<u>\$ 303,409</u>	<u>\$ 24,298</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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Seizures	\$ 27,900	\$ 144,111	\$ 116,211
Interest earnings	<u>100</u>	<u>295</u>	<u>195</u>
Total revenues	<u>28,000</u>	<u>144,406</u>	<u>116,406</u>
 <b>EXPENDITURES</b>			
Legal:			
Release of seized funds	<u>217,902</u>	<u>217,902</u>	<u>-</u>
Total expenditures	<u>217,902</u>	<u>217,902</u>	<u>-</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 ( 189,902)	 ( 73,496)	 116,406
 <b>FUND BALANCE, BEGINNING</b>	 <u>194,384</u>	 <u>194,384</u>	 <u>-</u>
 <b>FUND BALANCE, ENDING</b>	 <u>\$ 4,482</u>	 <u>\$ 120,888</u>	 <u>\$ 116,406</u>

**ELLIS COUNTY, TEXAS**

**DISTRICT ATTORNEY FORFEITURE FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Forfeitures	\$ 10,000	\$ 84,104	\$ 74,104
Interest earnings	<u>500</u>	<u>263</u>	( 237)
Total revenues	<u>10,500</u>	<u>84,367</u>	<u>73,867</u>
 <b>EXPENDITURES</b>			
Legal:			
Benefits	3,000	-	3,000
Capital outlay	10,000	8,558	1,442
Other	<u>108,720</u>	<u>75,287</u>	<u>33,433</u>
Total expenditures	<u>121,720</u>	<u>83,845</u>	<u>37,875</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 ( 111,220)	 522	 111,742
 <b>FUND BALANCE, BEGINNING</b>	 <u>342,634</u>	 <u>342,634</u>	 <u>-</u>
 <b>FUND BALANCE, ENDING</b>	 <u>\$ 231,414</u>	 <u>\$ 343,156</u>	 <u>\$ 111,742</u>

**ELLIS COUNTY, TEXAS**

**SHERIFF SEIZURE FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Seizures	\$ 15,000	\$ 12,786	\$( 2,214)
Interest earnings	<u>500</u>	<u>269</u>	<u>( 231)</u>
Total revenues	<u>15,500</u>	<u>13,055</u>	<u>( 2,445)</u>
<b>EXPENDITURES</b>			
Public safety:			
Forfeited transfers	<u>15,500</u>	<u>1,112</u>	<u>14,388</u>
Total expenditures	<u>15,500</u>	<u>1,112</u>	<u>14,388</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	11,943	11,943
<b>FUND BALANCE, BEGINNING</b>	<u>323,532</u>	<u>323,532</u>	-
<b>FUND BALANCE, ENDING</b>	<u>\$ 323,532</u>	<u>\$ 335,475</u>	<u>\$ 11,943</u>

**ELLIS COUNTY, TEXAS**

**SHERIFF DRUG FORFEITURE FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Forfeitures	\$ 10,000	\$ 889	\$( 9,111)
Interest earnings	<u>200</u>	<u>232</u>	<u>32</u>
Total revenues	<u>10,200</u>	<u>1,121</u>	<u>( 9,079)</u>
<b>EXPENDITURES</b>			
Public safety:			
General	<u>40,200</u>	<u>33,273</u>	<u>6,927</u>
Total expenditures	<u>40,200</u>	<u>33,273</u>	<u>6,927</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 30,000)	( 32,152)	( 2,152)
<b>FUND BALANCE, BEGINNING</b>	<u>126,470</u>	<u>126,470</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 96,470</u>	<u>\$ 94,318</u>	<u>\$( 2,152)</u>

**ELLIS COUNTY, TEXAS**

**EMISSIONS ENFORCEMENT FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Interest earnings	\$ 9	\$ 9	\$ -
Total revenues	<u>9</u>	<u>9</u>	<u>-</u>
<b>EXPENDITURES</b>			
Public safety:			
General	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	9	9	-
<b>FUND BALANCE, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$ 9</u></u>	<u><u>\$ 9</u></u>	<u><u>\$ -</u></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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Other	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Public safety:			
General	<u>180</u>	<u>-</u>	<u>180</u>
Total expenditures	<u>180</u>	<u>-</u>	<u>180</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 180)	-	180
<b>FUND BALANCE, BEGINNING</b>	<u>181</u>	<u>181</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$ 1</u></u>	<u><u>\$ 181</u></u>	<u><u>\$ 180</u></u>

**ELLIS COUNTY, TEXAS**

**CONSTABLE, PRECINCT #2 FORFEITURE FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ 3,168	\$ 15,114	\$ 11,946
Interest earnings	<u>-</u>	<u>9</u>	<u>9</u>
Total revenues	<u>3,168</u>	<u>15,123</u>	<u>11,955</u>
<b>EXPENDITURES</b>			
Public safety:			
General	<u>3,468</u>	<u>2,685</u>	<u>783</u>
Total expenditures	<u>3,468</u>	<u>2,685</u>	<u>783</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 300)	12,438	12,738
<b>FUND BALANCE, BEGINNING</b>	<u>3,478</u>	<u>3,478</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 3,178</u>	<u>\$ 15,916</u>	<u>\$ 12,738</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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Other	\$ -	\$ 803	\$ 803
Interest	-	1	1
Total revenues	<u>-</u>	<u>804</u>	<u>804</u>
<b>EXPENDITURES</b>			
Public safety:			
General	<u>480</u>	<u>-</u>	<u>480</u>
Total expenditures	<u>480</u>	<u>-</u>	<u>480</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 480)	804	1,284
<b>FUND BALANCE, BEGINNING</b>	<u>483</u>	<u>483</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 3</u>	<u>\$ 1,287</u>	<u>\$ 1,284</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, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Records management fees	\$ 144,985	\$ 144,985	\$ -
Total revenues	<u>144,985</u>	<u>144,985</u>	<u>-</u>
<b>EXPENDITURES</b>			
General government:			
Other	<u>144,985</u>	<u>142,410</u>	<u>2,575</u>
Total expenditures	<u>144,985</u>	<u>142,410</u>	<u>2,575</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	2,575	2,575
<b>FUND BALANCE, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$ -</u></u>	<u><u>\$ 2,575</u></u>	<u><u>\$ 2,575</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, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
District Clerk records management fees	\$ 16,000	\$ 19,966	\$ 3,966
County Clerk records management fees	24,000	19,182	( 4,818)
Interest earnings	100	127	27
Other	<u>15,000</u>	<u>19,592</u>	<u>4,592</u>
Total revenues	<u>55,100</u>	<u>58,867</u>	<u>3,767</u>
<b>EXPENDITURES</b>			
General government:			
Capital outlay	25,000	-	25,000
Other	<u>49,949</u>	<u>49,949</u>	<u>-</u>
Total expenditures	<u>74,949</u>	<u>49,949</u>	<u>25,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 19,849)	8,918	28,767
<b>FUND BALANCE, BEGINNING</b>	<u>173,975</u>	<u>173,975</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 154,126</u>	<u>\$ 182,893</u>	<u>\$ 28,767</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, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
District clerk courthouse security fees	\$ 10,000	\$ 11,623	\$ 1,623
County clerk courthouse security fees	35,000	38,542	3,542
JP court courthouse security fees	16,000	21,699	5,699
Interest earnings	<u>-</u>	<u>81</u>	<u>81</u>
Total revenues	<u>61,000</u>	<u>71,945</u>	<u>10,945</u>
<b>EXPENDITURES</b>			
General government:			
Salaries	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>61,000</u>	<u>71,945</u>	<u>10,945</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>( 61,000)</u>	<u>( 61,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>( 61,000)</u>	<u>( 61,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	10,945	10,945
<b>FUND BALANCE, BEGINNING</b>	<u>4,473</u>	<u>4,473</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 4,473</u>	<u>\$ 15,418</u>	<u>\$ 10,945</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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Seizures	\$ 11,038	\$ 255,351	\$ 244,313
Interest earnings	<u>500</u>	<u>1,064</u>	<u>564</u>
Total revenues	<u>11,538</u>	<u>256,415</u>	<u>244,877</u>
 <b>EXPENDITURES</b>			
Public safety:			
Other	<u>250,126</u>	<u>200,972</u>	<u>49,154</u>
Total expenditures	<u>250,126</u>	<u>200,972</u>	<u>49,154</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 ( 238,588)	 55,443	 294,031
 <b>FUND BALANCE, BEGINNING</b>	 <u>468,285</u>	 <u>468,285</u>	 <u>-</u>
 <b>FUND BALANCE, ENDING</b>	 <u>\$ 229,697</u>	 <u>\$ 523,728</u>	 <u>\$ 294,031</u>

**ELLIS COUNTY, TEXAS**

**COURT RECORDS PRESERVATION**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Records management fees	\$ <u>8,000</u>	\$ <u>9,618</u>	\$ <u>1,618</u>
Total revenues	<u>8,000</u>	<u>9,618</u>	<u>1,618</u>
<b>EXPENDITURES</b>			
General government:			
Other	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total expenditures	<u>8,000</u>	<u>-</u>	<u>8,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	9,618	9,618
<b>FUND BALANCE, BEGINNING</b>	<u>12,551</u>	<u>12,551</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u><u>12,551</u></u>	\$ <u><u>22,169</u></u>	\$ <u><u>9,618</u></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, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Interest earnings	\$ 500	\$ 250	\$( 250)
Other	<u>125,000</u>	<u>143,770</u>	<u>18,770</u>
Total revenues	<u>125,500</u>	<u>144,020</u>	<u>18,520</u>
<b>EXPENDITURES</b>			
General government:			
Other	<u>125,500</u>	<u>-</u>	<u>125,500</u>
Total expenditures	<u>125,500</u>	<u>-</u>	<u>125,500</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	144,020	144,020
<b>FUND BALANCE, BEGINNING</b>	<u>240,805</u>	<u>240,805</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 240,805</u>	<u>\$ 384,825</u>	<u>\$ 144,020</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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Interest	\$ -	\$ 38	\$ 38
Total revenues	<u>-</u>	<u>38</u>	<u>38</u>
<b>EXPENDITURES</b>			
Public safety:			
Capital outlay	<u>17,500</u>	<u>-</u>	<u>17,500</u>
Total expenditures	<u>17,500</u>	<u>-</u>	<u>17,500</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 17,500)	38	17,538
<b>FUND BALANCE, BEGINNING</b>	<u>17,659</u>	<u>17,659</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 159</u>	<u>\$ 17,697</u>	<u>\$ 17,538</u>

**ELLIS COUNTY, TEXAS**

**CONSTABLE, PRECINCT #4 SEIZURE FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Interest earnings	\$ -	\$ 2	\$ 2
Total revenues	<u>-</u>	<u>2</u>	<u>2</u>
<b>EXPENDITURES</b>			
Public safety:			
Other	<u>2,200</u>	<u>1,004</u>	<u>1,196</u>
Total expenditures	<u>2,200</u>	<u>1,004</u>	<u>1,196</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 2,200)	( 1,002)	1,198
<b>FUND BALANCE, BEGINNING</b>	<u>2,233</u>	<u>2,233</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 33</u>	<u>\$ 1,231</u>	<u>\$ 1,198</u>

**ELLIS COUNTY, TEXAS**

**ELECTIONS ADMINISTRATION FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Other	\$ 2,000	\$ -	\$( 2,000)
Total revenues	<u>2,000</u>	<u>-</u>	<u>( 2,000)</u>
<b>EXPENDITURES</b>			
Legal:			
Other	<u>2,000</u>	<u>1,734</u>	<u>266</u>
Total expenditures	<u>2,000</u>	<u>1,734</u>	<u>266</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	( 1,734)	( 1,734)
<b>FUND BALANCE, BEGINNING</b>	<u>13,796</u>	<u>13,796</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 13,796</u>	<u>\$ 12,062</u>	<u>\$( 1,734)</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, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 1,903,980	\$ 2,045,902	\$ 141,922
Interest earnings	1,000	3,284	2,284
Total revenues	<u>1,904,980</u>	<u>2,049,186</u>	<u>144,206</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	1,800,000	1,800,000	-
Interest	293,980	110,011	183,969
Other debt service	45,462	45,462	-
Total expenditures	<u>2,139,442</u>	<u>1,955,473</u>	<u>183,969</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>( 234,462)</u>	<u>93,713</u>	<u>328,175</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds issued	-	5,485,000	5,485,000
Payment to escrow agent	-	( 5,424,834)	( 5,424,834)
Total other financing sources (uses)	<u>-</u>	<u>60,166</u>	<u>60,166</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 234,462)</u>	<u>153,879</u>	<u>( 80,583)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>1,220,339</u>	<u>1,220,339</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 985,877</u>	<u>\$ 1,374,218</u>	<u>\$ 388,341</u>

**ELLIS COUNTY, TEXAS**

**2007 DEBT SERVICE FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ 3,465,088	\$ 3,732,393	\$ 267,305
Interest earnings	<u>1,000</u>	<u>5,245</u>	<u>4,245</u>
Total revenues	<u>3,466,088</u>	<u>3,737,638</u>	<u>271,550</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	1,425,000	1,425,000	-
Interest	<u>2,341,088</u>	<u>2,330,588</u>	<u>10,500</u>
Total expenditures	<u>3,766,088</u>	<u>3,755,588</u>	<u>10,500</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>( 300,000)</b>	<b>( 17,950)</b>	<b>( 317,950)</b>
<b>FUND BALANCE, BEGINNING</b>	<u>1,178,639</u>	<u>1,178,639</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 878,639</u>	<u>\$ 1,160,689</u>	<u>\$ 282,050</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, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Interest	\$ <u>300</u>	\$ <u>283</u>	\$ ( <u>17</u> )
Total revenues	<u>300</u>	<u>283</u>	( <u>17</u> )
<b>EXPENDITURES</b>			
Capital outlay:			
Right-of-way purchase	<u>300</u>	<u>-</u>	<u>300</u>
Total expenditures	<u>300</u>	<u>-</u>	<u>300</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	283	283
<b>FUND BALANCE, BEGINNING</b>	<u>119,224</u>	<u>119,224</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 119,224</u>	<u>\$ 119,507</u>	<u>\$ 283</u>

ELLIS COUNTY, TEXAS

CAPITAL PROJECTS FUNDS

RIGHT-OF-WAY 2008 AVAILABLE FUNDS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ <u>20,000</u>	\$ <u>19,595</u>	\$ <u>( 405)</u>
Total revenues	<u>20,000</u>	<u>19,595</u>	<u>( 405)</u>
<b>EXPENDITURES</b>			
Capital outlay:			
Right-of-way purchase	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>20,000</u>	<u>-</u>	<u>20,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	19,595	19,595
<b>FUND BALANCE, BEGINNING</b>	<u>59,337</u>	<u>59,337</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 59,337</u>	<u>\$ 78,932</u>	<u>\$ 19,595</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, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Interest earnings	\$ <u>1,200</u>	\$ <u>2,449</u>	\$ <u>1,249</u>
Total revenues	<u>1,200</u>	<u>2,449</u>	<u>1,249</u>
<b>EXPENDITURES</b>			
Other	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Total expenditures	<u>1,200</u>	<u>-</u>	<u>1,200</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	2,449	2,449
<b>FUND BALANCE, BEGINNING</b>	<u>1,183,237</u>	<u>1,183,237</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>1,183,237</u>	\$ <u>1,185,686</u>	\$ <u>2,449</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, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Interest earnings	\$ <u>200</u>	\$ <u>158</u>	\$ <u>( 42)</u>
Total revenues	<u>200</u>	<u>158</u>	<u>( 42)</u>
<b>EXPENDITURES</b>			
Other	<u>200</u>	<u>-</u>	<u>200</u>
Total expenditures	<u>200</u>	<u>-</u>	<u>200</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	158	158
<b>FUND BALANCE, BEGINNING</b>	<u>66,585</u>	<u>66,585</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u><u>66,585</u></u>	\$ <u><u>66,743</u></u>	\$ <u><u>158</u></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, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Interest earnings	\$ <u>300</u>	\$ <u>281</u>	\$ <u>(19)</u>
Total revenues	<u>300</u>	<u>281</u>	<u>(19)</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>300</u>	<u>-</u>	<u>300</u>
Total expenditures	<u>300</u>	<u>-</u>	<u>300</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	281	281
<b>FUND BALANCE, BEGINNING</b>	<u>183,708</u>	<u>183,708</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u><u>183,708</u></u>	\$ <u><u>183,989</u></u>	\$ <u><u>281</u></u>

**ELLIS COUNTY, TEXAS**

**CAPITAL PROJECTS FUNDS**

**PERMANENT IMPROVEMENT FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Interest earnings	\$ 5,000	\$ 3,166	\$( 1,834)
Other	<u>-</u>	<u>40,000</u>	<u>40,000</u>
Total revenues	<u>5,000</u>	<u>43,166</u>	<u>38,166</u>
<b>EXPENDITURES</b>			
General Government:			
Other	1,505,000	221,552	1,283,448
Capital outlay	<u>500,000</u>	<u>441,873</u>	<u>58,127</u>
Total expenditures	<u>2,005,000</u>	<u>663,425</u>	<u>1,341,575</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>( 2,000,000)</u>	<u>( 620,259)</u>	<u>1,379,741</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Total other financing sources (uses)	<u>-</u>	<u>80,000</u>	<u>80,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 2,000,000)</u>	<u>( 540,259)</u>	<u>1,459,741</u>
<b>FUND BALANCE, BEGINNING</b>	<u>3,112,478</u>	<u>3,112,478</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,112,478</u>	<u>\$ 2,572,219</u>	<u>\$ 1,459,741</u>

# **AGENCY FUNDS**

## AGENCY FUNDS

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

### **COUNTY TREASURER**

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

### **TAX COLLECTOR**

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

### **COUNTY ATTORNEY**

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

### **SHERIFF COMMISSARY**

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

### **DISTRICT CLERK**

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

### **COUNTY CLERK**

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

### **JUSTICE OF THE PEACE**

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

### **JUVENILE PROBATION CORRECTION**

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

### **ADULT COMMUNITY SUPPERVISION**

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

**ELLIS COUNTY, TEXAS**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Balance September 30, 2011	Additions	Deductions	Balance September 30, 2012
<b><u>COUNTY TREASURER</u></b>				
Assets:				
Cash and investments	\$ 218,251	\$ 4,228,657	\$ 4,299,222	\$ 147,686
Total assets	<u>\$ 218,251</u>	<u>\$ 4,228,657</u>	<u>\$ 4,299,222</u>	<u>\$ 147,686</u>
Liabilities:				
Due to beneficiaries	\$ 218,251	\$ 4,228,657	\$ 4,299,222	\$ 147,686
Total liabilities	<u>\$ 218,251</u>	<u>\$ 4,228,657</u>	<u>\$ 4,299,222</u>	<u>\$ 147,686</u>
<b><u>TAX COLLECTOR</u></b>				
Assets:				
Cash	\$ 2,012,447	\$ 223,910,064	\$ 223,873,361	\$ 2,049,150
Total assets	<u>\$ 2,012,447</u>	<u>\$ 223,910,064</u>	<u>\$ 223,873,361</u>	<u>\$ 2,049,150</u>
Liabilities:				
Due to other governments	\$ 1,996,495	\$ 223,894,112	\$ 223,857,409	\$ 2,033,198
Due to beneficiaries	15,952	15,952	15,952	15,952
Total liabilities	<u>\$ 2,012,447</u>	<u>\$ 223,910,064</u>	<u>\$ 223,873,361</u>	<u>\$ 2,049,150</u>
<b><u>COUNTY ATTORNEY</u></b>				
Assets:				
Cash	\$ 102,382	\$ 595,381	\$ 606,753	\$ 91,010
Total assets	<u>\$ 102,382</u>	<u>\$ 595,381</u>	<u>\$ 606,753</u>	<u>\$ 91,010</u>
Liabilities:				
Due to beneficiaries	\$ 102,382	\$ 595,381	\$ 606,753	\$ 91,010
Total liabilities	<u>\$ 102,382</u>	<u>\$ 595,381</u>	<u>\$ 606,753</u>	<u>\$ 91,010</u>

**ELLIS COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
(Continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Balance September 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2012</u>
<b><u>SHERIFF</u></b>				
Assets:				
Cash	\$ 52,415	\$ 1,679,239	\$ 1,649,093	\$ 82,561
Total assets	<u>\$ 52,415</u>	<u>\$ 1,679,239</u>	<u>\$ 1,649,093</u>	<u>\$ 82,561</u>
Liabilities:				
Due to beneficiaries	\$ 52,415	\$ 1,679,239	\$ 1,649,093	\$ 82,561
Total liabilities	<u>\$ 52,415</u>	<u>\$ 1,679,239</u>	<u>\$ 1,649,093</u>	<u>\$ 82,561</u>
<b><u>DISTRICT CLERK</u></b>				
Assets:				
Cash	\$ 1,947,336	\$ 1,118,121	\$ 542,740	\$ 2,522,717
Total assets	<u>\$ 1,947,336</u>	<u>\$ 1,118,121</u>	<u>\$ 542,740</u>	<u>\$ 2,522,717</u>
Liabilities:				
Due to beneficiaries	\$ 1,947,336	\$ 1,118,121	\$ 542,740	\$ 2,522,717
Total liabilities	<u>\$ 1,947,336</u>	<u>\$ 1,118,121</u>	<u>\$ 542,740</u>	<u>\$ 2,522,717</u>
<b><u>COUNTY CLERK</u></b>				
Assets:				
Cash	\$ 2,247,463	\$ 3,182,849	\$ 1,904,329	\$ 3,525,983
Total assets	<u>\$ 2,247,463</u>	<u>\$ 3,182,849</u>	<u>\$ 1,904,329</u>	<u>\$ 3,525,983</u>
Liabilities:				
Due to beneficiaries	\$ 2,247,463	\$ 3,182,849	\$ 1,904,329	\$ 3,525,983
Total liabilities	<u>\$ 2,247,463</u>	<u>\$ 3,182,849</u>	<u>\$ 1,904,329</u>	<u>\$ 3,525,983</u>

**ELLIS COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**(Continued)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Balance September 30, 2011	Additions	Deductions	Balance September 30, 2012
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>JUSTICE OF THE PEACE</u></b>				
Assets:				
Cash	\$ 100,797	\$ 370,127	\$ 405,310	\$ 65,614
Total assets	<u>\$ 100,797</u>	<u>\$ 370,127</u>	<u>\$ 405,310</u>	<u>\$ 65,614</u>
Liabilities:				
Due to other governments	\$ 100,797	\$ 370,127	\$ 405,310	\$ 65,614
Total liabilities	<u>\$ 100,797</u>	<u>\$ 370,127</u>	<u>\$ 405,310</u>	<u>\$ 65,614</u>
<b><u>JUVENILE PROBATION AND CORRECTIONS</u></b>				
Assets:				
Cash and investments	\$ 823,146	\$ 966,434	\$ 1,345,965	\$ 443,615
Total assets	<u>\$ 823,146</u>	<u>\$ 966,434</u>	<u>\$ 1,345,965</u>	<u>\$ 443,615</u>
Liabilities:				
Due to beneficiaries	\$ 823,146	\$ 966,434	\$ 1,345,965	\$ 443,615
Total liabilities	<u>\$ 823,146</u>	<u>\$ 966,434</u>	<u>\$ 1,345,965</u>	<u>\$ 443,615</u>
<b><u>ADULT COMMUNITY SUPERVISION AND CORRECTIONS</u></b>				
Assets:				
Cash and investments	\$ 615,414	\$ 1,757,550	\$ 1,679,851	\$ 693,113
Total assets	<u>\$ 615,414</u>	<u>\$ 1,757,550</u>	<u>\$ 1,679,851</u>	<u>\$ 693,113</u>
Liabilities:				
Due to beneficiaries	\$ 615,414	\$ 1,757,550	\$ 1,679,851	\$ 693,113
Total liabilities	<u>\$ 615,414</u>	<u>\$ 1,757,550</u>	<u>\$ 1,679,851</u>	<u>\$ 693,113</u>

**ELLIS COUNTY, TEXAS**

**AGENCY FUNDS**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Balance September 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2012</u>
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
Assets:				
Cash and investments	\$ 8,119,651	\$ 237,808,422	\$ 236,306,624	\$ 9,621,449
Total assets	<u>\$ 8,119,651</u>	<u>\$ 237,808,422</u>	<u>\$ 236,306,624</u>	<u>\$ 9,621,449</u>
Liabilities:				
Due to other governments	\$ 2,097,292	\$ 224,264,239	\$ 224,262,719	\$ 2,098,812
Due to beneficiaries	<u>6,022,359</u>	<u>13,544,183</u>	<u>12,043,905</u>	<u>7,522,637</u>
Total liabilities	<u>\$ 8,119,651</u>	<u>\$ 237,808,422</u>	<u>\$ 236,306,624</u>	<u>\$ 9,621,449</u>

# **STATISTICAL SECTION**

## STATISTICAL SECTION (Unaudited)

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

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

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

TABLE 1

ELLIS COUNTY, TEXAS

NET ASSETS BY COMPONENT  
(Unaudited)  
LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets, net of related debt	\$ 16,783,393	\$ 18,885,572	\$ 18,225,600	\$ 3,318,214	\$ 4,243,073	\$ 7,037,029	\$ 13,138,945	\$ 15,185,935	\$ 19,964,231	\$ 20,020,454
Restricted	4,825,686	5,253,940	655,299	738,058	820,200	1,939,499	2,486,180	2,316,833	7,694,058	7,726,619
Unrestricted	5,578,868	6,395,700	12,939,290	25,535,552	28,550,362	28,951,526	23,232,954	21,694,182	10,672,310	10,750,738
Total governmental activities net assets	\$ 27,187,947	\$ 30,535,212	\$ 31,820,189	\$ 29,591,824	\$ 33,613,635	\$ 37,928,054	\$ 38,858,079	\$ 39,196,950	\$ 38,330,599	\$ 38,497,811

TABLE 2

ELLIS COUNTY, TEXAS

CHANGES IN NET ASSETS  
(Unaudited)

LAST TEN FISCAL YEARS<sup>1</sup>

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 6,662,572	\$ 9,070,809	\$ 8,845,589	\$ 9,232,072	\$ 9,457,567	\$ 11,027,372	\$ 12,576,295	\$ 12,521,992	\$ 13,621,198	\$ 12,646,463
Judicial	4,317,576	3,851,390	4,046,313	4,185,014	4,584,015	5,242,394	5,505,751	5,586,861	5,565,386	5,655,574
Public safety	8,925,462	10,740,789	12,452,447	14,306,479	15,924,850	17,125,896	17,957,887	18,169,820	19,288,492	19,371,604
Health and welfare	1,956,606	1,959,263	2,445,497	2,585,252	2,363,193	1,869,806	1,995,092	1,599,566	1,216,930	1,265,966
Conservation	145,802	142,549	142,802	161,970	169,892	196,106	189,700	184,818	192,434	190,068
Roads and highways	6,613,357	5,384,181	5,241,732	6,330,052	5,576,443	7,474,568	8,621,000	8,632,387	8,088,420	8,306,733
Interest on long-term debt	814,526	851,471	931,667	907,828	941,235	3,398,336	3,236,353	3,131,237	2,958,767	2,745,033
Total expenses	\$29,435,901	\$32,000,452	\$34,106,047	\$37,708,667	\$39,017,195	\$46,334,478	\$50,082,078	\$49,826,681	\$50,931,627	\$50,181,441

**PROGRAM REVENUES**

Governmental activities:										
Fees, fines and charges for services:										
General government	\$ 3,673,664	\$ 3,956,295	\$ 4,617,338	\$ 3,626,361	\$ 3,555,362	\$ 3,207,150	\$ 2,840,425	\$ 2,873,269	\$ 2,659,585	\$ 2,872,892
Judicial	2,255,986	2,105,947	1,984,611	2,174,685	2,236,916	2,324,047	2,266,515	1,923,763	1,924,482	1,903,553
Public safety	960,806	703,170	650,645	405,024	744,251	663,817	650,674	605,550	679,354	709,275
Health and welfare	-	-	-	-	-	-	-	-	-	-
Conservation	-	-	-	-	-	-	-	-	-	-
Roads and highways	2,189,522	2,194,936	2,198,230	2,052,476	2,211,088	2,214,945	2,272,425	2,288,106	2,292,524	2,209,169
Operating grants and contributions	232,055	195,141	82,427	1,414,288	1,474,198	1,132,539	1,408,369	662,432	516,274	784,232
Capital grants and contributions	-	-	-	-	-	-	-	-	30,350	-
Total governmental activities program revenues	9,312,033	9,155,489	9,533,251	9,672,834	10,221,815	9,542,498	9,438,408	8,353,120	8,102,569	8,479,121

**NET (EXPENSE) REVENUE** \$(20,123,868) \$(22,844,963) \$(24,572,796) \$(28,035,833) \$(28,795,380) \$(36,791,980) \$(40,643,670) \$(41,473,561) \$(42,829,058) \$(41,702,320)

Continued

ELLIS COUNTY, TEXAS

CHANGES IN NET ASSETS  
(Unaudited)  
LAST TEN FISCAL YEARS<sup>1</sup>

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>										
Governmental activities:										
Property taxes	\$20,881,858	\$23,240,361	\$24,936,383	\$27,456,824	\$29,439,346	\$36,056,133	\$38,644,038	\$39,347,184	\$39,420,596	\$40,361,150
Investment earnings	100,294	187,035	921,390	1,190,279	1,911,951	2,999,772	769,177	157,483	50,629	51,111
Loss on disposal of assets	-	-	-	(4,463,528)	-	-	-	-	-	-
Miscellaneous	-	-	-	1,575,759	1,465,894	2,050,494	2,160,005	2,307,765	2,491,482	1,457,271
Total general revenues	\$20,982,152	\$23,427,396	\$25,857,773	\$25,759,334	\$32,817,191	\$41,106,399	\$41,573,220	\$41,812,432	\$41,962,707	\$41,869,532
<b>Change in assets before extraordinary items</b>	\$ 858,284	\$ 582,433	\$ 1,284,977	\$ (2,276,499)	\$ 4,021,811	\$ 4,314,419	\$ 929,550	\$ 338,871	\$ (866,351)	\$ 167,212
Extraordinary items	-	-	-	-	-	-	-	-	-	-
<b>CHANGE IN NET ASSETS</b>	\$ 858,284	\$ 582,433	\$ 1,284,977	\$ (2,276,499)	\$ 4,021,811	\$ 4,314,419	\$ 929,550	\$ 338,871	\$ (866,351)	\$ 167,212
Prior period adjustment	\$ -	\$ -	\$ -	\$ -	\$ 48,134	\$ -	\$ 475	\$ -	\$ -	\$ -
										<i>Concluded</i>

Source: Comprehensive Annual Financial Report

TABLE 3

**ELLIS COUNTY, TEXAS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
(Unaudited)  
**LAST TEN FISCAL YEARS**  
*(Modified accrual basis of accounting)*

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 610,757
Unreserved	4,876,449	5,168,051	5,288,710	6,950,191	8,666,051	8,731,805	8,195,164	7,771,665	-	-
Unassigned	-	-	-	-	-	-	-	-	8,208,008	8,668,112
<b>Total general fund</b>	<b>\$ 4,876,449</b>	<b>\$ 5,168,051</b>	<b>\$ 5,288,710</b>	<b>\$ 6,950,191</b>	<b>\$ 8,666,051</b>	<b>\$ 8,731,805</b>	<b>\$ 8,195,164</b>	<b>\$ 7,771,665</b>	<b>\$ 8,208,008</b>	<b>\$ 9,278,869</b>
Road and bridge fund										
Unreserved	\$ 1,108,473	\$ 1,864,675	\$ 2,635,685	\$ 2,594,738	\$ 3,632,211	\$ 3,692,602	\$ 3,462,937	\$ 2,599,619	\$ -	\$ -
Restricted for:										
Road and bridge	-	-	-	-	-	-	-	-	2,885,766	2,552,772
<b>Total road &amp; bridge</b>	<b>\$ 1,108,473</b>	<b>\$ 1,864,675</b>	<b>\$ 2,635,685</b>	<b>\$ 2,594,738</b>	<b>\$ 3,632,211</b>	<b>\$ 3,692,602</b>	<b>\$ 3,462,937</b>	<b>\$ 2,599,619</b>	<b>\$ 2,885,766</b>	<b>\$ 2,552,772</b>
All other governmental funds										
Reserved for:										
Debt service	\$ 528,872	\$ 515,570	\$ 681,936	\$ 738,058	\$ 820,200	\$ 1,939,499	\$ 2,486,180	\$ 2,316,833	\$ -	\$ -
Unreserved	2,624,952	2,159,952	6,551,444	13,196,145	67,027,599	63,149,058	33,482,154	7,942,736	-	-
Capital projects funds	1,419,634	1,439,811	1,492,455	1,574,343	2,120,482	2,337,017	2,712,183	2,755,363	-	-
Restricted for:										
Public Safety	-	-	-	-	-	-	-	-	1,758,450	1,723,468
Technology and Security	-	-	-	-	-	-	-	-	37,193	59,771
Records Management	-	-	-	-	-	-	-	-	588,398	775,459
Other Statutorily Restricted Funds	-	-	-	-	-	-	-	-	25,273	46,415
Debt Service	-	-	-	-	-	-	-	-	2,398,978	2,534,907
Assigned for:										
Capital Projects	-	-	-	-	-	-	-	-	4,724,569	4,240,903
<b>Total other government funds</b>	<b>\$ 4,573,458</b>	<b>\$ 4,115,333</b>	<b>\$ 8,725,835</b>	<b>\$ 15,508,546</b>	<b>\$ 69,968,281</b>	<b>\$ 67,425,574</b>	<b>\$ 38,680,517</b>	<b>\$ 13,014,932</b>	<b>\$ 9,532,861</b>	<b>\$ 9,380,923</b>

Source: Comprehensive Annual Financial Report

TABLE 4

ELLIS COUNTY, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

(Unaudited)

LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>REVENUES</b>										
Property Taxes	\$ 20,871,477	\$ 23,198,533	\$ 25,251,205	\$ 27,347,054	\$ 29,465,001	\$ 35,931,673	\$ 38,869,215	\$ 39,409,397	\$ 39,487,352	\$ 40,374,623
Intergovernmental	561,643	647,686	511,101	1,414,288	1,474,198	1,132,717	1,498,727	638,103	545,630	786,116
License & Permits	2,025,740	2,079,994	2,104,406	2,052,476	2,211,088	2,214,945	2,171,078	2,267,653	2,183,660	2,106,952
Fees of Office	2,920,559	3,207,186	3,354,366	4,218,519	4,175,817	4,148,627	3,858,318	3,765,194	3,658,367	3,812,980
Fines & Forfeitures	2,867,310	1,998,833	2,345,817	1,933,470	2,536,161	2,298,259	2,135,013	1,723,555	1,655,636	1,628,557
Interest	228,415	193,702	589,713	1,190,279	1,911,951	2,999,772	769,177	157,483	50,629	51,111
Other	834,994	961,323	5,601,175	8,037,275	1,465,894	2,050,494	2,160,005	2,337,888	2,616,684	1,579,948
Total revenues	30,310,138	32,287,257	39,757,783	46,193,361	43,240,110	50,776,487	51,461,533	50,299,273	50,197,958	50,340,287

**EXPENDITURES**

General Government	6,238,717	7,002,691	7,960,428	8,305,989	8,535,648	10,557,978	11,790,452	12,696,707	12,161,251	10,972,028
Judicial	4,341,153	3,825,724	4,052,289	4,153,553	4,556,045	5,177,314	5,386,006	5,579,419	5,521,144	5,567,857
Public Safety	8,958,038	10,531,010	12,035,044	13,858,838	15,721,318	16,776,899	17,375,345	17,888,656	17,781,056	17,269,298
Health & Welfare	1,953,746	1,956,403	2,437,956	2,579,856	2,357,797	1,864,410	1,989,696	1,599,566	1,216,930	1,265,966
Conservation	145,802	142,549	142,802	177,041	164,409	189,595	182,587	181,572	187,171	189,848
Road & Bridge	6,010,235	4,984,460	5,263,697	6,224,065	5,686,867	7,216,815	8,354,654	8,642,883	7,588,925	8,396,593
Capital Outlay	2,778,590	1,099,397	251,260	597,882	787,964	5,737,209	30,100,343	24,712,424	2,996,442	441,873
Debt Service										
Principal	1,270,047	1,334,208	1,344,597	1,430,843	2,058,674	2,848,629	2,923,749	4,660,898	3,102,421	3,225,000
Interest	869,060	821,136	767,539	711,758	663,974	2,824,200	3,038,471	2,924,550	2,749,699	2,486,061
Total expenditures	32,565,388	31,697,578	34,255,612	38,039,825	40,532,696	53,193,049	81,141,303	78,886,675	53,305,039	49,814,524

**EXCESS OF REVENUES**

**OVER (UNDER)**

**EXPENDITURES**

\$ (25,427,706) \$ (2,255,250) \$ 589,679 \$ 5,502,171 \$ 8,153,536 \$ 2,707,414 \$ (2,416,562) \$ (28,587,402) \$ (3,107,081) \$ 525,763

Continued

ELLIS COUNTY, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

(Unaudited)

LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011
<b>OTHER FINANCING SOURCES (USES)</b>										
Sale of Capital Assets	\$ 112,487	\$ 455,817	\$ -	\$ 112,500	\$ 111,100	\$ 116,415	\$ 230,108	\$ 207,938	\$ 347,500	\$ -
Transfers in									85,896	141,000
Transfers out	( 112,487)	( 455,817)	-	( 112,500)	( 111,100)	( 116,415)	( 230,108)	( 207,938)	( 85,896)	( 141,000)
Bonds issued	-	-	-	-	53,875,000	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	1,635,000	-	5,485,000
Capital leases	96,623	-	-	201,575	164,574	-	168,407	-	-	-
Premium on bonds issued	-	-	-	-	466,080	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	( 5,424,834)
Total other financing sources (uses)	96,623	-	-	201,575	54,505,654	-	168,407	1,635,000	347,500	60,166

**EXTRAORDINARY ITEMS**

<b>NET CHANGE IN FUND BALANCES</b>	\$( 2,158,627)	\$ 589,679	\$ 5,502,171	\$ 8,355,111	\$ 57,213,068	\$( 2,416,562)	\$( 2,248,155)	\$( 26,952,402)	\$( 2,759,581)	\$ 585,929
------------------------------------	----------------	------------	--------------	--------------	---------------	----------------	----------------	-----------------	----------------	------------

<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	7.2%	6.9%	6.3%	5.8%	7.0%	12.2%	11.9%	15.8%	11.9%	12.5%
--	------	------	------	------	------	-------	-------	-------	-------	-------

Source: Comprehensive Annual Financial Reports

Concluded

TABLE 5

## ELLIS COUNTY, TEXAS

**ASSESSED AND ESTIMATED ACTUAL VALUE  
OF TAXABLE PROPERTY  
(Unaudited)  
LAST TEN YEARS**

<b>Tax Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total Assessed Valuation</b>	<b>Total Direct Rate*</b>	<b>Estimated Actual Value</b>
2003	7,293,902,060	1,596,064,070	8,889,966,130	0.3514	8,889,966,130
2004	7,659,168,117	1,815,048,890	9,474,217,007	0.3513	9,474,217,007
2005	8,207,129,335	1,956,636,165	10,163,765,500	0.35	10,163,765,500
2006	8,949,770,368	1,947,251,600	10,897,021,968	0.35	10,897,021,968
2007	9,879,959,212	2,067,783,745	11,947,742,957	0.3495	11,947,742,957
2008	10,753,312,471	2,227,142,721	12,980,455,192	0.3936	12,980,455,192
2009	10,845,390,864	2,241,049,843	13,086,440,707	0.3936	13,086,440,707
2010	10,832,779,964	2,264,703,551	13,097,483,515	0.3936	13,097,483,515
2011	10,821,155,674	2,248,039,890	13,069,195,564	0.4136	13,069,195,564
2012	10,921,955,252	2,251,629,234	13,173,584,486	0.4136	13,173,584,486

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

TABLE 6

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

TAXING JURISDICTION	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b><u>DIRECT</u></b>										
COUNTY-WIDE:										
Ellis County	\$0.31464	\$0.31599	\$0.31891	\$0.32049	\$0.36460	\$0.360091	\$0.360091	\$0.360091	\$0.380091	\$0.380091
Farm to Market	0.036656	0.034006	0.031093	0.029009	0.02901	0.033508	0.033508	0.033508	0.033508	0.033508
Total	0.351300	0.349999	0.349999	0.349500	0.393607	0.393599	0.393599	0.393599	0.413599	0.413599
<b><u>OVERLAPPING GOVERNMENTS</u></b>										
CITIES:										
Bardwell	0.16975	0.18536	0.18625	0.18580	0.18580	0.18580	0.195000	0.219000	0.232000	0.251862
Cedar Hill	0.64140	0.64140	0.64140	0.64140	0.64140	0.64140	0.641400	0.067000	0.685880	0.695690
Ennis	0.63000	0.63000	0.73000	0.71000	0.71000	0.69500	0.695000	0.695000	0.695000	0.695000
Ferris	0.58554	0.59275	0.60000	0.60000	0.60000	0.65000	0.648087	0.687134	0.687134	0.687134
Garrett	0.31000	0.31000	0.29991	0.31984	0.33239	0.32880	0.356600	0.395259	0.427768	0.466566
Italy	0.59453	0.59453	0.68000	0.69300	0.77111	0.93673	0.934800	0.943573	0.964139	0.996060
Maypearl	0.75642	0.73716	0.73716	0.73716	0.69217	0.68440	0.688880	0.688756	0.778179	0.775978
* Midlothian	0.41182	0.42404	0.64038	0.65795	0.65000	0.65000	0.650000	0.650000	0.650000	0.650000
Milford	0.49967	0.49967	0.49547	0.50157	0.48550	0.50000	0.505800	0.409146	0.430000	0.470000
Oak Leaf	0.26174	0.35000	0.34156	0.33144	0.34854	0.34854	0.355400	0.350785	0.354539	0.386480
Ovilla	0.66675	0.68250	0.68250	0.68250	0.66800	0.66800	0.667900	0.067460	0.663800	0.667500
Palmer	0.55893	0.57165	0.57165	0.62920	0.62920	0.62920	0.629200	0.629200	0.689500	0.689500
Pecan Hill	0.23937	0.25462	0.25108	0.24066	0.25065	0.30000	0.304700	0.311275	0.316551	0.321756
Red Oak	0.61500	0.61500	0.61380	0.64000	0.63500	0.63500	0.635000	0.649000	0.649000	0.649000
Waxahachie	0.61750	0.61750	0.61500	0.61500	0.61500	0.61500	0.611208	0.680000	0.680000	0.680000
SCHOOL DISTRICTS:										
Avalon	1.34833	1.34400	1.41910	1.49380	1.37600	1.09958	1.24613	1.23655	1.23280	1.23220
Ennis	1.65190	1.65190	1.65190	1.65190	1.57000	1.40000	1.51000	1.54000	1.54000	1.54000
Ferris	1.53950	1.53700	1.77190	1.77190	1.57070	1.26970	1.27720	1.31785	1.30630	1.31000
Italy	1.50000	1.56000	1.56000	1.56000	1.43300	1.11105	1.24100	1.24100	1.24696	1.24696
Maypearl	1.55000	1.58000	1.77900	1.76900	1.64800	1.34000	1.35900	1.35900	1.35900	1.35900
Midlothian	1.72000	1.72000	1.76450	1.78750	1.69750	1.36750	1.39750	1.39750	1.54000	1.54000
Milford	1.62398	1.62398	1.62398	1.62400	1.49400	1.19000	1.18830	1.17170	1.15840	1.17000
Palmer	1.56209	1.61700	1.61700	1.61000	1.48000	1.50000	1.27730	1.26761	1.27000	1.27000
Red Oak	1.54500	1.57000	1.64000	1.64000	1.51000	1.30000	1.54000	1.54000	1.54000	1.54000
Waxahachie	1.71000	1.63900	1.71650	1.72080	1.59730	1.36000	1.36000	1.42890	1.42890	1.42890

Continued

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

TAXING JURISDICTION	Fiscal Year										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
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	\$0.03000
EC ESD #2	0.05750	0.05750	0.06500	0.06750	0.07025	0.07229	0.08450	0.09100	0.09500	0.09500	
EC ESD #1	0.06700	0.06700	0.07000	0.07000	0.07350	0.07350	0.07350	0.07350	0.07714	0.07716	
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	0.06000	0.06000	0.06000	0.06000	0.05000	0.05000	
EC ESD #7	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	
EC ESD #8	0.03000	0.03000	0.08000	0.08000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	
EC ESD #9	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	
Ellis Co. W C & ID	0.03000	0.03000	0.03000	0.03000	0.03000	0.00000	0.00000	0.00000	0.00000	0.00000	
* Midlothian Water Co.	0.19416	0.19416	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	

*Concluded*

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

Source: Central Appraisal District of Ellis County

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

TABLE 7

## ELLIS COUNTY, TEXAS

**PRINCIPAL TAXPAYERS**  
 (Unaudited)  
 SEPTEMBER 30, 2012

<u>Name</u>	<u>Type of Business</u>	<u>2012 Assessed Valuations</u>	<u>Percentage of Total Assessed Valuation</u>	<u>2003 Assessed Valuations</u>	<u>Percentage of Total Assessed Valuation</u>
Midlothian Energy LP	Utility	\$ 412,829,780	3.13%	\$ 348,836,172	3.92%
Walgreen Company	Distribution Center	239,591,130	1.82%	147,299,838	1.66%
TXI Operations LP	Cement Plant	185,673,120	1.41%	126,737,946	1.43%
Chaparral Steel Company	Steel Mill	228,363,840	1.73%	151,777,378	1.71%
HOLCIM (US), Inc.	Cement Plant	134,923,520	1.02%	174,333,474	1.96%
Energy Transfer Fuel LP	Pipeline Construction	141,687,660	1.08%	-	0.00%
Oncor Electric Delivery Company	Utility	118,397,350	0.90%	-	0.00%
Ennis-Tractebel Power Co. LP	Utility	103,357,890	0.78%	101,514,290	1.14%
Dartco of Texas LTD LP	Manufacturing Facility	95,854,590	0.73%	-	0.00%
Target	Distribution Facility	98,577,470	0.75%	-	0.00%
Elk Roofing Products	Manufacturing Facility	-	0.00%	72,358,573	0.81%
Owens Corning Fiberglass	Manufacturing Facility	-	0.00%	49,847,343	0.56%
Sterilite Corp of Texas	Manufacturing Facility	-	0.00%	59,794,420	0.67%
Toys R Us - Delaware, Inc.	Distribution Center	-	0.00%	82,818,345	0.93%
		<u>\$ 1,759,256,350</u>	<u>13.35%</u>	<u>\$ 1,315,317,779</u>	<u>14.79%</u>

Note: Total Assessed Valuation of \$ 13,173,584,486

Source: Ellis County Appraisal District

TABLE 8

## ELLIS COUNTY, TEXAS

**BUDGETED PROPERTY TAX LEVIES AND COLLECTIONS**  
**(Unaudited)**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>		<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>% OF LEVY COLLECTED IN FISCAL YEAR</u>
2003	*	20,308,800	19,843,239	97.71%
2004	*	22,639,359	22,031,384	97.31%
2005	*	24,485,051	23,673,110	96.68%
2006	*	26,832,506	25,965,504	96.77%
2007	*	28,609,607	27,966,441	97.75%
2008	*	35,334,581	34,609,030	97.95%
2009	*	38,175,425	37,430,852	98.05%
2010	*	38,756,643	38,126,672	98.37%
2011	*	38,662,256	38,154,681	98.69%
2012	*	40,514,980	39,930,918	98.56%

\* Does not include Tax Increment Reinvestment Zone levy and collection

TABLE 9

## ELLIS COUNTY, TEXAS

**RATIO OF NET GENERAL BONDED DEBT  
TO ASSESSED VALUES AND NET BONDED DEBT PER CAPITA  
(Unaudited)  
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>	<u>Ratio of Bonded Debt to Personal Income</u>
2003	129,250	8,889,966,130	22,801,333	528,872	22,272,461	0.25%	172.32	0.60%
2004	129,250	9,474,217,007	21,707,073	515,570	21,191,503	0.22%	163.96	0.53%
2005	131,826	10,163,765,500	20,567,737	681,936	19,885,801	0.20%	150.85	0.47%
2006	139,300	10,897,021,968	18,701,262	738,058	17,963,204	0.16%	128.95	0.38%
2007	143,468	11,947,742,957	72,492,135	820,200	71,671,935	0.60%	499.57	1.58%
2008	147,850	12,980,455,192	69,982,330	1,939,499	68,042,831	0.53%	460.22	1.40%
2009	152,750	13,086,440,707	67,369,818	2,486,180	64,883,638	0.50%	424.77	1.35%
2010	149,610	13,097,483,515	64,660,277	2,316,833	62,343,444	0.48%	416.71	1.24%
2011	149,610	13,069,195,564	61,844,420	2,398,978	59,445,442	0.45%	397.34	1.12%
2012	149,610	13,173,584,486	58,968,120	2,534,907	56,433,213	0.43%	377.20	1.06%

## Notes:

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

(1) See Table 12 for population data.

(2) See Table 5 for taxable value of property data.

TABLE 10

## ELLIS COUNTY, TEXAS

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**(Unaudited)**  
**SEPTEMBER 30, 2012**

<u>Taxing Jurisdiction</u>	<u>Total Funded Debt</u>	<u>Percentage Applicable To Named Government</u>	<u>Overlapping Funded Net Debt</u>
<b>CITIES:</b>			
Ennis	26,051,253	100.00%	\$ 26,051,253
Ferris	3,390,700	92.99%	\$ 3,153,012
Italy	6,079,325	100.00%	\$ 6,079,325
Maypearl	195,000	100.00%	\$ 195,000
Midlothian	59,079,344	100.00%	\$ 59,079,344
Milford	-	100.00%	\$ -
Ovilla	5,587,587	91.01%	\$ 5,085,263
Palmer	2,130,000	100.00%	\$ 2,130,000
Red Oak	7,529,384	100.00%	\$ 7,529,384
Venus	1,884,000	13.50%	\$ 254,340
Waxahachie	47,130,779	100.00%	\$ 47,130,779
<b>COUNTY-LINE CITIES:</b>			
Cedar Hill	59,984,603	3.36%	\$ 2,015,483
Glenn Heights	4,405,879	32.95%	\$ 1,451,737
Grand Prairie	145,932,743	0.25%	\$ 364,832
Mansfield	95,290,000	0.44%	\$ 419,276
<b>SCHOOL DISTRICTS:</b>			
Avalon ISD	1,201,865	100.00%	\$ 1,201,865
Italy ISD	1,381,316	100.00%	\$ 1,381,316
Maypearl ISD	16,228,776	100.00%	\$ 16,228,776
Midlothian ISD	233,642,979	100.00%	\$ 233,642,979
Palmer ISD	4,505,139	100.00%	\$ 4,505,139
Red Oak ISD	110,303,360	100.00%	\$ 110,303,360
Waxahachie ISD	117,823,371	100.00%	\$ 117,823,371
<b>COUNTY-LINE SCHOOL DISTRICTS:</b>			
Ennis ISD	157,829,859	98.97%	\$ 156,204,211
Ferris ISD	31,465,810	96.04%	\$ 30,219,764
Frost ISD	926,000	4.13%	\$ 38,244
Milford ISD	148,015	75.02%	\$ 111,041
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>\$ 832,599,094</b>
Ellis County			\$ 58,968,120
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>\$ 891,567,214</b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT PER CAPITA</b>			<b>\$ 5,959</b>

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

Source: Texas Municipal Reports

## ELLIS COUNTY, TEXAS

## COMPUTATION OF LEGAL DEBT MARGIN

(Unaudited)

September 30, 2012

Assessed Value of Real Property	10,921,955,252
Assessed Value of Personal and Other Property	2,251,629,234
Total Assessed Value	<u>\$ 13,173,584,486</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	\$ 2,730,488,813
Amount of Debt Applicable to Debt Limit:	
Debt Limit:	
Total Bonded Debt Applicable	58,968,120
Less: Assets in Debt Service Fund available for payment of principal	2,534,907
	<u>56,433,213</u>
<b>Legal Debt Margin, Bonds Issued Under Article III, Section 52 of the Texas Constitution</b>	<u>\$ 2,674,055,600</u>

TABLE 12

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

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>(2) Personal Income</b>	<b>(3) Median Age</b>	<b>(4) School Enrollment</b>	<b>(4) Unemployment Rate</b>
2003	111,360	3,223,019	28,942	33.1	23,105	6.1%
2004	111,360	3,447,018	30,954	33.2	24,645	5.3%
2005	116,555	3,722,713	31,940	33.2	25,591	5.1%
2006	120,052	4,066,348	33,872	33.2	25,866	5.3%
2007	143,468	4,547,534	31,697	33.0	29,464	4.3%
2008	147,850	4,859,117	32,865	33.2	30,678	5.1%
2009	152,750	4,808,977	31,483	33.2	30,652	7.9%
2010	149,610	5,020,292	33,556	33.2	30,652	8.3%
2011	149,610	5,328,740	35,618	35.0	32,790	8.1%
2012	149,610	5,328,740	35,618	35.2	32,700	6.4%

## Data Sources:

(1) North Central Council of Governments

(2) U.S. Census Bureau

(3) U.S. Bureau of Economic Analysis

(4) Texas Comptroller

2012 Personal Income numbers were not available at press time. 2011 numbers were used for comparison sake.

\*School enrollment does not include college or preschool

## ELLIS COUNTY, TEXAS

PRINCIPAL EMPLOYERS  
(Unaudited)  
CURRENT YEAR

<u>Employer</u>	<u>2012</u>	
	<u>Employees</u>	<u>% of Total County Employment</u>
Wal-Mart Supercenters	1,275	1.62%
Waxahachie ISD	1,064	1.35%
Midlothian ISD	877	1.11%
Chaparral Steel	975	1.24%
Walgreen's Distribution Center	700	0.89%
Ennis ISD	733	0.93%
Red Oak ISD	800	1.01%
Dart Container Corp.	650	0.82%
Ellis County Government	520	0.66%
Total	<u>7,594</u>	<u>9.62%</u>
Total County Employment	78,899	

Sources: North Central Texas Council of Governments and employers

Data for the period nine years prior to 2012 is not included as that information was not tracked by Ellis County Government at that time.

## ELLIS COUNTY, TEXAS

## CAPITAL ASSET STATISTICS BY FUNCTION

2012

(unaudited)

Function/Program	2011	2012
General government		
Number of Courthouses	2	2
Number of Sub-Courthouses	3	3
Judicial		
District Courtrooms	2	2
County Ct. @ Law Courtrooms	2	2
Juvenile Courtrooms	1	1 *
Justice Courts	4	4
Public safety		
Number of Jails	1	1
Bed Capacity of Jail	868	868
Health and welfare		
Number of Offices	2	2
Conservation		
Number of Offices	1	1
Roads and highways		
Number of Bridges	165	165
Miles of Hard Surface Road	786	786
Miles of Gravel Road	164	164

\* Shared with County Ct. @ Law

Data for the period nine years prior to 2012 is not included as that information was not tracked by Ellis County Government at that time.

TABLE 15

## ELLIS COUNTY, TEXAS

**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**(Unaudited)**  
**LAST SIX FISCAL YEARS**

Function/Program	2007	2008	2009	2010	2011	2012
<b>General Government</b>						
Number of A/P Transactions	13,789	14,253	18,072	18,492	16,946	15,611
Flood Plain/Building Permits	951	982	558	553	513	636
Aerobic Septic Permits	690	702	244	180	193	225
Other Septic Permits	108	118	129	19	34	201
Nuisance Complaints	645	680	801	569	765	705
New Subdivisions	61	50	21	13	14	21
<b>Judicial</b>						
Hot Check cases						
Number of checks processed	2,787	2,284	1,286	1,254	1,051	1,080
Number of theft by check cases file	479	468	200	190	146	139
<b>Public Safety</b>						
Number of 911 calls received	32,149	33,217	32,792	19,299	32,325	28,884
Average Jail daily population	460	462	347	320	359	334
Jail bookings	5,993	6,012	5,993	5,693	5,682	5,131
Jail releases	6,016	6,021	6,039	5,365	5,703	5,178
Jail inmates at September 30	385	397	302	350	350	357
Violations reported by Sheriff office	5,652	5,812	3,100	4,735	29,594 †	29,782
<b>Transportation</b>						
Roadway resurfacing (miles)	95.8	108	132.0	121.1	119.5	99.2
Mowing along roadways (equipment r	6,826	6,897	4,091	1,938	3,728	4,184
Ditch and culvert cleaning (miles)	110	112	102	99	90	139
<b>Conservation</b>						
Number of people served in programs	106,779	109,432	121,592	88,680	134,686	163,065
<b>Health and Welfare</b>						
Number of applications filed	350	403	573	880	893	1,009
Number of cases approved	57	66	94	182	129	593

\*2011 number includes all calls for service, not just "violations". 2012 is an estimate.  
Numbers prior to 2006 are not available

Data for the period nine years prior to 2012 is not included as that information was not tracked by Ellis County Government at that time.

# **COMPLIANCE SECTION**



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

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ellis County, Texas (the "County") as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 26, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

### **Compliance and Other Matters**

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

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

*Pattillo, Brown & Hill, LLP.*

March 26, 2013