

ELLIS COUNTY, TEXAS
Comprehensive Annual Financial
Report
**For the Year Ended
September 30, 2008**

Prepared by: Ellis County Auditor's Office

**ELLIS COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2008**

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ELLIS COUNTY AUDITOR'S OFFICE

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County Auditor

Audit Division

Cheryl Chambers
1st Assistant

Beth Allen
Assistant

Misty Hudson
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Linda Lake
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March 27, 2009

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, 2008 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.

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.

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.

Profile of the Government

Ellis County is located in north central Texas, 20 miles south of Dallas. 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 2007 estimated population for the County was 143,468. 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 and much more. The County comprises 939 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. One of the County's two outstanding hospitals recently moved into a new, state-of-the-art facility, while the other completed a large expansion project. Although population growth has slowed, Ellis County is faring well compared to other areas in terms of housing.

According to the North Central Texas Council of Governments, the estimated population of Ellis County is 147,850. This represents a 3.05% increase from the prior year. At the last official census, Ellis County experienced a 30.8% increase from 1990 to 2000. The most recent data from the US Census Bureau shows that of persons age 25+, 77.8% in Ellis County are high school graduates compared to the state rate of 75.7%. 17.1% hold a bachelor's degree or higher compared to the state rate of 23.2%. The mean travel time to work for workers age 16+ is 30.3 minutes compared to the 25.4 minutes for Texas. Residents are continuing to be drawn to the County due to the small, hometown values and relaxed atmosphere combined with the close proximity to the metroplex that the County offers.

The most recent estimates from the US Census Bureau show that the median household money income in Ellis County is \$55,617 compared to the state median of \$47,563. The per capita money income is \$20,212 compared to the state average of \$19,617. The home ownership rate in Ellis County is 76.2% compared to the state rate of 63.8%. In Ellis County, 10.7% of the population is below the poverty level compared to the state rate of 16.3%. The median value of owner-occupied housing units is \$91,400 compared to the median value in Texas of \$82,500. These statistics clearly show that the economic condition in Ellis County makes the area attractive.

Taxable property value increased from \$8,563,061,401 in 2006 to 9,530,412,272 in 2007. Past aggressive tax abatement policies will continue to pay dividends for the taxing jurisdictions in the future. The tax abatement on the 2007 assessed value is \$302,232,920.

Based on current projections by the North Central Texas Council of Governments, the County is once again expected to continue to grow. They estimate the population in 2010 to be 180,617, in 2015 to be 241,778, in 2020 to be 329,476, in 2025 to be 378,161 and in 2030 to be 448,588. This growth, while having a positive impact on the local economic community as a whole, presents real challenges for the County government. If the County is to continue to provide the level of service it has established, it will need to explore all avenues of increasing revenues as well as finding more efficient ways to operate and to keep up with demands imposed by the constituents. Currently, Ellis County has one of the lower tax rates of the 254 Texas

counties. Innovative leadership has enabled the County to govern effectively as well as efficiently.

Long term financial planning

Ellis County, because of its continued growth, is faced with many challenges in delivering services to its citizens, while maintaining a conservative financial approach. County administration has been committed to meeting increasing needs for services and facilities. In 2008, Ellis County purchased a tract of land in Ennis, Texas, which will serve as the future home of a satellite courthouse location. This location has direct access from Interstate 45, enabling residents of the Eastern part of the County to have quick access to governmental services. The County has also begun to consider plans for expansion close to US Highway 287 in Waxahachie, which will house a Juvenile Justice Alternative Education Program, vehicle storage, law enforcement training facilities and a central road and bridge storage depot. Construction has begun on a detention center, a parking garage, and a justice center to house courts and related functions, and the first move in date for those facilities is projected to be in May 2010. That project is being overseen by county staff, a citizens' bond oversight committee, and Jones Lang LaSalle Incorporated (after a merger with The Staubach Group). This is phase 1 of a planned 3 phase capital improvement program, which will take the County through the year 2025.

As part of its commitment to deliver accessible services to citizens, the County Auditor's Office has recently launched an Open Government Finances Initiative. By the end of April, 2009, the last eight years of Annual Budgets and Comprehensive Annual Financial Statements will be available on the County's website at <http://www.co.ellis.tx.us>. Additionally, beginning on October 1, 2009, the County will begin to post current check registers on the site. This will allow the public to be able to see to where and to whom their tax dollars, fines and fees of office are being spent without having to go through the process of filing formal open records requests.

Financial Information

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

Budgeting

The County Judge, the Budget Officer, prepares the County's budget with the assistance of the County Auditor's office. Each department submits a budget request to the County Judge. Formal public hearings are held by the Commissioners Court and department heads are encouraged to attend to explain their requests. The County Judge compiles these requests and presents his recommendations to the

Commissioners Court. Before determining the final budget, the Commissioners Court may increase or decrease the amounts requested by the various departments. Budgeted expenditures may not exceed the estimate of revenues and available fund balance. Appropriations lapse at the end of the fiscal year.

Budgeting Controls

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

Financial Administration

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

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

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

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

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

Cash Management

Ellis County invests deposits to meet cash flow needs. Most cash on hand is held in interest bearing checking accounts at the County's depository bank. Interest rates on bank deposits are governed by the depository bank bid contract, which last for a period of two years. All funds not held at the depository bank are invested in

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

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

Independent Audit

State statutes do not require an annual audit by independent, certified public accountants. However, the accounting firm of Pattillo, Brown and Hill, L.L.P., was engaged by the County to perform an annual audit in accordance with local policy. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2008, 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, 2008, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's 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, 2007. This was the twelfth consecutive year that this government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

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

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

Sincerely,

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

Michael S. Navarro, CPA
County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ellis County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2007

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.



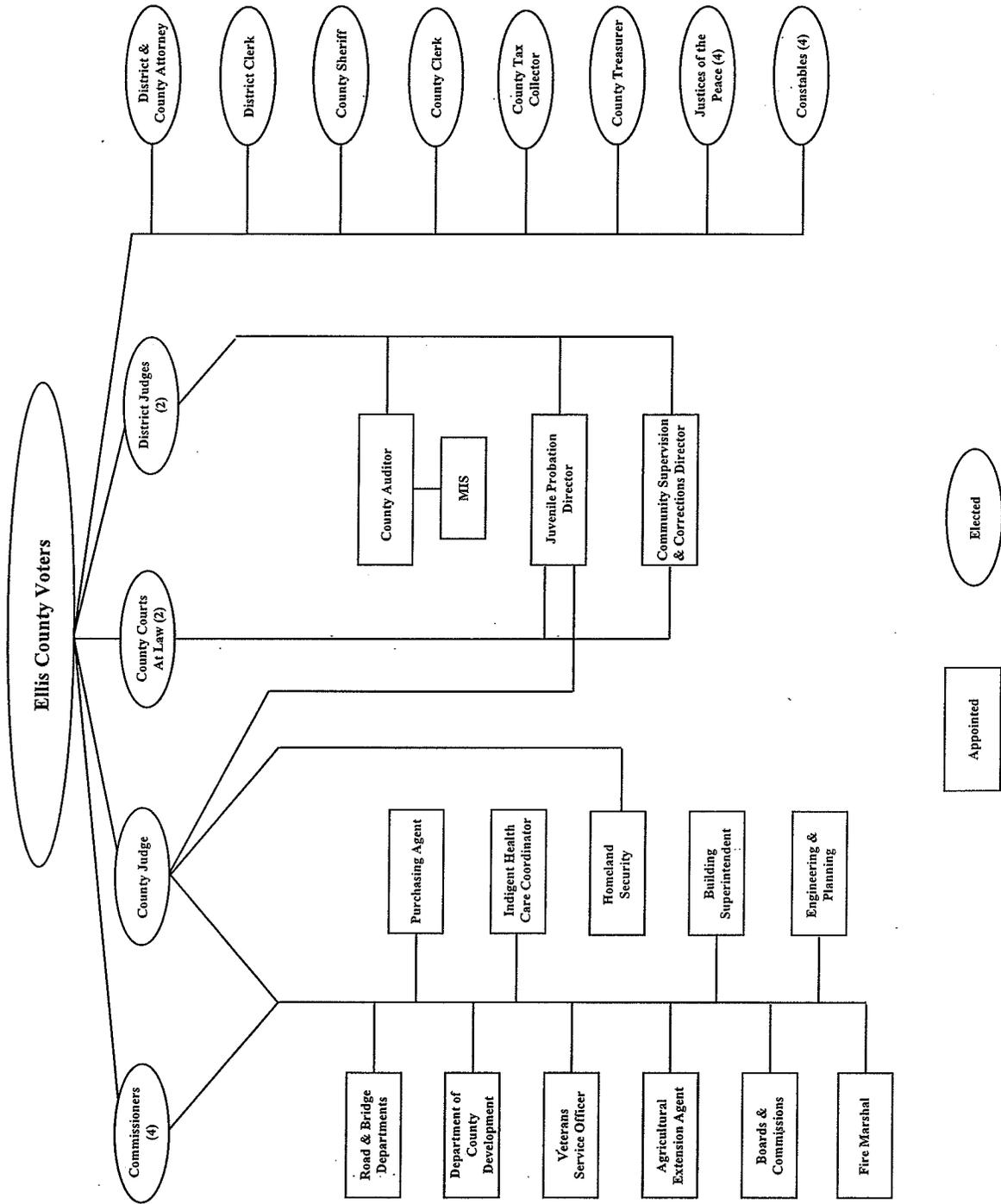
A handwritten signature in black ink, appearing to read "M. L. R. H.", written in a cursive style.

President

A handwritten signature in black ink, reading "Jeffrey R. Emer", written in a cursive style.

Executive Director

ELLIS COUNTY, TEXAS ORGANIZATIONAL CHART



DIRECTORY OF PUBLIC OFFICIALS

COMMISSIONERS COURT

COUNTY JUDGE

Chad Adams

COUNTY COMMISSIONERS

Precinct 1

Dennis Robinson

Precinct 2

Bill Dodson

Precinct 3

Heath Sims

Precinct 4

Ron Brown

JUDICIAL

DISTRICT JUDGE

40th Judicial District

Gene Knize

378th Judicial District

Al Scoggins

COUNTY COURT AT LAW JUDGE I

Greg Wilhelm

COUNTY COURT AT LAW JUDGE II

Gene Calvert

JUSTICE OF THE PEACE

Precinct 1

Bill Woody

Precinct 2

Jackie Miller

Precinct 3

Curtis Polk

Precinct 4

Linda Sibley

LAW ENFORCEMENT AND LEGAL

SHERIFF

Johnny Brown

COUNTY ATTORNEY

Joe Grubbs

CONSTABLES

Precinct 1

Ben Fry

Precinct 2

Terry Nay

Precinct 3

Jimmie Ray

Precinct 4

Mike Jones

ADULT PROBATION OFFICER*

Alfred Mims

JUVENILE PROBATION OFFICER*

Darrin Ray

FINANCIAL ADMINISTRATION

COUNTY AUDITOR*

Michael S. Navarro

COUNTY TREASURER

Judy Burden

TAX COLLECTOR

John Bridges

PURCHASING AGENT*

Richard Denniston

RECORDING OFFICIALS

DISTRICT CLERK

Melanie Reed

COUNTY CLERK

Cindy Polley

*Denotes appointed officials. All others are elected officials.



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, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Ellis County, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

The management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 37 through 48 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ellis County, Texas's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

March 27, 2009

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, 2008. 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-vi of this report.

FINANCIAL HIGHLIGHTS

The assets of the Ellis County exceeded its liabilities at the close of the most recent fiscal year by \$37,928,054 (*net assets*). Of this amount, \$28,951,526 (*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 \$4,314,419.
- As of the close of the current fiscal year, Ellis County's governmental funds reported combined ending fund balances of \$79,849,981, a decrease of \$2,416,562 in comparison with the prior year. The majority of this decrease was due to capital outlay of \$5,737,209, associated with the purchase of land and construction of County building projects. \$77,910,482 is *available for spending* at the government's discretion (*unreserved fund balance*) in accordance with applicable laws.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$8,731,805 and 26.23% of total General Fund expenditures.
- The County's total debt decreased by \$2,195,709 (2.96%) during the current fiscal year. This decrease is attributed to principal payments made during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

Ellis County maintains 38 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Permanent Improvement Fund and 2007 Construction Project Fund, which are considered to be major funds. Data from the other 35 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 except for the Graffiti fund. A budgetary comparison statement has been provided for all budgeted funds to demonstrate compliance with this budget.

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 – 36 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Ellis County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 37 – 48 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 49 – 100 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 \$37,928,054 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 18.6% 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 | |
|--|-------------------------|----------------------|
| | 2008 | 2007 |
| Current and other assets | \$ 85,393,822 | \$ 87,736,065 |
| Capital assets | 27,894,913 | 22,863,110 |
| Total assets | <u>113,288,735</u> | <u>110,599,175</u> |
| Long-term liabilities | 71,603,417 | 73,799,126 |
| Other liabilities | 3,757,264 | 3,186,414 |
| Total liabilities | <u>75,360,681</u> | <u>76,985,540</u> |
| Net assets: | | |
| Invested in capital assets, net of related debt | 7,037,029 | 4,243,073 |
| Restricted | 1,939,499 | 820,200 |
| Unrestricted | <u>28,951,526</u> | <u>28,550,362</u> |
| Total net assets | <u>\$ 37,928,054</u> | <u>\$ 33,613,635</u> |

An additional portion of Ellis County's net assets (5.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$28,951,526) 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 \$4,314,419, thereby accounting for 11.38% of the total net assets of Ellis County.

Ellis County's Changes in Net Assets

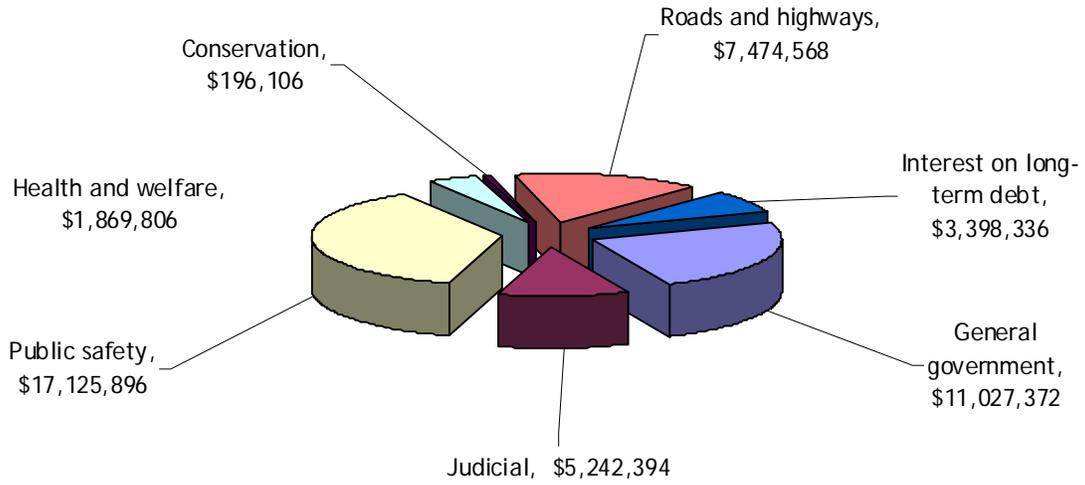
| | Governmental Activities | |
|--|-------------------------|---------------|
| | 2008 | 2007 |
| REVENUES | | |
| Program revenues: | | |
| Charges for services | \$ 8,409,959 | \$ 8,747,617 |
| Operating grants and contributions | 1,132,539 | 1,474,198 |
| General revenues: | | |
| Property taxes | 35,943,883 | 29,338,844 |
| Investment earnings | 2,999,772 | 1,911,951 |
| Miscellaneous | 2,050,494 | 1,465,894 |
| Other taxes | 112,250 | 100,502 |
| Total Revenues | 50,648,897 | 43,039,006 |
| EXPENSES | | |
| General government | 11,027,372 | 9,457,567 |
| Judicial | 5,242,394 | 4,584,015 |
| Public safety | 17,125,896 | 15,924,850 |
| Health and welfare | 1,869,806 | 2,363,193 |
| Conservation | 196,106 | 169,892 |
| Roads and highways | 7,474,568 | 5,576,443 |
| Interest on long-term debt | 3,398,336 | 941,235 |
| Total Expenses | 46,334,478 | 39,017,195 |
| INCREASE (DECREASE) IN NET ASSETS | 4,314,419 | 4,021,811 |
| NET ASSETS, BEGINNING | 33,613,635 | 29,591,824 |
| NET ASSETS, ENDING | \$ 37,928,054 | \$ 33,613,635 |

Property taxes increased by \$6,605,039 (22.51%) during the year. This is the result of two factors: 1) first year of 2007 interest and sinking tax rate; and 2) new property on the tax rolls due to growth.

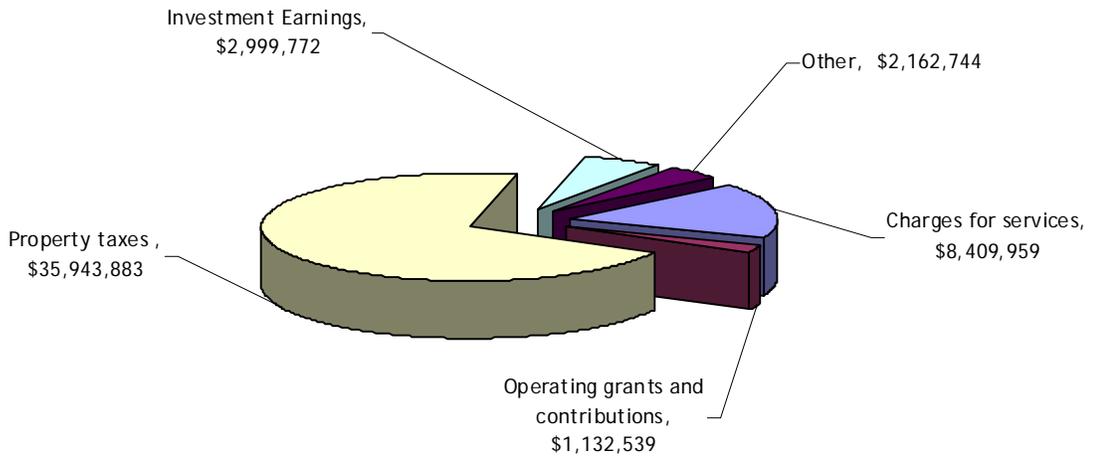
Investment income increased primarily due to an increase in funds available to be invested.

Expenses increased in 2008, driven by a 34.04% increase in roads and highways as well an increase in interest on long-term debt.

Expenses By Source



Revenues By Source



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

The General Fund is the chief operating fund of Ellis County. At the end of the current fiscal year, unreserved total fund balance of the General Fund was \$8,731,805. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund, expenditures. Unreserved total fund balance represents 26.23% of total General Fund expenditures.

The fund balance of Ellis County's General Fund increased by \$65,754 during the current fiscal year. Key factors in this growth are primarily due to tax revenue along with other revenues exceeding projections.

The Permanent Improvement Fund has an ending fund balance of \$11,664,666, a decrease of \$135,175 from the prior year. This decrease is a result from capital outlay expenditures.

The 2007 Capital Projects Fund has an ending fund balance of \$53,681,619, a decrease of \$3,773,256 from the prior year. This decrease is due to capital outlay expenditures on the initial phase of the project being greater than investment earnings.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor (\$1,427,062 increase in appropriations) and can be briefly summarized as follows:

- Budgetary amendments were made to recognize an increase in juvenile detention costs, worker's compensation premiums, and on updating an aging patrol fleet.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Ellis County's investment in capital assets for its governmental activities as of September 30, 2008, amount to \$27,894,913 (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 | |
|-------------------------------|-------------------------|---------------|
| | 2008 | 2007 |
| Land | \$ 2,318,548 | \$ 598,249 |
| Construction work in progress | 4,419,710 | 402,800 |
| Buildings and improvements | 17,418,017 | 18,236,098 |
| Machinery and equipment | 3,738,638 | 3,625,963 |
| Total | \$ 27,894,913 | \$ 22,863,110 |

The County had the following additions to fixed asset:

| | |
|---|--------------|
| Addition to construction in progress for stage one of building projects | \$ 4,016,910 |
| Addition to land for stage one of building projects | 1,515,129 |
| Addition to land for the Ennis subcourthouse | 205,170 |
| Purchase of vehicles and equipment | 890,557 |

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 \$71,603,417.

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

| | |
|--------------------------|---------------|
| General Obligation Bonds | \$ 55,702,437 |
| Refunding Bonds 2002 | 14,279,893 |
| Capital Lease | 53,662 |
| Total | \$ 70,035,992 |

The County also had vacation payable of \$1,567,425.

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 \$223,838.

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

- Based on current projections by the North Central Texas Council of Governments, the County is once again expected to continue to grow. This growth, while having a positive impact on the local economic community as a whole, presents real challenges for the County government. If the County is to continue to provide the level of service it has established, it will need to explore all avenues of incoming revenue, as well as finding more efficient ways to operate and to keep up with the demands imposed by the constituents.
- Estimated Revenue for fiscal year 2009 is \$35,311,449 for the General Fund, and estimated expenditures are \$35,311,449.

All of these factors were considered in preparing Ellis County's budget for the 2009 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.

ELLIS COUNTY, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2008

| | Primary Government |
|---|----------------------------|
| | Governmental Activities |
| ASSETS | |
| Cash and investments | \$ 82,680,950 |
| Receivables, net of allowances for uncollectibles | |
| Taxes | 1,337,309 |
| Other | 918,526 |
| Deferred Charges | 457,037 |
| Capital assets: | |
| Land | 2,318,548 |
| Buildings and improvements | 37,416,573 |
| Furniture and equipment | 11,139,568 |
| Construction in progress | 4,419,710 |
| Accumulated depreciation | <u>(27,399,486)</u> |
| Total capital assets, net of accumulated depreciation | <u>27,894,913</u> |
| Total assets | <u>113,288,735</u> |
| LIABILITIES | |
| Accounts payable | 2,607,562 |
| Accrued liabilities | 622,849 |
| Accrued interest | 526,853 |
| Noncurrent liabilities: | |
| Due within one year | 3,275,518 |
| Due in more than one year | <u>68,327,899</u> |
| Total liabilities | <u>75,360,681</u> |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 7,037,029 |
| Restricted for: | |
| Debt service | 1,939,499 |
| Unrestricted | <u>28,951,526</u> |
| Total net assets | <u>\$ 37,928,054</u> |

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

ELLIS COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| 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 |
| Primary Government: | | | | | |
| Governmental Activities: | | | | | |
| General government | \$ 11,027,372 | \$ 3,207,150 | \$ 480,979 | \$ - | \$(7,339,243) |
| Judicial | 5,242,394 | 2,324,047 | 66,314 | - | (2,852,033) |
| Public safety | 17,125,896 | 663,817 | 196,001 | - | (16,266,078) |
| Health and welfare | 1,869,806 | - | - | - | (1,869,806) |
| Conservation | 196,106 | - | - | - | (196,106) |
| Roads and highways | 7,474,568 | 2,214,945 | 389,245 | - | (4,870,378) |
| Interest on long-term debt | 3,398,336 | - | - | - | (3,398,336) |
| Total governmental activities | <u>46,334,478</u> | <u>8,409,959</u> | <u>1,132,539</u> | <u>-</u> | <u>(36,791,980)</u> |
| Total primary government | <u>\$ 46,334,478</u> | <u>\$ 8,409,959</u> | <u>\$ 1,132,539</u> | <u>\$ -</u> | <u>\$(36,791,980)</u> |

General Revenues:

Taxes:

Property taxes, levied for general purposes \$ 29,391,306

Property taxes, levied for debt service 6,552,577

Other taxes 112,250

Miscellaneous 2,050,494

Investment earnings 2,999,772

Total general revenues 41,106,399

Change in net assets 4,314,419

Net assets, beginning 33,613,635

Net assets, ending \$ 37,928,054

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

ELLIS COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2008

| | <u>General</u> | <u>Permanent Improvement</u> | <u>2007 Construction Project</u> |
|--|----------------------|----------------------------------|--|
| ASSETS | | | |
| Cash and investments | \$ 10,111,163 | \$ 11,687,812 | \$ 50,792,272 |
| Receivables, net of allowances for uncollectibles: | | | |
| Taxes receivable | 916,276 | - | - |
| Accounts receivable | <u>259,171</u> | <u>-</u> | <u>-</u> |
| Total assets | \$ <u>11,286,610</u> | \$ <u>11,687,812</u> | \$ <u>50,792,272</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 1,185,397 | \$ 23,146 | \$ 883,909 |
| Accrued liabilities | 550,743 | - | - |
| Deferred revenue | <u>818,665</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>2,554,805</u> | <u>23,146</u> | <u>883,909</u> |
| Fund balances: | | | |
| Reserved for debt service | - | - | - |
| Unreserved, reported in: | | | |
| General fund | 8,731,805 | - | - |
| Capital projects | - | 11,664,666 | 49,908,363 |
| Special revenue funds | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances | <u>8,731,805</u> | <u>11,664,666</u> | <u>49,908,363</u> |
| Total liabilities and fund balances | \$ <u>11,286,610</u> | \$ <u>11,687,812</u> | \$ <u>50,792,272</u> |

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

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

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

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

Net assets of governmental activities

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

| <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---|
| \$ 10,089,703 | \$ 82,680,950 |
| 421,033 | 1,337,309 |
| - | <u>259,171</u> |
| \$ <u>10,510,736</u> | \$ <u>84,277,430</u> |
| | |
| \$ 515,110 | \$ 2,607,562 |
| 72,106 | 622,849 |
| <u>378,373</u> | <u>1,197,038</u> |
| <u>965,589</u> | <u>4,427,449</u> |
| | |
| 1,939,499 | 1,939,499 |
| - | 8,731,805 |
| 1,576,029 | 63,149,058 |
| <u>6,029,619</u> | <u>6,029,619</u> |
| <u>9,545,147</u> | <u>79,849,981</u> |
| | |
| \$ <u>10,510,736</u> | |
| | |
| | 27,894,913 |
| | 1,839,304 |
| | (71,656,144) |
| | <u>\$ 37,928,054</u> |

ELLIS COUNTY, TEXAS

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

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | <u>General</u> | <u>Permanent Improvement</u> | <u>2007 Capital Projects</u> |
|--|---------------------|----------------------------------|--------------------------------------|
| REVENUES | | | |
| Taxes | \$ 24,925,646 | \$ 509 | \$ - |
| Intergovernmental | 548,899 | - | - |
| Licenses and permits | - | - | - |
| Fees of office | 3,711,756 | - | - |
| Fines and forfeitures | 2,134,724 | - | - |
| Interest earnings | 504,895 | 376,491 | 1,758,783 |
| Other | <u>1,480,939</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>33,306,859</u> | <u>377,000</u> | <u>1,758,783</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 9,987,480 | 307,005 | - |
| Judicial | 4,741,882 | - | - |
| Public safety | 16,504,523 | - | - |
| Health and welfare | 1,864,410 | - | - |
| Conservation | 189,595 | - | - |
| Roads and highways | - | - | - |
| Capital outlay | - | 205,170 | 5,532,039 |
| Debt service: | | | |
| Principal | - | - | - |
| Interest and fiscal charges | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>33,287,890</u> | <u>512,175</u> | <u>5,532,039</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>18,969</u> | <u>(135,175)</u> | <u>(3,773,256)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 81,600 | - | - |
| Transfers out | <u>(34,815)</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>46,785</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 65,754 | (135,175) | (3,773,256) |
| FUND BALANCES, BEGINNING | <u>8,666,051</u> | <u>11,799,841</u> | <u>53,681,619</u> |
| FUND BALANCES, ENDING | <u>\$ 8,731,805</u> | <u>\$ 11,664,666</u> | <u>\$ 49,908,363</u> |

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

| <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---|
| \$ 11,005,518 | \$ 35,931,673 |
| 583,818 | 1,132,717 |
| 2,214,945 | 2,214,945 |
| 436,871 | 4,148,627 |
| 163,535 | 2,298,259 |
| 359,603 | 2,999,772 |
| <u>569,555</u> | <u>2,050,494</u> |
| <u>15,333,845</u> | <u>50,776,487</u> |
| 263,493 | 10,557,978 |
| 435,432 | 5,177,314 |
| 272,376 | 16,776,899 |
| - | 1,864,410 |
| - | 189,595 |
| 7,216,815 | 7,216,815 |
| - | 5,737,209 |
| 2,848,629 | 2,848,629 |
| <u>2,824,200</u> | <u>2,824,200</u> |
| <u>13,860,945</u> | <u>53,193,049</u> |
| <u>1,472,900</u> | <u>(2,416,562)</u> |
| 34,815 | 116,415 |
| <u>(81,600)</u> | <u>(116,415)</u> |
| <u>(46,785)</u> | <u>-</u> |
| 1,426,115 | (2,416,562) |
| <u>8,119,032</u> | <u>82,266,543</u> |
| <u>\$ 9,545,147</u> | <u>\$ 79,849,981</u> |

ELLIS COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2008

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

Net change in fund balances - total governmental funds (page 16) \$(2,416,562)

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. 5,031,803

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (460,399)

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. 2,867,272

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. (707,695)

Change in net assets of governmental activities (page 12) \$ 4,314,419

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, 2008

| | <u>Agency Funds</u> |
|--------------------------|----------------------------|
| ASSETS | |
| Cash and investments | \$ <u>8,062,927</u> |
| Total assets | \$ <u><u>8,062,927</u></u> |
| LIABILITIES | |
| Due to other governments | \$ 1,883,142 |
| Due to beneficiaries | <u>6,179,785</u> |
| Total liabilities | \$ <u><u>8,062,927</u></u> |

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

ELLIS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Basis of Presentation

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

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

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

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The government reports the following major governmental funds:

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

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

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

(continued)

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

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

Additionally, the government reports the following fund types:

Governmental Funds:

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

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

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

Fiduciary Funds:

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

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

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

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

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

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deposits and Investments (Continued)

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, 2008.

Capital Assets

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

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

(continued)

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

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

Capital Assets

GASB Statement 34 requires the County to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the County. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first required for the fiscal year ending in 2008. The County has implemented the general provisions of GASB Statement No. 34 in the current year and hopes to implement the retroactive infrastructure provisions in future fiscal years.

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

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

Compensated Absences

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

Long-term Obligations

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

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

(continued)

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

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

Fund Equity

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

Net Assets

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the General, Special Revenue and Capital Projects Funds. At the end of September 30, 2008, encumbrances lapsed and were subject to reappropriation in the budget of the subsequent year.

Insurance

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

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

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

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

(continued)

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

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

The details of this \$71,656,144 difference are as follows:

| | |
|--|----------------------|
| Capital Leases, Tax Anticipation Notes, and Certificates of Obligation | \$ 68,970,089 |
| Accreted interest payable | 1,118,630 |
| Compensated absences | <u>1,567,425</u> |
| Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i> | <u>\$ 71,656,144</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 \$5,031,803 difference are as follows:

| | |
|--|---------------------|
| Capital outlay (includes \$890,557 not classified as capital expenditures on the fund statements) | \$ 6,627,766 |
| Disposals | (31,824) |
| Depreciation expense | <u>(1,564,139)</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>\$ 5,031,803</u> |

Another element of that reconciliation states, "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The details of this \$2,867,272 difference are as follows:

| | |
|--|---------------------|
| Capital lease and bond payments | <u>\$ 2,867,272</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>\$ 2,867,272</u> |

(continued)

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

The government's department heads may make transfers of appropriations within a department. Transfers of appropriation between departments require the approval of the governing council. The legal level of control is exercised at the department level. The Graffiti Fund does not have a legally adopted budget. State law provides that amendments approved by the Commissioners' Court may be made to the original budget provided that funds are available for the added disbursements. The original approved budget is issued in a separate report. Reported budgeted amounts reflect the budget as originally adopted and all budget amendments approved by the Commissioners' Court.

4. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

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

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

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

(continued)

4. DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

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

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

Custodial Credit Risk: In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2008, all of the County's \$15,015,829 deposit balance was covered by FDIC insurance or collateralized with securities held by the pledging financial institution.

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

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

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

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

(continued)

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

Deposits and Investments (Continued)

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

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

| | <u>Fair Amount</u> | <u>Weighted Average Maturity (Days)</u> |
|---|------------------------|---|
| General Fund | | |
| Lone Star Pool | \$ 410,795 | 28 |
| MBIA - Investment Pool | 5,632,239 | 31 |
| TEXSTAR | 30,446 | 34 |
| Investors' Cash Trust - MMM | <u>107,392</u> | 48 |
| Total general fund | <u>6,180,872</u> | |
| Permanent Improvement Fund | | |
| Lone Star Pool | 914,203 | 28 |
| Investors' Cash Trust - MMM | 476,721 | 41 |
| TEXSTAR | <u>9,931,046</u> | 34 |
| Total Permanent Improvement Fund | <u>11,321,970</u> | |
| Series 2007 Construction Fund | | |
| Lone Star Pool | 11,538,421 | 28 |
| MBIA - Investment Pool | 11,532,611 | 31 |
| Investors' Cash Trust - MMM | 8,442,869 | 48 |
| TEXSTAR | <u>12,684,836</u> | 34 |
| Total Series 2007 Construction Fund | <u>44,198,737</u> | |
| Nonmajor Funds | | |
| Lone Star Pool | 4,166,507 | 28 |
| Investors' Cash Trust - MMM | 1,731,162 | 48 |
| TEXSTAR | 1,476,482 | 34 |
| MBIA - Investment Pool | <u>1,899,400</u> | 31 |
| Total nonmajor funds | <u>9,273,551</u> | |
| Agency Funds | | |
| Lone Star Pool | 1,100 | 28 |
| Investors Cash Trust - MMM | <u>30,247</u> | 48 |
| Total Agency Funds | <u>31,347</u> | |
| Totals | | |
| Investments Not Subject to Categorization | | |
| Investments Pools/MM | <u>71,006,477</u> | |
| Totals | <u>\$ 71,006,477</u> | |

(continued)

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

Property Tax

Property taxes attach as liens on property as of January 1. Taxes are levied on October 1, are due by January 31 and become delinquent on February 1. County property tax revenues are recognized when levied to the extent that they result in available spendable resources. The County is permitted by the Municipal Finance Law of the state to levy taxes up to \$.80 per \$100 of assessed valuation for general government services, permanent improvement, road and bridge and jury fund purposes other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. The combined tax-rate to finance general government services, permanent improvements, road and bridge and jury fund purposes including payment of principal and interest on long-term debt for the year ended September 30, 2008, was \$.393607 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 \$9,530,412,272 for 2007, which funds 2008 is as follows:

| | |
|--|-------------------|
| General Maintenance and Operations Rate: | |
| Interest and Sinking (Debt Rate) | \$0.069596 |
| Operations Rate | 0.295002 |
| Farm to Market Rate | <u>0.029009</u> |
| Total Tax Rate | <u>\$0.393607</u> |

Receivables

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

| | <u>General</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
|------------------------------------|---------------------|---------------------------|---------------------|
| Receivables: | | | |
| Taxes | \$ 1,221,701 | \$ 561,376 | \$ 1,783,077 |
| Accounts receivable | <u>259,171</u> | <u>-</u> | <u>259,171</u> |
| Gross receivables | 1,480,872 | 561,376 | 2,042,248 |
| Less: allowance for uncollectibles | <u>305,425</u> | <u>140,343</u> | <u>445,768</u> |
| Net Total Receivables | <u>\$ 1,175,447</u> | <u>\$ 421,033</u> | <u>\$ 1,596,480</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 | \$ 818,665 | \$ 818,665 |
| Nonmajor funds: | | |
| Delinquent property taxes receivable | <u>378,373</u> | <u>378,373</u> |
| Governmental Funds | <u>\$ 1,197,038</u> | <u>\$ 1,197,038</u> |

Capital Assets

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

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|---------------------|------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 598,249 | \$ 1,720,299 | \$ - | \$ 2,318,548 |
| Construction work in progress | <u>402,800</u> | <u>4,016,910</u> | <u>-</u> | <u>4,419,710</u> |
| Total capital assets, not being depreciated | <u>1,001,049</u> | <u>5,737,209</u> | <u>-</u> | <u>6,738,258</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 37,416,573 | - | - | 37,416,573 |
| Machinery and equipment | <u>10,889,709</u> | <u>890,557</u> | <u>640,698</u> | <u>11,139,568</u> |
| Total capital assets, being depreciated | <u>48,306,282</u> | <u>890,557</u> | <u>640,698</u> | <u>48,556,141</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 19,180,475 | 818,081 | - | 19,998,556 |
| Machinery and equipment | <u>7,263,746</u> | <u>746,058</u> | <u>608,874</u> | <u>7,400,930</u> |
| Total accumulated depreciation | <u>26,444,221</u> | <u>1,564,139</u> | <u>608,874</u> | <u>27,399,486</u> |
| Total capital assets, being depreciated, net | <u>21,862,061</u> | <u>(673,582)</u> | <u>31,824</u> | <u>21,156,655</u> |
| Governmental activities capital assets, net | <u>\$ 22,863,110</u> | <u>\$ 5,063,627</u> | <u>\$ 31,824</u> | <u>\$ 27,894,913</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 | \$ 387,911 |
| Judicial | 2,399 |
| Public safety | 708,024 |
| Health and welfare | 5,396 |
| Conservation | 6,511 |
| Roads and highways | <u>453,898</u> |
| Total depreciation expense - governmental activities | <u>\$ 1,564,139</u> |

Capital Leases

The assets acquired through capital leases are as follows:

| | |
|--------------------------------|------------------------------------|
| Asset: | <u>Governmental Activities</u> |
| Machinery and equipment | \$ 366,149 |
| Less: Accumulated depreciation | <u>50,053</u> |
| Total | <u>\$ 316,096</u> |

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2008, were as follows:

| | |
|---|------------------------------------|
| <u>Year Ending September 30</u> | <u>Governmental Activities</u> |
| 2009 | \$ 58,027 |
| 2010 | <u>-</u> |
| Total minimum lease payments | 58,027 |
| Less: amount representing interest | <u>4,365</u> |
| Present value of minimum lease payments | <u>\$ 53,662</u> |

Long-term Debt

Long-term Debt Walk-forward

| | Payable Amounts Outstanding 10/01/07 | Issued | Retired | Accretion | Outstanding 09/30/08 |
|--------------------------|---|---------------------|---------------------|-------------------|-------------------------|
| General obligation bonds | \$ 56,915,000 | \$ - | \$ 1,660,000 | \$ - | \$ 55,255,000 |
| Premium on issuance | 466,080 | - | 18,643 | - | 447,437 |
| Refunding bonds | 15,111,055 | - | 1,055,000 | 223,838 | 14,279,893 |
| Capital leases | 187,291 | - | 133,629 | - | 53,662 |
| Compensated absences | <u>1,119,700</u> | <u>1,692,822</u> | <u>1,245,097</u> | <u>-</u> | <u>1,567,425</u> |
| Totals | <u>\$ 73,799,126</u> | <u>\$ 1,692,822</u> | <u>\$ 4,112,369</u> | <u>\$ 223,838</u> | <u>\$ 71,603,417</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, 2008, is as follows:

| Description | Interest Rate Payable | Amounts Original Issue | Interest Current Year | Payable Amounts Outstanding 10/01/07 | Issued | Retired | Accretion on Bonds | Outstanding 09/30/08 | Amounts Due Within One Year |
|---|-----------------------|------------------------|-----------------------|--------------------------------------|--------------|--------------|--------------------|----------------------|-----------------------------|
| General Obligation, Bonds, 1998 | 4.0-6.0% | \$ 5,000,000 | \$ 149,527 | \$ 3,040,000 | \$ - | \$ 450,000 | \$ - | \$ 2,590,000 | \$ 470,000 |
| General Obligation, Bonds, 2007 | 4.0-5.25% | 53,875,000 | - | 53,875,000 | - | 1,210,000 | - | 52,665,000 | 1,260,000 |
| Premium on Issuance | | | - | 466,080 | - | 18,643 | - | 447,437 | - |
| General Obligation Refunding Bonds, Series 2002 | 3.0-5.56% | 17,146,262 | 501,419 | 15,111,055 | - | 1,055,000 | 223,838 | 14,279,893 | 1,100,000 |
| Compensated absences | N/A | N/A | - | 1,119,700 | 1,692,822 | 1,245,097 | - | 1,567,425 | 391,856 |
| Totals | | | \$ 650,946 | \$ 73,611,835 | \$ 1,692,822 | \$ 3,978,740 | \$ 223,838 | \$ 71,549,755 | \$ 3,221,856 |

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 | |
| 2009 | \$ 2,830,000 | \$ 3,025,692 | \$ 5,855,692 |
| 2010 | 2,950,000 | 2,905,713 | 5,855,713 |
| 2011 | 3,075,000 | 2,779,496 | 5,854,496 |
| 2012 | 3,210,000 | 2,643,726 | 5,853,726 |
| 2013 | 3,355,000 | 2,503,666 | 5,858,666 |
| 2014-2018 | 16,360,561 | 13,109,939 | 29,470,500 |
| 2019-2023 | 10,974,332 | 8,559,891 | 19,534,223 |
| 2024-2028 | 13,455,000 | 5,332,300 | 18,787,300 |
| 2029-2033 | 13,325,000 | 1,706,500 | 15,031,500 |
| Total | \$ 69,534,893 | \$ 42,566,923 | \$ 112,101,816 |

(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, 2008, are approximately \$1,118,630 accordingly, accretion on these bonds of approximately \$223,838 has been recorded in the current year.

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

Other Information

Risk Management

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

Health Care Coverage

During the year ended September 30, 2008, 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, 2008, have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

Litigation

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

(continued)

4. DETAILED NOTES ON ALL FUNDS (Continued)

Other Information (Continued)

Grants

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

Retirement Plan

Plan Description

Ellis County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 574 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the 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 9.24% for the months of the accounting year in 2007, and 9.07% for the months of the calendar year in 2008. The deposit rate payable by employee members for the calendar year 2008 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, 2008, the annual pension cost for the TCDRS plan for its employees was \$3,348,620 and the actual contributions were \$3,348,620.

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, 2006 and December 31, 2005, the basis for determining the contribution rates for calendar years 2008 and 2007. The December 31, 2007, actuarial valuation is the most recent valuation.

Actuarial Valuation Information

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

(1) includes inflation at the stated rate

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

| Accounting Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|------------------------|---------------------------|-------------------------------|------------------------|
| 9/30/06 | \$ 2,624,830 | 100% | \$ - |
| 9/30/07 | 3,039,686 | 100% | - |
| 9/30/08 | 3,348,620 | 100% | - |

(continued)

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

Retirement Plan (Continued)

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

| Year | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Annual Covered Payroll (1) (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|----------|--|---|------------------------------------|--------------------------|---|---|
| 12/31/05 | \$ 24,597,263 | \$ 29,329,011 | \$ 4,731,748 | 83.87% | \$ 15,654,743 | 30.23% |
| 12/31/06 | 28,653,317 | 32,733,226 | 4,079,909 | 87.54% | 16,966,755 | 24.05% |
| 12/31/07 | 32,661,431 | 37,313,401 | 4,651,970 | 87.53% | 19,107,201 | 24.35% |

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

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, 2008

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Ad valorem tax | \$ 25,461,100 | \$ 25,461,100 | \$ 24,813,396 | \$ (647,704) |
| Mixed drink tax | 93,000 | 93,000 | 112,250 | 19,250 |
| Total taxes | <u>25,554,100</u> | <u>25,554,100</u> | <u>24,925,646</u> | <u>(628,454)</u> |
| Intergovernmental: | | | | |
| State - hazardous waste fees | 140,000 | 140,000 | 229,330 | 89,330 |
| Other | <u>142,863</u> | <u>241,677</u> | <u>319,569</u> | <u>77,892</u> |
| Total intergovernmental | <u>282,863</u> | <u>381,677</u> | <u>548,899</u> | <u>167,222</u> |
| Fees of Office: | | | | |
| District Clerk | 409,500 | 409,500 | 405,110 | (4,390) |
| County Clerk | 1,447,000 | 1,447,000 | 1,308,866 | (138,134) |
| Sheriff | 195,800 | 195,800 | 238,217 | 42,417 |
| County Attorney | 57,850 | 57,850 | 66,133 | 8,283 |
| Tax Collector | 725,100 | 725,100 | 721,982 | (3,118) |
| County Court-At-Law | 157,700 | 157,700 | 145,035 | (12,665) |
| Justice of the Peace, Precinct #1 | 49,700 | 49,700 | 50,163 | 463 |
| Justice of the Peace, Precinct #2 | 71,500 | 71,500 | 78,987 | 7,487 |
| Justice of the Peace, Precinct #3 | 22,300 | 22,300 | 16,375 | (5,925) |
| Justice of the Peace, Precinct #4 | 32,500 | 32,500 | 83,075 | 50,575 |
| Constable, Precinct #1 | 40,700 | 40,700 | 53,319 | 12,619 |
| Constable, Precinct #2 | 70,000 | 70,000 | 101,133 | 31,133 |
| Constable, Precinct #3 | 17,300 | 17,300 | 39,630 | 22,330 |
| Constable, Precinct #4 | 51,500 | 51,500 | 87,165 | 35,665 |
| Elections | 17,350 | 23,509 | 9,056 | (14,453) |
| Public Works Administration | <u>414,400</u> | <u>414,400</u> | <u>307,510</u> | <u>(106,890)</u> |
| Total Fees of Office | <u>3,780,200</u> | <u>3,786,359</u> | <u>3,711,756</u> | <u>(74,603)</u> |
| Fines and forfeitures | <u>2,205,000</u> | <u>2,205,000</u> | <u>2,134,724</u> | <u>(70,276)</u> |
| Interest earnings | <u>900,107</u> | <u>900,107</u> | <u>504,895</u> | <u>(395,212)</u> |
| Miscellaneous: | | | | |
| Jail pay phone commission | 100,000 | 100,000 | 79,618 | (20,382) |
| Miscellaneous | <u>509,100</u> | <u>543,615</u> | <u>1,401,321</u> | <u>857,706</u> |
| Total miscellaneous | <u>609,100</u> | <u>643,615</u> | <u>1,480,939</u> | <u>837,324</u> |
| Total revenues | <u>\$ 33,331,370</u> | <u>\$ 33,470,858</u> | <u>\$ 33,306,859</u> | <u>\$ (163,999)</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, 2008

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES | | | | |
| GENERAL GOVERNMENT | | | | |
| County Clerk: | | | | |
| Salaries | \$ 601,129 | \$ 594,397 | \$ 581,675 | \$ 12,722 |
| Benefits | 223,762 | 224,296 | 218,447 | 5,849 |
| Supplies | 22,000 | 23,945 | 23,945 | - |
| Capital outlay | 1,500 | 1,500 | 355 | 1,145 |
| Other | 29,200 | 37,119 | 35,215 | 1,904 |
| Total County Clerk | <u>877,591</u> | <u>881,257</u> | <u>859,637</u> | <u>21,620</u> |
| County Judge: | | | | |
| Salaries | 117,924 | 117,935 | 117,935 | - |
| Benefits | 32,809 | 33,247 | 33,247 | - |
| Supplies | 5,500 | 4,011 | 2,619 | 1,392 |
| Other | 22,400 | 23,440 | 21,722 | 1,718 |
| Total County Judge | <u>178,633</u> | <u>178,633</u> | <u>175,523</u> | <u>3,110</u> |
| Juvenile Services: | | | | |
| Salaries | 253,597 | 238,573 | 238,573 | - |
| Benefits | 168,263 | 155,978 | 155,978 | - |
| Supplies | 5,000 | 7,375 | 7,375 | - |
| Capital outlay | 6,000 | 6,074 | 6,074 | - |
| Other | 49,950 | 36,248 | 36,248 | - |
| Juvenile detention service | 485,255 | 654,606 | 654,606 | - |
| Nonresidential | 52,000 | 90,337 | 90,337 | - |
| Total Juvenile Services | <u>1,020,065</u> | <u>1,189,191</u> | <u>1,189,191</u> | <u>-</u> |
| Department of Development: | | | | |
| Salaries | 448,252 | 448,252 | 431,303 | 16,949 |
| Benefits | 161,859 | 161,859 | 156,912 | 4,947 |
| Supplies | 5,000 | 5,000 | 3,115 | 1,885 |
| Capital outlay | 1,500 | 1,500 | 597 | 903 |
| Other | 12,600 | 12,600 | 7,762 | 4,838 |
| Automobile | 21,000 | 21,000 | 18,132 | 2,868 |
| Total Department of Development | <u>\$ 650,211</u> | <u>\$ 650,211</u> | <u>\$ 617,821</u> | <u>\$ 32,390</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, 2008

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (Continued) | | | | |
| GENERAL GOVERNMENT (Continued) | | | | |
| Veterans Services: | | | | |
| Salaries | \$ 29,188 | \$ 29,188 | \$ 28,043 | \$ 1,145 |
| Benefits | 6,439 | 6,839 | 6,723 | 116 |
| Supplies | 400 | 400 | 312 | 88 |
| Other | 1,200 | 800 | 664 | 136 |
| Total Veterans Services | <u>37,227</u> | <u>37,227</u> | <u>35,742</u> | <u>1,485</u> |
| Commissioners' Court: | | | | |
| Salaries | 340,251 | 340,251 | 339,217 | 1,034 |
| Benefits | 89,563 | 89,563 | 88,916 | 647 |
| Supplies | 600 | 600 | 276 | 324 |
| Other | 1,600 | 1,600 | 1,235 | 365 |
| Total Commissioners' Court | <u>432,014</u> | <u>432,014</u> | <u>429,644</u> | <u>2,370</u> |
| Communications: | | | | |
| Salaries | 30,688 | - | - | - |
| Benefits | 12,173 | - | - | - |
| Postage | 150,000 | - | - | - |
| Other | 3,400 | - | - | - |
| Total Communications | <u>196,261</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Community Supervision/Corrections: | | | | |
| Capital outlay | 1,500 | 230 | 230 | - |
| Utilities | 500 | 3,152 | 3,152 | - |
| Total Community Supervision/Correction | <u>2,000</u> | <u>3,382</u> | <u>3,382</u> | <u>-</u> |
| Nondepartmental: | | | | |
| Payroll insurance expense | 350,000 | 512,076 | 512,076 | - |
| Other | 369,881 | 990,022 | 990,022 | - |
| Organizational dues/subscriptions | 179,000 | 211,466 | 211,466 | - |
| Comprehensive insurance | 305,000 | 231,605 | 231,605 | - |
| Tax appraisal fee | 344,000 | 377,459 | 377,459 | - |
| Legal/professional fees | 60,000 | 130,671 | 130,671 | - |
| Lawsuit settlement | 15,000 | 6,232 | 6,232 | - |
| Total Nondepartmental | <u>1,622,881</u> | <u>2,459,531</u> | <u>2,459,531</u> | <u>-</u> |
| Purchasing: | | | | |
| Salaries | 126,792 | 126,796 | 126,796 | - |
| Benefits | 40,443 | 40,439 | 39,938 | 501 |
| Capital outlay - for all departments | 400 | 5,900 | 3,879 | 2,021 |
| Other | 24,250 | 26,449 | 25,170 | 1,279 |
| Total Purchasing | <u>\$ 191,885</u> | <u>\$ 199,584</u> | <u>\$ 195,783</u> | <u>\$ 3,801</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, 2008

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|------------------|---------------------|---------------------|---|
| | Original | Final | | |
| EXPENDITURES (Continued) | | | | |
| GENERAL GOVERNMENT (Continued) | | | | |
| Elections: | | | | |
| Salaries | \$ 147,240 | \$ 153,081 | \$ 153,081 | \$ - |
| Benefits | 53,056 | 53,933 | 53,933 | - |
| Capital outlay | 1,300 | - | - | - |
| Election workers salaries/benefits | 43,460 | 28,201 | 28,201 | - |
| Other | 103,522 | 164,209 | 164,209 | - |
| Total Elections | <u>348,578</u> | <u>399,424</u> | <u>399,424</u> | <u>-</u> |
| County Auditor: | | | | |
| Salaries | 253,341 | 241,687 | 239,642 | 2,045 |
| Benefits | 74,368 | 71,419 | 70,681 | 738 |
| Supplies | 4,500 | 10,382 | 9,657 | 725 |
| Capital outlay | 3,000 | 10,750 | 6,757 | 3,993 |
| Other | 8,625 | 9,596 | 9,596 | - |
| Total County Auditor | <u>343,834</u> | <u>343,834</u> | <u>336,333</u> | <u>7,501</u> |
| Tax Assessor/Collector: | | | | |
| Salaries | 579,924 | 579,924 | 557,452 | 22,472 |
| Benefits | 218,668 | 218,668 | 212,903 | 5,765 |
| Supplies | 16,000 | 19,000 | 18,358 | 642 |
| Other | 34,240 | 31,240 | 4,129 | 27,111 |
| Telephone | 11,900 | 11,900 | 9,647 | 2,253 |
| Postage | 42,000 | 42,000 | 25,730 | 16,270 |
| Capital outlay | 1,200 | 1,200 | 480 | 720 |
| Total Tax Assessor/Collector | <u>903,932</u> | <u>903,932</u> | <u>828,699</u> | <u>75,233</u> |
| Treasurer: | | | | |
| Salaries | 98,796 | 98,796 | 98,791 | 5 |
| Benefits | 29,716 | 29,716 | 28,951 | 765 |
| Other | 10,400 | 17,100 | 11,142 | 5,958 |
| Capital outlay | 2,700 | 2,293 | 1,263 | 1,030 |
| Total Treasurer | <u>141,612</u> | <u>147,905</u> | <u>140,147</u> | <u>7,758</u> |
| Human Services: | | | | |
| Salaries | - | 210,467 | 210,467 | - |
| Benefits | - | 67,556 | 67,556 | - |
| Supplies | - | 5,207 | 5,207 | - |
| Utilities | - | 2,748 | 2,748 | - |
| Other | - | 713,261 | 713,261 | - |
| Capital outlay | - | 1,199 | 1,199 | - |
| Total Human Services | <u>\$ -</u> | <u>\$ 1,000,438</u> | <u>\$ 1,000,438</u> | <u>\$ -</u> |

(continued)

ELLIS COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------|----------------------|---------------------|---|
| | Original | Final | | |
| EXPENDITURES (Continued) | | | | |
| GENERAL GOVERNMENT (Continued) | | | | |
| Courthouse/Office Building: | | | | |
| Salaries | \$ 168,554 | \$ 168,367 | \$ 168,367 | \$ - |
| Benefits | 68,155 | 67,790 | 67,790 | - |
| Supplies | 12,500 | 13,305 | 13,305 | - |
| Capital outlay | 2,000 | 2,000 | 2,000 | - |
| Other | 25,066 | 19,866 | 19,866 | - |
| Utilities | 238,366 | 275,082 | 275,082 | - |
| Telephone | 70,000 | 84,452 | 84,452 | - |
| Repairs and maintenance | 74,050 | 81,151 | 81,151 | - |
| Total Courthouse/Office Buildings | <u>658,691</u> | <u>712,013</u> | <u>712,013</u> | <u>-</u> |
| Engineering: | | | | |
| Salaries | 288,807 | 288,807 | 274,091 | 14,716 |
| Benefits | 81,006 | 81,006 | 78,496 | 2,510 |
| Supplies | 1,000 | 3,532 | 3,532 | - |
| Capital outlay | 1,200 | 5,040 | 4,139 | 901 |
| Other | 36,050 | 33,550 | 15,670 | 17,880 |
| Utilities | 3,900 | 3,868 | 3,130 | 738 |
| Total Engineering | <u>411,963</u> | <u>415,803</u> | <u>379,058</u> | <u>36,745</u> |
| Human Resources: | | | | |
| Salaries | 81,424 | - | - | - |
| Benefits | 26,342 | - | - | - |
| Supplies | 2,100 | - | - | - |
| Capital outlay | 550 | - | - | - |
| Other | 6,500 | - | - | - |
| Utilities | 600 | - | - | - |
| Repairs and maintenance | 3,500 | - | - | - |
| Total Human Resources | <u>121,016</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| MIS: | | | | |
| Salaries | 166,724 | 166,727 | 166,727 | - |
| Benefits | 47,492 | 47,489 | 47,265 | 224 |
| Supplies | 11,480 | 11,480 | 8,696 | 2,784 |
| Capital outlay | 400 | 400 | - | 400 |
| Other | 25,000 | 25,000 | 2,426 | 22,574 |
| Total Computer | <u>251,096</u> | <u>251,096</u> | <u>225,114</u> | <u>25,982</u> |
| Total General Government | <u>\$ 8,389,490</u> | <u>\$ 10,205,475</u> | <u>\$ 9,987,480</u> | <u>\$ 217,995</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, 2008

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|-------------------------------------|------------------|------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (Continued) | | | | |
| JUDICIAL | | | | |
| 40th Judicial District Judge: | | | | |
| Salaries | \$ 95,034 | \$ 95,034 | \$ 93,663 | \$ 1,371 |
| Benefits | 35,839 | 35,839 | 35,047 | 792 |
| Supplies | 6,500 | 6,500 | 1,729 | 4,771 |
| Capital outlay | 3,500 | 3,500 | 850 | 2,650 |
| Other | 16,600 | 16,600 | 10,940 | 5,660 |
| Total 40th Judicial District Judge | 157,473 | 157,473 | 142,229 | 15,244 |
| 378th Judicial District Judge: | | | | |
| Salaries | 35,183 | 35,185 | 35,185 | - |
| Benefits | 19,557 | 19,881 | 19,881 | - |
| Supplies | 6,000 | 6,000 | 729 | 5,271 |
| Capital outlay | 3,000 | 3,000 | 1,636 | 1,364 |
| Other | 13,900 | 13,574 | 8,443 | 5,131 |
| Total 378th Judicial District Judge | 77,640 | 77,640 | 65,874 | 11,766 |
| District Clerk: | | | | |
| Salaries | 424,617 | 424,617 | 407,086 | 17,531 |
| Benefits | 156,572 | 156,572 | 152,155 | 4,417 |
| Supplies | 14,000 | 14,000 | 13,720 | 280 |
| Capital outlay | 3,500 | 3,500 | 1,693 | 1,807 |
| Other | 109,100 | 109,100 | 95,497 | 13,603 |
| Total District Clerk | 707,789 | 707,789 | 670,151 | 37,638 |
| County Court-at-Law: | | | | |
| Salaries | 219,035 | 219,045 | 219,045 | - |
| Benefits | 56,499 | 57,841 | 57,841 | - |
| Capital outlay | 1,500 | 50 | 50 | - |
| Other | 21,031 | 23,129 | 19,278 | 3,851 |
| Total County Court-at-Law | \$ 298,065 | \$ 300,065 | \$ 296,214 | \$ 3,851 |

(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, 2008

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (Continued) | | | | |
| JUDICIAL (Continued) | | | | |
| County Court-at-Law #2: | | | | |
| Salaries | \$ 218,447 | \$ 218,481 | \$ 218,481 | \$ - |
| Benefits | 56,399 | 56,365 | 56,325 | 40 |
| Other | 12,425 | 12,425 | 10,771 | 1,654 |
| Utilities | 850 | 850 | 359 | 491 |
| Supplies | 5,000 | 5,000 | 4,844 | 156 |
| Capital outlay | 900 | 900 | 723 | 177 |
| Total County Court-at-Law #2 | <u>294,021</u> | <u>294,021</u> | <u>291,503</u> | <u>2,518</u> |
| Justice of the Peace #1: | | | | |
| Salaries | 146,397 | 146,401 | 146,401 | - |
| Benefits | 51,649 | 51,618 | 51,144 | 474 |
| Capital outlay | 1,500 | 2,127 | 2,127 | - |
| Other | 22,600 | 22,600 | 16,991 | 5,609 |
| Total Justice of the Peace #1 | <u>222,146</u> | <u>222,746</u> | <u>216,663</u> | <u>6,083</u> |
| Justice of the Peace #2: | | | | |
| Salaries | 201,095 | 201,095 | 197,181 | 3,914 |
| Benefits | 72,408 | 71,189 | 50,172 | 21,017 |
| Capital outlay | 2,500 | 2,200 | 2,179 | 21 |
| Other | 18,010 | 21,379 | 21,379 | - |
| Total Justice of the Peace #2 | <u>294,013</u> | <u>295,863</u> | <u>270,911</u> | <u>24,952</u> |
| Justice of the Peace #3: | | | | |
| Salaries | 135,458 | 134,418 | 131,764 | 2,654 |
| Benefits | 37,045 | 37,045 | 36,220 | 825 |
| Capital outlay | 800 | 1,840 | 1,840 | - |
| Other | 11,596 | 11,596 | 10,920 | 676 |
| Total Justice of the Peace #3 | <u>184,899</u> | <u>184,899</u> | <u>180,744</u> | <u>4,155</u> |
| Justice of the Peace #4: | | | | |
| Salaries | 140,927 | 144,433 | 144,433 | - |
| Benefits | 44,733 | 45,116 | 45,116 | - |
| Capital outlay | 2,500 | 2,188 | 2,188 | - |
| Other | 21,960 | 23,013 | 23,013 | - |
| Total Justice of the Peace #4 | <u>\$ 210,120</u> | <u>\$ 214,750</u> | <u>\$ 214,750</u> | <u>\$ -</u> |

(continued)

ELLIS COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|------------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (Continued) | | | | |
| JUDICIAL (Continued) | | | | |
| Court Reporter: | | | | |
| Other | \$ 63,000 | \$ 82,562 | \$ 82,562 | \$ - |
| Total Court Reporter | <u>63,000</u> | <u>82,562</u> | <u>82,562</u> | <u>-</u> |
| County and District Attorney: | | | | |
| Salaries | 1,617,710 | 1,617,710 | 1,596,242 | 21,468 |
| Benefits | 536,022 | 534,437 | 521,120 | 13,317 |
| Supplies | 15,000 | 14,370 | 13,746 | 624 |
| Capital outlay | 1,000 | 21,816 | 21,816 | - |
| Other | <u>155,290</u> | <u>157,357</u> | <u>157,357</u> | <u>-</u> |
| Total County and District Attorney | <u>2,325,022</u> | <u>2,345,690</u> | <u>2,310,281</u> | <u>35,409</u> |
| Total Judicial | <u>4,834,188</u> | <u>4,883,498</u> | <u>4,741,882</u> | <u>141,616</u> |
| PUBLIC SAFETY | | | | |
| Sheriff: | | | | |
| Salaries | 4,774,116 | 4,721,265 | 4,680,287 | 40,978 |
| Benefits | 1,451,693 | 1,454,393 | 1,439,881 | 14,512 |
| Supplies | 45,000 | 45,000 | 29,674 | 15,326 |
| Capital outlay | 22,350 | 22,350 | 5,618 | 16,732 |
| Other | 459,210 | 384,962 | 384,962 | - |
| Telephone | 78,000 | 91,744 | 80,389 | 11,355 |
| Automobile Purchases/Expenses | <u>399,070</u> | <u>1,264,783</u> | <u>864,092</u> | <u>400,691</u> |
| Total Sheriff | <u>7,229,439</u> | <u>7,984,497</u> | <u>7,484,903</u> | <u>499,594</u> |
| Highway Patrol: | | | | |
| Salaries | 60,887 | 60,887 | 60,887 | - |
| Benefits | 24,404 | 24,404 | 24,341 | 63 |
| Supplies | 1,500 | 1,500 | 896 | 604 |
| Other | <u>6,732</u> | <u>6,732</u> | <u>3,317</u> | <u>3,415</u> |
| Total Highway Patrol | <u>93,523</u> | <u>93,523</u> | <u>89,441</u> | <u>4,082</u> |
| Fire Marshall: | | | | |
| Salaries | 72,587 | 72,587 | 65,820 | 6,767 |
| Benefits | 26,247 | 26,247 | 23,928 | 2,319 |
| Auto | 6,950 | 6,950 | 4,539 | 2,411 |
| Capital outlay | 1,100 | 2,840 | 1,867 | 973 |
| Other | <u>44,700</u> | <u>44,700</u> | <u>40,390</u> | <u>4,310</u> |
| Total Fire Marshall | <u>\$ 151,584</u> | <u>\$ 153,324</u> | <u>\$ 136,544</u> | <u>\$ 16,780</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, 2008

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|----------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (Continued) | | | | |
| PUBLIC SAFETY (Continued) | | | | |
| Constable #1: | | | | |
| Salaries | \$ 94,750 | \$ 94,750 | \$ 94,743 | \$ 7 |
| Benefits | 29,209 | 29,209 | 28,770 | 439 |
| Capital outlay | - | 267 | 267 | - |
| Other | 9,410 | 9,520 | 6,424 | 3,096 |
| Automobile | 9,025 | 12,088 | 12,088 | - |
| Total Constable #1 | <u>142,394</u> | <u>145,834</u> | <u>142,292</u> | <u>3,542</u> |
| Constable #2: | | | | |
| Salaries | 94,750 | 112,676 | 111,171 | 1,505 |
| Benefits | 29,278 | 31,287 | 31,262 | 25 |
| Capital outlay | 800 | 5,000 | 3,798 | 1,202 |
| Other | 9,060 | 10,521 | 8,532 | 1,989 |
| Automobile | 14,100 | 12,599 | 12,397 | 202 |
| Total Constable #2 | <u>147,988</u> | <u>172,083</u> | <u>167,160</u> | <u>4,923</u> |
| Constable #3: | | | | |
| Salaries | 94,750 | 94,750 | 94,143 | 607 |
| Benefits | 29,209 | 29,209 | 28,617 | 592 |
| Capital outlay | 700 | 1,176 | 1,030 | 146 |
| Other | 6,860 | 9,614 | 4,630 | 4,984 |
| Automobile | 6,150 | 6,114 | 5,325 | 789 |
| Total Constable #3 | <u>137,669</u> | <u>140,863</u> | <u>133,745</u> | <u>7,118</u> |
| Constable #4: | | | | |
| Salaries | 94,750 | 105,752 | 92,913 | 12,839 |
| Benefits | 28,998 | 30,872 | 27,789 | 3,083 |
| Capital outlay | 3,600 | 7,616 | 6,015 | 1,601 |
| Other | 10,410 | 14,213 | 9,912 | 4,301 |
| Automobile | 9,715 | 9,715 | 8,679 | 1,036 |
| Total Constable #4 | <u>\$ 147,473</u> | <u>\$ 168,168</u> | <u>\$ 145,308</u> | <u>\$ 22,860</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, 2008

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|----------------------------------|---------------------|-------------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (Continued) | | | | |
| PUBLIC SAFETY (Continued) | | | | |
| Homeland Security:: | | | | |
| Salaries | \$ 78,583 | \$ 78,583 | \$ 78,457 | \$ 126 |
| Benefits | 27,053 | 26,924 | 26,674 | 250 |
| Capital outlay | 1,500 | 1,629 | 1,629 | - |
| Other | 47,500 | 117,597 | 106,954 | 10,643 |
| Automobile | 4,000 | 5,463 | 5,313 | 150 |
| Total Emergency Management | <u>158,636</u> | <u>230,196</u> | <u>219,027</u> | <u>11,169</u> |
| Jail | | | | |
| Salaries | 4,506,399 | 4,506,399 | 4,093,650 | 412,749 |
| Benefits | 1,573,343 | 1,573,243 | 1,499,587 | 73,656 |
| Utilities | 400,000 | 418,482 | 418,482 | - |
| Repairs | 161,400 | 158,675 | 147,928 | 10,747 |
| Supplies | 1,739,433 | 1,740,133 | 1,666,719 | 73,414 |
| Capital outlay | 33,000 | 32,000 | 29,641 | 2,359 |
| Other | 185,000 | 169,543 | 130,096 | 39,447 |
| Total Jail | <u>8,598,575</u> | <u>8,598,475</u> | <u>7,986,103</u> | <u>612,372</u> |
| Total Public Safety | <u>16,807,281</u> | <u>17,686,963</u> | <u>16,504,523</u> | <u>1,182,440</u> |
| HEALTH AND WELFARE | | | | |
| Indigent Health Care: | | | | |
| Salaries | 93,430 | - | - | - |
| Benefits | 29,008 | - | - | - |
| Supplies | 1,180 | - | - | - |
| Capital outlay | 2,482 | - | - | - |
| Other | 24,828 | - | - | - |
| Indigent care - medical | 1,541,379 | - | - | - |
| Total Indigent Health Care | <u>\$ 1,692,307</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

(continued)

ELLIS COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| EXPENDITURES (Continued) | | | | |
| HEALTH AND WELFARE (Continued) | | | | |
| Mental Health/Juvenile Expense: | | | | |
| Other | \$ 10,000 | \$ 10,000 | \$ 6,729 | \$ 3,271 |
| Total Mental Health/Juvenile Expenses | <u>10,000</u> | <u>10,000</u> | <u>6,729</u> | <u>3,271</u> |
| Indigent Legal: | | | | |
| Other | 26,500 | 22,510 | 22,510 | - |
| Legal and professional fees | <u>1,473,500</u> | <u>1,835,171</u> | <u>1,835,171</u> | <u>-</u> |
| Total Pauper | <u>1,500,000</u> | <u>1,857,681</u> | <u>1,857,681</u> | <u>-</u> |
| Total Health and Welfare | <u>3,202,307</u> | <u>1,867,681</u> | <u>1,864,410</u> | <u>3,271</u> |
| CONSERVATION | | | | |
| Agricultural Extension Service: | | | | |
| Salaries | 101,332 | 101,341 | 101,341 | - |
| Benefits | 49,972 | 49,972 | 43,963 | 6,009 |
| Supplies | 6,000 | 7,859 | 7,646 | 213 |
| Capital outlay | 2,100 | 1,810 | 1,810 | - |
| Other | 15,100 | 13,624 | 13,617 | 7 |
| Auto | 2,500 | 18,459 | 18,038 | 421 |
| Telephone | <u>2,700</u> | <u>3,350</u> | <u>3,180</u> | <u>170</u> |
| Total Agricultural Extension Service | <u>179,704</u> | <u>196,415</u> | <u>189,595</u> | <u>6,820</u> |
| Total Conservation | <u>179,704</u> | <u>196,415</u> | <u>189,595</u> | <u>6,820</u> |
| Total Expenditures | <u>33,412,970</u> | <u>34,840,032</u> | <u>33,287,890</u> | <u>1,552,142</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(81,600)</u> | <u>(1,369,174)</u> | <u>18,969</u> | <u>1,388,143</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | - | (34,815) | (34,815) |
| Transfers in | <u>81,600</u> | <u>81,600</u> | <u>81,600</u> | <u>-</u> |
| Total other financing sources (uses) | <u>81,600</u> | <u>81,600</u> | <u>46,785</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | - | (1,287,574) | 65,754 | 1,353,328 |
| FUND BALANCES, BEGINNING | <u>8,666,051</u> | <u>8,666,051</u> | <u>8,666,051</u> | <u>-</u> |
| FUND BALANCES, ENDING | <u>\$ 8,666,051</u> | <u>\$ 7,378,477</u> | <u>\$ 8,731,805</u> | <u>\$ 1,353,328</u> |

ELLIS COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2008

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 with the exception of the Graffiti Fund. It does not have an adopted appropriations budget as it is considered immaterial due to the \$20 balance. 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.

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

| | Special Revenue | | | | |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| | Road and Bridge #1 | Road and Bridge #2 | Road and Bridge #3 | Road and Bridge #4 | Farm to Market #1 |
| ASSETS | | | | | |
| Cash and investments | \$ 324,224 | \$ 643,126 | \$ 499,053 | \$ 1,070,338 | \$ 485,352 |
| Taxes receivable | <u>12,812</u> | <u>19,661</u> | <u>18,467</u> | <u>12,705</u> | <u>30,706</u> |
| Total assets | <u>\$ 337,036</u> | <u>\$ 662,787</u> | <u>\$ 517,520</u> | <u>\$ 1,083,043</u> | <u>\$ 516,058</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 13,954 | \$ 13,721 | \$ 52,763 | \$ 17,185 | \$ 109,921 |
| Accrued liabilities | 17,346 | 19,279 | 19,447 | 13,079 | - |
| Deferred revenue | <u>11,447</u> | <u>17,567</u> | <u>16,500</u> | <u>11,352</u> | <u>27,943</u> |
| Total liabilities | <u>42,747</u> | <u>50,567</u> | <u>88,710</u> | <u>41,616</u> | <u>137,864</u> |
| FUND BALANCES | | | | | |
| Reserved for debt service | - | - | - | - | - |
| Unreserved, undesignated | <u>294,289</u> | <u>612,220</u> | <u>428,810</u> | <u>1,041,427</u> | <u>378,194</u> |
| Total fund balances | <u>294,289</u> | <u>612,220</u> | <u>428,810</u> | <u>1,041,427</u> | <u>378,194</u> |
| Total liabilities and fund balances | <u>\$ 337,036</u> | <u>\$ 662,787</u> | <u>\$ 517,520</u> | <u>\$ 1,083,043</u> | <u>\$ 516,058</u> |

Special Revenue

| Farm to Market #2 | Farm to Market #3 | Farm to Market #4 | Lateral Road | District Clerk Archives | Justice Court Technology Fund | Jury | Law Library | District Attorney Hot Check | District Attorney Seizure |
|-------------------------|-------------------------|-------------------------|------------------|-------------------------------|--|-----------------|-------------------|-----------------------------------|---------------------------------|
| \$ 392,415 | \$ 463,911 | \$ 327,874 | \$ 30,895 | \$ 17,853 | \$ 606 | \$ 6,033 | \$ 139,007 | \$ 196,423 | \$ 20,272 |
| <u>30,706</u> | <u>30,706</u> | <u>30,706</u> | - | - | - | <u>2,743</u> | - | - | - |
| <u>\$ 423,121</u> | <u>\$ 494,617</u> | <u>\$ 358,580</u> | <u>\$ 30,895</u> | <u>\$ 17,853</u> | <u>\$ 606</u> | <u>\$ 8,776</u> | <u>\$ 139,007</u> | <u>\$ 196,423</u> | <u>\$ 20,272</u> |
| \$ 56,770 | \$ 193,663 | \$ 34,782 | \$ 507 | \$ - | \$ - | \$ 4,550 | \$ 8,151 | \$ 8,946 | \$ - |
| - | - | - | - | - | - | - | 2,101 | - | - |
| <u>27,943</u> | <u>27,943</u> | <u>27,943</u> | - | - | - | <u>2,450</u> | - | - | - |
| <u>84,713</u> | <u>221,606</u> | <u>62,725</u> | <u>507</u> | - | - | <u>7,000</u> | <u>10,252</u> | <u>8,946</u> | - |
| - | - | - | - | - | - | - | - | - | - |
| <u>338,408</u> | <u>273,011</u> | <u>295,855</u> | <u>30,388</u> | <u>17,853</u> | <u>606</u> | <u>1,776</u> | <u>128,755</u> | <u>187,477</u> | <u>20,272</u> |
| <u>338,408</u> | <u>273,011</u> | <u>295,855</u> | <u>30,388</u> | <u>17,853</u> | <u>606</u> | <u>1,776</u> | <u>128,755</u> | <u>187,477</u> | <u>20,272</u> |
| <u>\$ 423,121</u> | <u>\$ 494,617</u> | <u>\$ 358,580</u> | <u>\$ 30,895</u> | <u>\$ 17,853</u> | <u>\$ 606</u> | <u>\$ 8,776</u> | <u>\$ 139,007</u> | <u>\$ 196,423</u> | <u>\$ 20,272</u> |

(continued)

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

| | Special Revenue | | | | |
|-------------------------------------|------------------------------------|--------------------|-------------------------------|--|--|
| | District Attorney Forfeiture | Sheriff Seizure | Sheriff Drug Forfeiture | Constable Precinct #1 Forfeiture | Constable Precinct #2 Forfeiture |
| ASSETS | | | | | |
| Cash and investments | \$ 341,569 | \$ 193,015 | \$ 189,231 | \$ 181 | \$ 1,062 |
| Taxes receivable | - | - | - | - | - |
| Total assets | <u>\$ 341,569</u> | <u>\$ 193,015</u> | <u>\$ 189,231</u> | <u>\$ 181</u> | <u>\$ 1,062</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 197 | \$ - | \$ - | \$ - | \$ - |
| Accrued liabilities | 854 | - | - | - | - |
| Deferred revenue | - | - | - | - | - |
| Total liabilities | <u>1,051</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | |
| Reserved for debt service | - | - | - | - | - |
| Unreserved, undesignated | <u>340,518</u> | <u>193,015</u> | <u>189,231</u> | <u>181</u> | <u>1,062</u> |
| Total fund balances | <u>340,518</u> | <u>193,015</u> | <u>189,231</u> | <u>181</u> | <u>1,062</u> |
| Total liabilities and fund balances | <u>\$ 341,569</u> | <u>\$ 193,015</u> | <u>\$ 189,231</u> | <u>\$ 181</u> | <u>\$ 1,062</u> |

Special Revenue

| Constable Precinct #4 Forfeiture | Records Management | General Record Management Preservation | Courthouse Security | Sheriff Federal Forfeiture | Graffiti | County Clerk Archives Management | Sheriff HIDTA | Law Enforcement Block Fund |
|--|-----------------------|---|------------------------|----------------------------------|--------------|--|------------------|----------------------------------|
| \$ 109 | \$ 42,882 | \$ 96,929 | \$ 12,043 | \$ 275,735 | \$ 20 | \$ 736,748 | \$ 74,364 | \$ 17,441 |
| - | - | - | - | - | - | - | - | - |
| <u>\$ 109</u> | <u>\$ 42,882</u> | <u>\$ 96,929</u> | <u>\$ 12,043</u> | <u>\$ 275,735</u> | <u>\$ 20</u> | <u>\$ 736,748</u> | <u>\$ 74,364</u> | <u>\$ 17,441</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 109 | 42,882 | 96,929 | 12,043 | 275,735 | 20 | 736,748 | 74,364 | 17,441 |
| <u>109</u> | <u>42,882</u> | <u>96,929</u> | <u>12,043</u> | <u>275,735</u> | <u>20</u> | <u>736,748</u> | <u>74,364</u> | <u>17,441</u> |
| <u>\$ 109</u> | <u>\$ 42,882</u> | <u>\$ 96,929</u> | <u>\$ 12,043</u> | <u>\$ 275,735</u> | <u>\$ 20</u> | <u>\$ 736,748</u> | <u>\$ 74,364</u> | <u>\$ 17,441</u> |

(continued)

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

| | Debt Service | |
|-------------------------------------|---------------------|----------------------|
| | Debt Service | 2007 Debt Service |
| ASSETS | | |
| Cash and investments | \$ 1,247,868 | \$ 667,095 |
| Taxes receivable | <u>82,982</u> | <u>148,839</u> |
| Total assets | <u>\$ 1,330,850</u> | <u>\$ 815,934</u> |
| LIABILITIES | | |
| Accounts payable | \$ - | \$ - |
| Accrued liabilities | - | - |
| Deferred revenue | <u>74,142</u> | <u>133,143</u> |
| Total liabilities | <u>74,142</u> | <u>133,143</u> |
| FUND BALANCES | | |
| Reserved for debt service | 1,256,708 | 682,791 |
| Unreserved, undesignated | <u>-</u> | <u>-</u> |
| Total fund balances | <u>1,256,708</u> | <u>682,791</u> |
| Total liabilities and fund balances | <u>\$ 1,330,850</u> | <u>\$ 815,934</u> |

| Capital Projects | | | | |
|-------------------|---------------------|-------------------|-------------------|----------------------|
| Right of Way | Road District #1 | Road District #5 | Road District #16 | Totals |
| \$ 117,583 | \$ 1,176,541 | \$ 100,263 | \$ 181,642 | \$ 10,089,703 |
| - | - | - | - | 421,033 |
| <u>\$ 117,583</u> | <u>\$ 1,176,541</u> | <u>\$ 100,263</u> | <u>\$ 181,642</u> | <u>\$ 10,510,736</u> |
| \$ - | \$ - | \$ - | \$ - | \$ 515,110 |
| - | - | - | - | 72,106 |
| - | - | - | - | 378,373 |
| - | - | - | - | 965,589 |
| - | - | - | - | 1,939,499 |
| <u>117,583</u> | <u>1,176,541</u> | <u>100,263</u> | <u>181,642</u> | <u>7,605,648</u> |
| <u>117,583</u> | <u>1,176,541</u> | <u>100,263</u> | <u>181,642</u> | <u>9,545,147</u> |
| <u>\$ 117,583</u> | <u>\$ 1,176,541</u> | <u>\$ 100,263</u> | <u>\$ 181,642</u> | <u>\$ 10,510,736</u> |

ELLIS COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | Special Revenue | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|-------------------------|
| | Road and Bridge #1 | Road and Bridge #2 | Road and Bridge #3 | Road and Bridge #4 | Farm to Market #1 | Farm to Market #2 |
| REVENUES | | | | | | |
| Taxes | \$ 345,939 | \$ 530,368 | \$ 498,892 | \$ 343,023 | \$ 665,014 | \$ 665,015 |
| Intergovernmental | 65,040 | 215,735 | 38,364 | 8,972 | - | - |
| Auto registration | 553,415 | 553,415 | 553,415 | 554,700 | - | - |
| Fees of office | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - |
| Interest earnings | 19,751 | 25,489 | 26,089 | 32,702 | 20,076 | 21,239 |
| Other | 8,743 | 1,889 | 9,302 | 231,663 | - | 19,274 |
| Total revenues | <u>992,888</u> | <u>1,326,896</u> | <u>1,126,062</u> | <u>1,171,060</u> | <u>685,090</u> | <u>705,528</u> |
| EXPENDITURES | | | | | | |
| General government | - | - | - | - | - | - |
| Judicial | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Roads and highways | 924,575 | 1,121,932 | 1,200,764 | 902,597 | 916,392 | 681,278 |
| Debt service: | | | | | | |
| Principal | - | - | 30,000 | - | - | 53,592 |
| Interest and fiscal charges | - | - | - | - | - | 4,435 |
| Total expenditures | <u>924,575</u> | <u>1,121,932</u> | <u>1,230,764</u> | <u>902,597</u> | <u>916,392</u> | <u>739,305</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>68,313</u> | <u>204,964</u> | <u>(104,702)</u> | <u>268,463</u> | <u>(231,302)</u> | <u>(33,777)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers out | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 68,313 | 204,964 | (104,702) | 268,463 | (231,302) | (33,777) |
| FUND BALANCES, BEGINNING | <u>225,976</u> | <u>407,256</u> | <u>533,512</u> | <u>772,964</u> | <u>609,496</u> | <u>372,185</u> |
| FUND BALANCES, ENDING | <u>\$ 294,289</u> | <u>\$ 612,220</u> | <u>\$ 428,810</u> | <u>\$ 1,041,427</u> | <u>\$ 378,194</u> | <u>\$ 338,408</u> |

| Special Revenue | | | | | | | | |
|-------------------------|-------------------------|------------------|-------------------------------|--|-----------------|-------------------|-----------------------------------|---------------------------------|
| Farm to Market #3 | Farm to Market #4 | Lateral Road | District Clerk Archives | Justice Court Technology Fund | Jury | Law Library | District Attorney Hot Check | District Attorney Seizure |
| \$ 665,014 | \$ 665,015 | \$ - | \$ - | \$ - | \$ 74,661 | \$ - | \$ - | \$ - |
| - | - | 61,134 | - | - | 65,314 | - | - | - |
| - | - | - | 9,435 | 53,561 | - | - | 54,778 | - |
| - | - | - | - | - | - | - | - | 6,779 |
| 16,474 | 10,717 | 1,041 | - | - | 938 | 4,183 | 3,952 | 119 |
| - | - | - | - | - | 5,388 | 127,571 | - | - |
| <u>681,488</u> | <u>675,732</u> | <u>62,175</u> | <u>9,435</u> | <u>53,561</u> | <u>146,301</u> | <u>131,754</u> | <u>58,730</u> | <u>6,898</u> |
| - | - | - | - | 62,000 | - | - | - | - |
| - | - | - | - | - | 158,134 | 181,344 | 18,524 | 21,441 |
| - | - | - | - | - | - | - | - | - |
| 730,118 | 694,939 | 44,220 | - | - | - | - | - | - |
| 50,037 | - | - | - | - | - | - | - | - |
| 11,649 | - | - | - | - | - | - | - | - |
| <u>791,804</u> | <u>694,939</u> | <u>44,220</u> | <u>-</u> | <u>62,000</u> | <u>158,134</u> | <u>181,344</u> | <u>18,524</u> | <u>21,441</u> |
| (110,316) | (19,207) | 17,955 | 9,435 | (8,439) | (11,833) | (49,590) | 40,206 | (14,543) |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | 34,815 |
| - | - | - | - | - | - | - | - | 34,815 |
| (110,316) | (19,207) | 17,955 | 9,435 | (8,439) | (11,833) | (49,590) | 40,206 | 20,272 |
| <u>383,327</u> | <u>315,062</u> | <u>12,433</u> | <u>8,418</u> | <u>9,045</u> | <u>13,609</u> | <u>178,345</u> | <u>147,271</u> | <u>-</u> |
| <u>\$ 273,011</u> | <u>\$ 295,855</u> | <u>\$ 30,388</u> | <u>\$ 17,853</u> | <u>\$ 606</u> | <u>\$ 1,776</u> | <u>\$ 128,755</u> | <u>\$ 187,477</u> | <u>\$ 20,272</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, 2008

| | Special Revenue | | | | |
|--|------------------------------------|--------------------|-------------------------------|--|--|
| | District Attorney Forfeiture | Sheriff Seizure | Sheriff Drug Forfeiture | Constable Precinct #1 Forfeiture | Constable Precinct #2 Forfeiture |
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - |
| Auto registration | - | - | - | - | - |
| Fees of office | - | - | - | - | - |
| Fines and forfeitures | 12,403 | 19,240 | 41,990 | - | - |
| Interest earnings | 13,231 | 5,245 | 18,033 | 32 | 18 |
| Other | - | - | - | - | - |
| Total revenues | 25,634 | 24,485 | 60,023 | 32 | 18 |
| EXPENDITURES | | | | | |
| General government | - | - | - | - | - |
| Judicial | 55,989 | - | - | - | - |
| Public safety | - | 20,641 | 2,222 | - | - |
| Roads and highways | - | - | - | - | - |
| Debt service: | | | | | |
| Principal | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - |
| Total expenditures | 55,989 | 20,641 | 2,222 | - | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (30,355) | 3,844 | 57,801 | 32 | 18 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | - | - | - | - | - |
| Transfers in | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - |
| NET CHANGE IN FUND BALANCES | (30,355) | 3,844 | 57,801 | 32 | 18 |
| FUND BALANCES, BEGINNING | 370,873 | 189,171 | 131,430 | 149 | 1,044 |
| FUND BALANCES, ENDING | \$ 340,518 | \$ 193,015 | \$ 189,231 | \$ 181 | \$ 1,062 |

Special Revenue

| Constable Precinct #4 Forfeiture | Records Management | General Record Management Preservation | Courthouse Security | Sheriff Federal Forfeiture | Graffiti | County Clerk Archives Management | Sheriff HIDTA | Law Enforcement Block Fund |
|--|-----------------------|---|------------------------|----------------------------------|--------------|--|------------------|----------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | 129,259 | - |
| - | 169,428 | 58,469 | 91,200 | - | - | - | - | - |
| - | - | - | - | 83,123 | - | - | - | - |
| 1 | 2,735 | 5,901 | 2,443 | 58 | - | 6,849 | 2,029 | 530 |
| - | - | - | - | - | - | 165,725 | - | - |
| <u>1</u> | <u>172,163</u> | <u>64,370</u> | <u>93,643</u> | <u>83,181</u> | <u>-</u> | <u>172,574</u> | <u>131,288</u> | <u>530</u> |
| - | 178,236 | - | - | - | - | 23,257 | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | 172,551 | - | - | 76,962 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | <u>178,236</u> | <u>-</u> | <u>-</u> | <u>172,551</u> | <u>-</u> | <u>23,257</u> | <u>76,962</u> | <u>-</u> |
| <u>1</u> | <u>(6,073)</u> | <u>64,370</u> | <u>93,643</u> | <u>(89,370)</u> | <u>-</u> | <u>149,317</u> | <u>54,326</u> | <u>530</u> |
| - | - | - | (81,600) | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | <u>(81,600)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 1 | (6,073) | 64,370 | 12,043 | (89,370) | - | 149,317 | 54,326 | 530 |
| <u>108</u> | <u>48,955</u> | <u>32,559</u> | <u>-</u> | <u>365,105</u> | <u>20</u> | <u>587,431</u> | <u>20,038</u> | <u>16,911</u> |
| <u>\$ 109</u> | <u>\$ 42,882</u> | <u>\$ 96,929</u> | <u>\$ 12,043</u> | <u>\$ 275,735</u> | <u>\$ 20</u> | <u>\$ 736,748</u> | <u>\$ 74,364</u> | <u>\$ 17,441</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, 2008

| | <u>Debt Service</u> | |
|--|---------------------|------------------------------|
| | <u>Debt Service</u> | <u>2007 Debt Service</u> |
| REVENUES | | |
| Taxes | \$ 2,497,826 | \$ 4,054,751 |
| Intergovernmental | - | - |
| Auto registration | - | - |
| Fees of office | - | - |
| Fines and forfeitures | - | - |
| Interest earnings | 36,014 | 53,824 |
| Other | - | - |
| Total revenues | <u>2,533,840</u> | <u>4,108,575</u> |
| EXPENDITURES | | |
| General government | - | - |
| Judicial | - | - |
| Public safety | - | - |
| Roads and highways | - | - |
| Debt service: | | |
| Principal | 1,505,000 | 1,210,000 |
| Interest and fiscal charges | <u>591,751</u> | <u>2,216,365</u> |
| Total expenditures | <u>2,096,751</u> | <u>3,426,365</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>437,089</u> | <u>682,210</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers out | - | - |
| Transfers in | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 437,089 | 682,210 |
| FUND BALANCES, BEGINNING | <u>819,619</u> | <u>581</u> |
| FUND BALANCES, ENDING | <u>\$ 1,256,708</u> | <u>\$ 682,791</u> |

Capital Projects

| Right of Way | Road District #1 | Road District #5 | Road District #16 | Totals |
|-------------------|------------------------|------------------------|-------------------------|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 11,005,518 |
| - | - | - | - | 583,818 |
| - | - | - | - | 2,214,945 |
| - | - | - | - | 436,871 |
| - | - | - | - | 163,535 |
| 3,979 | 16,523 | 3,407 | 5,981 | 359,603 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>569,555</u> |
| <u>3,979</u> | <u>16,523</u> | <u>3,407</u> | <u>5,981</u> | <u>15,333,845</u> |
| - | - | - | - | 263,493 |
| - | - | - | - | 435,432 |
| - | - | - | - | 272,376 |
| - | - | - | - | 7,216,815 |
| - | - | - | - | 2,848,629 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,824,200</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>13,860,945</u> |
| <u>3,979</u> | <u>16,523</u> | <u>3,407</u> | <u>5,981</u> | <u>1,472,900</u> |
| - | - | - | - | (81,600) |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>34,815</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(46,785)</u> |
| 3,979 | 16,523 | 3,407 | 5,981 | 1,426,115 |
| <u>113,604</u> | <u>1,160,018</u> | <u>96,856</u> | <u>175,661</u> | <u>8,119,032</u> |
| <u>\$ 117,583</u> | <u>\$ 1,176,541</u> | <u>\$ 100,263</u> | <u>\$ 181,642</u> | <u>\$ 9,545,147</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|------------------|-------------------|---|
| REVENUES | | | |
| Road and bridge taxes | \$ 354,381 | \$ 345,939 | \$(8,442) |
| Intergovernmental | 16,901 | 65,040 | 48,139 |
| License and permits | 515,000 | 553,415 | 38,415 |
| Interest earnings | 13,000 | 19,751 | 6,751 |
| Other | 50,500 | 8,743 | (41,757) |
| Total revenues | <u>949,782</u> | <u>992,888</u> | <u>43,106</u> |
| EXPENDITURES | | | |
| Roads and highways: | | | |
| Salaries | 567,463 | 567,463 | - |
| Benefits | 204,446 | 201,933 | 2,513 |
| Other | 403,849 | 155,179 | 248,670 |
| Total expenditures | <u>1,175,758</u> | <u>924,575</u> | <u>251,183</u> |
| NET CHANGE IN FUND BALANCE | (225,976) | 68,313 | 294,289 |
| FUND BALANCE, BEGINNING | <u>225,976</u> | <u>225,976</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ -</u> | <u>\$ 294,289</u> | <u>\$ 294,289</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|-------------------|-------------------|---|
| REVENUES | | | |
| Road and bridge taxes | \$ 544,681 | \$ 530,368 | \$(14,313) |
| Intergovernmental | 215,735 | 215,735 | - |
| License and permits | 515,000 | 553,415 | 38,415 |
| Interest earnings | 15,000 | 25,489 | 10,489 |
| Other | <u>5,000</u> | <u>1,889</u> | <u>(3,111)</u> |
| Total revenues | <u>1,295,416</u> | <u>1,326,896</u> | <u>31,480</u> |
| EXPENDITURES | | | |
| Roads and highways: | | | |
| Salaries | 691,684 | 583,917 | 107,767 |
| Benefits | 252,538 | 228,799 | 23,739 |
| Other | 352,494 | 307,759 | 44,735 |
| Capital outlay | <u>2,000</u> | <u>1,457</u> | <u>543</u> |
| Total expenditures | <u>1,298,716</u> | <u>1,121,932</u> | <u>176,784</u> |
| NET CHANGE IN FUND BALANCE | (3,300) | 204,964 | 208,264 |
| FUND BALANCE, BEGINNING | <u>407,256</u> | <u>407,256</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 403,956</u> | <u>\$ 612,220</u> | <u>\$ 208,264</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, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|-----------------------------------|-------------------|-------------------|------------------------------------|
| REVENUES | | | |
| Road and bridge taxes | \$ 513,041 | \$ 498,892 | \$(14,149) |
| Intergovernmental | - | 38,364 | 38,364 |
| License and permits | 520,000 | 553,415 | 33,415 |
| Interest earnings | 25,000 | 26,089 | 1,089 |
| Other | <u>15,000</u> | <u>9,302</u> | <u>(5,698)</u> |
| Total revenues | <u>1,073,041</u> | <u>1,126,062</u> | <u>53,021</u> |
| EXPENDITURES | | | |
| Roads and highways: | | | |
| Salaries | 601,655 | 601,637 | 18 |
| Benefits | 222,310 | 220,925 | 1,385 |
| Other | <u>418,576</u> | <u>378,202</u> | <u>40,374</u> |
| Total roads and highways | <u>1,242,541</u> | <u>1,200,764</u> | <u>41,777</u> |
| Debt service: | | | |
| Principal | <u>30,000</u> | <u>30,000</u> | <u>-</u> |
| Total expenditures | <u>1,272,541</u> | <u>1,230,764</u> | <u>41,777</u> |
| NET CHANGE IN FUND BALANCE | (199,500) | (104,702) | 94,798 |
| FUND BALANCE, BEGINNING | <u>533,512</u> | <u>533,512</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 334,012</u> | <u>\$ 428,810</u> | <u>\$ 94,798</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|------------------|---------------------|---|
| REVENUES | | | |
| Road and bridge taxes | \$ 351,656 | \$ 343,023 | \$(8,633) |
| Intergovernmental | - | 8,972 | 8,972 |
| License and permits | 525,000 | 554,700 | 29,700 |
| Interest earnings | 30,000 | 32,702 | 2,702 |
| Other | 185,715 | 231,663 | 45,948 |
| Total revenues | <u>1,092,371</u> | <u>1,171,060</u> | <u>78,689</u> |
| EXPENDITURES | | | |
| Roads and highways: | | | |
| Salaries | 528,414 | 427,029 | 101,385 |
| Benefits | 186,285 | 167,036 | 19,249 |
| Other | <u>1,150,636</u> | <u>308,532</u> | <u>842,104</u> |
| Total expenditures | <u>1,865,335</u> | <u>902,597</u> | <u>962,738</u> |
| NET CHANGE IN FUND BALANCE | (772,964) | 268,463 | 1,041,427 |
| FUND BALANCE, BEGINNING | <u>772,964</u> | <u>772,964</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ -</u> | <u>\$ 1,041,427</u> | <u>\$ 1,041,427</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|--------------------|--------------------------|---|
| REVENUES | | | |
| Farm to market taxes | \$ 669,005 | \$ 665,014 | \$(3,991) |
| Interest earnings | <u>21,000</u> | <u>20,076</u> | <u>(924)</u> |
| Total revenues | <u>690,005</u> | <u>685,090</u> | <u>(4,915)</u> |
| EXPENDITURES | | | |
| Roads and highways: | | | |
| Capital outlay | 142,981 | 49,956 | 93,025 |
| Other | 172,092 | 44,632 | 127,460 |
| Road repairs and materials | 924,427 | 821,151 | 103,276 |
| Bridge repairs | <u>60,000</u> | <u>653</u> | <u>59,347</u> |
| Total roads and highways | <u>1,299,500</u> | <u>916,392</u> | <u>383,108</u> |
| Total expenditures | <u>1,299,500</u> | <u>916,392</u> | <u>383,108</u> |
| NET CHANGE IN FUND BALANCE | (609,495) | (231,302) | 378,193 |
| FUND BALANCE, BEGINNING | <u>609,496</u> | <u>609,496</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u><u>\$ 1</u></u> | <u><u>\$ 378,194</u></u> | <u><u>\$ 378,193</u></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, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|-----------------------------------|--------------------------|--------------------------|------------------------------------|
| REVENUES | | | |
| Farm to market taxes | \$ 669,005 | \$ 665,015 | \$(3,990) |
| Interest earnings | 21,000 | 21,239 | 239 |
| Other | <u>19,050</u> | <u>19,274</u> | <u>224</u> |
| Total revenues | <u>709,055</u> | <u>705,528</u> | <u>(3,527)</u> |
| EXPENDITURES | | | |
| Roads and highways: | | | |
| Capital outlay | 68,170 | 61,257 | 6,913 |
| Other | 132,624 | 99,961 | 32,663 |
| Road repairs and materials | 585,000 | 520,060 | 64,940 |
| Bridge repairs | <u>69,234</u> | <u>-</u> | <u>69,234</u> |
| Total roads and highways | <u>855,028</u> | <u>681,278</u> | <u>173,750</u> |
| Debt service: | | | |
| Principal | 53,592 | 53,592 | - |
| Interest and fiscal charges | <u>4,435</u> | <u>4,435</u> | <u>-</u> |
| Total expenditures | <u>913,055</u> | <u>739,305</u> | <u>173,750</u> |
| NET CHANGE IN FUND BALANCE | (204,000) | (33,777) | 170,223 |
| FUND BALANCE, BEGINNING | <u>372,185</u> | <u>372,185</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u><u>\$ 168,185</u></u> | <u><u>\$ 338,408</u></u> | <u><u>\$ 170,223</u></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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|-------------------|-------------------|---|
| REVENUES | | | |
| Farm to market taxes | \$ 669,005 | \$ 665,014 | \$(3,991) |
| Interest earnings | <u>25,000</u> | <u>16,474</u> | <u>(8,526)</u> |
| Total revenues | <u>694,005</u> | <u>681,488</u> | <u>(12,517)</u> |
| EXPENDITURES | | | |
| Roads and highways: | | | |
| Capital outlay | 85,300 | 85,214 | 86 |
| Other | 30,406 | 30,102 | 304 |
| Road repairs and materials | 651,884 | 582,701 | 69,183 |
| Bridge repairs | <u>32,200</u> | <u>32,101</u> | <u>99</u> |
| Total roads and highways | <u>799,790</u> | <u>730,118</u> | <u>69,672</u> |
| Debt service: | | | |
| Principal | 50,037 | 50,037 | - |
| Interest and fiscal charges | <u>11,678</u> | <u>11,649</u> | <u>29</u> |
| Total expenditures | <u>861,505</u> | <u>791,804</u> | <u>69,701</u> |
| NET CHANGE IN FUND BALANCE | (167,500) | (110,316) | 57,184 |
| FUND BALANCE, BEGINNING | <u>383,327</u> | <u>383,327</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 215,827</u> | <u>\$ 273,011</u> | <u>\$ 57,184</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|-------------------|-------------------|---|
| REVENUES | | | |
| Farm to market taxes | \$ 669,005 | \$ 665,015 | \$(3,990) |
| Interest earnings | <u>11,000</u> | <u>10,717</u> | <u>(283)</u> |
| Total revenues | <u>680,005</u> | <u>675,732</u> | <u>(4,273)</u> |
| EXPENDITURES | | | |
| Roads and highways: | | | |
| Capital outlay | 166,042 | 94,276 | 71,766 |
| Other | 102,625 | 44,237 | 58,388 |
| Road repairs and materials | 681,400 | 544,947 | 136,453 |
| Bridge repairs | <u>45,000</u> | <u>11,479</u> | <u>33,521</u> |
| Total expenditures | <u>995,067</u> | <u>694,939</u> | <u>300,128</u> |
| NET CHANGE IN FUND BALANCE | (315,062) | (19,207) | 295,855 |
| FUND BALANCE, BEGINNING | <u>315,062</u> | <u>315,062</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ -</u> | <u>\$ 295,855</u> | <u>\$ 295,855</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|---------------------------------------|------------------|------------------|---|
| REVENUES | | | |
| Intergovernmental | \$ 60,000 | \$ 61,134 | \$ 1,134 |
| Interest earnings | - | 1,041 | (1,041) |
| Total revenues | <u>60,000</u> | <u>62,175</u> | <u>2,175</u> |
| EXPENDITURES | | | |
| Roads and highways: | | | |
| Other | <u>60,000</u> | <u>44,220</u> | <u>15,780</u> |
| Total expenditures | <u>60,000</u> | <u>44,220</u> | <u>15,780</u> |
| NET CHANGE IN FUND BALANCE | - | 17,955 | 17,955 |
| FUND BALANCE, BEGINNING | <u>12,433</u> | <u>12,433</u> | - |
| FUND BALANCE, ENDING | <u>\$ 12,433</u> | <u>\$ 30,388</u> | <u>\$ 17,955</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|------------------|------------------|---|
| REVENUES | | | |
| Fees of office | \$ <u>10,000</u> | \$ <u>9,435</u> | \$ <u>(565)</u> |
| Total revenues | <u>10,000</u> | <u>9,435</u> | <u>(565)</u> |
| EXPENDITURES | | | |
| Judicial: | | | |
| Other | <u>10,000</u> | <u>-</u> | <u>10,000</u> |
| Total expenditures | <u>10,000</u> | <u>-</u> | <u>10,000</u> |
| NET CHANGE IN FUND BALANCE | - | 9,435 | 9,435 |
| FUND BALANCE, BEGINNING | <u>8,418</u> | <u>8,418</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 8,418</u> | <u>\$ 17,853</u> | <u>\$ 9,435</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|-----------------|---------------|---|
| REVENUES | | | |
| Other fees | \$ 62,000 | \$ 53,561 | \$(8,439) |
| Total revenues | <u>62,000</u> | <u>53,561</u> | <u>(8,439)</u> |
| EXPENDITURES | | | |
| General government: | | | |
| Other | <u>62,000</u> | <u>62,000</u> | <u>-</u> |
| Total expenditures | <u>62,000</u> | <u>62,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | - | (8,439) | (8,439) |
| FUND BALANCE, BEGINNING | <u>9,045</u> | <u>9,045</u> | - |
| FUND BALANCE, ENDING | <u>\$ 9,045</u> | <u>\$ 606</u> | <u>\$(8,439)</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|------------------|-----------------|---|
| REVENUES | | | |
| Taxes | \$ 76,500 | \$ 74,661 | \$(1,839) |
| Interest earnings | 1,000 | 938 | (62) |
| Intergovernmental | 74,634 | 65,314 | (9,320) |
| Other fees | <u>6,000</u> | <u>5,388</u> | <u>(612)</u> |
| Total revenues | <u>158,134</u> | <u>146,301</u> | <u>(11,833)</u> |
| EXPENDITURES | | | |
| Judicial: | | | |
| Jurors fees | <u>158,134</u> | <u>158,134</u> | <u>-</u> |
| Total expenditures | <u>158,134</u> | <u>158,134</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | - | (11,833) | (11,833) |
| FUND BALANCE, BEGINNING | <u>13,609</u> | <u>13,609</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 13,609</u> | <u>\$ 1,776</u> | <u>\$(11,833)</u> |

ELLIS COUNTY, TEXAS

LAW LIBRARY FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|-------------------|-------------------|---|
| REVENUES | | | |
| Interest earnings | \$ 2,000 | \$ 4,183 | \$ 2,183 |
| Other fees | 130,000 | 127,571 | (2,429) |
| Other | <u>49,344</u> | <u>-</u> | <u>(49,344)</u> |
| Total revenues | <u>181,344</u> | <u>131,754</u> | <u>(49,590)</u> |
| EXPENDITURES | | | |
| Legal: | | | |
| Salaries | 74,652 | 74,652 | - |
| Benefits | 27,661 | 27,661 | - |
| Other | 75,767 | 75,767 | - |
| Capital outlay | <u>3,264</u> | <u>3,264</u> | <u>-</u> |
| Total expenditures | <u>181,344</u> | <u>181,344</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | - | (49,590) | (49,590) |
| FUND BALANCE, BEGINNING | <u>178,345</u> | <u>178,345</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 178,345</u> | <u>\$ 128,755</u> | <u>\$(49,590)</u> |

ELLIS COUNTY, TEXAS

DISTRICT ATTORNEY'S HOT CHECK FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|-------------------|-------------------|---|
| REVENUES | | | |
| Interest earnings | \$ 1,500 | \$ 3,952 | \$ 2,452 |
| Other fees | <u>50,000</u> | <u>54,778</u> | <u>4,778</u> |
| Total revenues | <u>51,500</u> | <u>58,730</u> | <u>7,230</u> |
| EXPENDITURES | | | |
| Legal: | | | |
| Other | 49,500 | 18,524 | 30,976 |
| Capital outlay | <u>2,000</u> | <u>-</u> | <u>2,000</u> |
| Total expenditures | <u>51,500</u> | <u>18,524</u> | <u>32,976</u> |
| NET CHANGE IN FUND BALANCE | - | 40,206 | 40,206 |
| FUND BALANCE, BEGINNING | <u>147,271</u> | <u>147,271</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 147,271</u> | <u>\$ 187,477</u> | <u>\$ 40,206</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, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|---------------|------------------|------------------------------------|
| REVENUES | | | |
| Seizures | \$ 30,000 | \$ 6,779 | \$(23,221) |
| Interest earnings | - | 119 | 119 |
| Total revenues | <u>30,000</u> | <u>6,898</u> | <u>(23,102)</u> |
| EXPENDITURES | | | |
| Legal: | | | |
| Release of seized funds | <u>30,000</u> | <u>21,441</u> | <u>8,559</u> |
| Total expenditures | <u>30,000</u> | <u>21,441</u> | <u>8,559</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>-</u> | <u>(14,543)</u> | <u>(14,543)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | <u>-</u> | <u>34,815</u> | <u>34,815</u> |
| Total other financing sources (uses) | <u>-</u> | <u>34,815</u> | <u>34,815</u> |
| NET CHANGE IN FUND BALANCE | - | 20,272 | 20,272 |
| FUND BALANCE, BEGINNING | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ -</u> | <u>\$ 20,272</u> | <u>\$ 20,272</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|-------------------|-------------------|---|
| REVENUES | | | |
| Forfeitures | \$ 10,000 | \$ 12,403 | \$ 2,403 |
| Other | 120,255 | - | (120,255) |
| Interest earnings | <u>10,000</u> | <u>13,231</u> | <u>3,231</u> |
| Total revenues | <u>140,255</u> | <u>25,634</u> | <u>(114,621)</u> |
| EXPENDITURES | | | |
| Legal: | | | |
| Salaries | 27,349 | 18,305 | 9,044 |
| Benefits | 7,646 | 4,670 | 2,976 |
| Capital outlay | 40,000 | 327 | 39,673 |
| Other | <u>65,260</u> | <u>32,687</u> | <u>32,573</u> |
| Total expenditures | <u>140,255</u> | <u>55,989</u> | <u>84,266</u> |
| NET CHANGE IN FUND BALANCE | - | (30,355) | (30,355) |
| FUND BALANCE, BEGINNING | <u>370,873</u> | <u>370,873</u> | - |
| FUND BALANCE, ENDING | <u>\$ 370,873</u> | <u>\$ 340,518</u> | <u>\$(30,355)</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|-------------------|-------------------|---|
| REVENUES | | | |
| Seizures | \$ 19,240 | \$ 19,240 | \$ - |
| Interest earnings | <u>5,245</u> | <u>5,245</u> | <u>-</u> |
| Total revenues | <u>24,485</u> | <u>24,485</u> | <u>-</u> |
| EXPENDITURES | | | |
| Public safety: | | | |
| Forfeited transfers | <u>24,485</u> | <u>20,641</u> | <u>3,844</u> |
| Total expenditures | <u>24,485</u> | <u>20,641</u> | <u>3,844</u> |
| NET CHANGE IN FUND BALANCE | - | 3,844 | 3,844 |
| FUND BALANCE, BEGINNING | <u>189,171</u> | <u>189,171</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 189,171</u> | <u>\$ 193,015</u> | <u>\$ 3,844</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|-------------------|-------------------|---|
| REVENUES | | | |
| Forfeitures | \$ 10,000 | \$ 41,990 | \$ 31,990 |
| Interest earnings | 3,000 | 18,033 | 15,033 |
| Other | <u>30,000</u> | <u>-</u> | <u>(30,000)</u> |
| Total revenues | <u>43,000</u> | <u>60,023</u> | <u>17,023</u> |
| EXPENDITURES | | | |
| Public safety: | | | |
| General | <u>43,000</u> | <u>2,222</u> | <u>40,778</u> |
| Total expenditures | <u>43,000</u> | <u>2,222</u> | <u>40,778</u> |
| NET CHANGE IN FUND BALANCE | - | 57,801 | 57,801 |
| FUND BALANCE, BEGINNING | <u>131,430</u> | <u>131,430</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 131,430</u> | <u>\$ 189,231</u> | <u>\$ 57,801</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|---------------|---------------|---|
| REVENUES | | | |
| Other | \$ 100 | \$ - | \$(100) |
| Interest | <u>-</u> | <u>32</u> | <u>32</u> |
| Total revenues | <u>100</u> | <u>32</u> | <u>(68)</u> |
| EXPENDITURES | | | |
| Public safety: | | | |
| General | <u>100</u> | <u>-</u> | <u>100</u> |
| Total expenditures | <u>100</u> | <u>-</u> | <u>100</u> |
| NET CHANGE IN FUND BALANCE | - | 32 | 32 |
| FUND BALANCE, BEGINNING | <u>149</u> | <u>149</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 149</u> | <u>\$ 181</u> | <u>\$ 32</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|-----------------|-----------------|---|
| REVENUES | | | |
| Other | \$ 1,000 | \$ - | \$(1,000) |
| Interest earnings | <u>-</u> | <u>18</u> | <u>18</u> |
| Total revenues | <u>1,000</u> | <u>18</u> | <u>(982)</u> |
| EXPENDITURES | | | |
| Public safety: | | | |
| General | <u>1,000</u> | <u>-</u> | <u>1,000</u> |
| Total expenditures | <u>1,000</u> | <u>-</u> | <u>1,000</u> |
| NET CHANGE IN FUND BALANCE | - | 18 | 18 |
| FUND BALANCE, BEGINNING | <u>1,044</u> | <u>1,044</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 1,044</u> | <u>\$ 1,062</u> | <u>\$ 18</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|---------------------------------------|---------------|---------------|---|
| REVENUES | | | |
| Other | \$ 100 | \$ - | \$(100) |
| Interest | <u>-</u> | <u>1</u> | <u>1</u> |
| Total revenues | <u>100</u> | <u>1</u> | <u>(99)</u> |
| EXPENDITURES | | | |
| Public safety: | | | |
| General | <u>100</u> | <u>-</u> | <u>100</u> |
| Total expenditures | <u>100</u> | <u>-</u> | <u>100</u> |
| NET CHANGE IN FUND BALANCE | - | 1 | 1 |
| FUND BALANCE, BEGINNING | <u>108</u> | <u>108</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 108</u> | <u>\$ 109</u> | <u>\$ 1</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|------------------|------------------|---|
| REVENUES | | | |
| Records management fees | \$ 190,000 | \$ 169,428 | \$(20,572) |
| Interest earnings | <u>2,000</u> | <u>2,735</u> | <u>735</u> |
| Total revenues | <u>192,000</u> | <u>172,163</u> | <u>(19,837)</u> |
| EXPENDITURES | | | |
| General government: | | | |
| Other | <u>192,000</u> | <u>178,236</u> | <u>13,764</u> |
| Total expenditures | <u>192,000</u> | <u>178,236</u> | <u>13,764</u> |
| NET CHANGE IN FUND BALANCE | - | (6,073) | (6,073) |
| FUND BALANCE, BEGINNING | <u>48,955</u> | <u>48,955</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 48,955</u> | <u>\$ 42,882</u> | <u>\$(6,073)</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|------------------|------------------|---|
| REVENUES | | | |
| District Clerk records management fees | \$ 20,000 | \$ 19,309 | \$(691) |
| County Clerk records management fees | 39,000 | 39,160 | 160 |
| Interest earnings | 7,000 | 5,901 | (1,099) |
| Other | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>66,000</u> | <u>64,370</u> | <u>(1,630)</u> |
| EXPENDITURES | | | |
| General government: | | | |
| Capital outlay | 47,000 | - | 47,000 |
| Other | <u>19,000</u> | <u>-</u> | <u>19,000</u> |
| Total expenditures | <u>66,000</u> | <u>-</u> | <u>66,000</u> |
| NET CHANGE IN FUND BALANCE | - | 64,370 | 64,370 |
| FUND BALANCE, BEGINNING | <u>32,559</u> | <u>32,559</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 32,559</u> | <u>\$ 96,929</u> | <u>\$ 64,370</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|------------------|------------------|---|
| REVENUES | | | |
| District clerk courthouse security fees | \$ 11,000 | \$ 9,804 | \$(1,196) |
| County clerk courthouse security fees | 52,000 | 46,604 | (5,396) |
| JP court courthouse security fees | 18,600 | 34,792 | 16,192 |
| Interest earnings | <u>-</u> | <u>2,443</u> | <u>2,443</u> |
| Total revenues | <u>81,600</u> | <u>93,643</u> | <u>12,043</u> |
| EXPENDITURES | | | |
| General government: | | | |
| Salaries | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>81,600</u> | <u>93,643</u> | <u>12,043</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | <u>(81,600)</u> | <u>(81,600)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(81,600)</u> | <u>(81,600)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | - | 12,043 | 12,043 |
| FUND BALANCE, BEGINNING | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ -</u> | <u>\$ 12,043</u> | <u>\$ 12,043</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|---------------------------------------|-------------------|-------------------|---|
| REVENUES | | | |
| Seizures | \$ 83,123 | \$ 83,123 | \$ - |
| Other | 100,000 | - | (100,000) |
| Interest earnings | <u>10,000</u> | <u>58</u> | <u>(9,942)</u> |
| Total revenues | <u>193,123</u> | <u>83,181</u> | <u>(109,942)</u> |
| EXPENDITURES | | | |
| Public safety: | | | |
| Other | 168,223 | 147,651 | 20,572 |
| Capital outlay | <u>24,900</u> | <u>24,900</u> | <u>-</u> |
| Total expenditures | <u>193,123</u> | <u>172,551</u> | <u>20,572</u> |
| NET CHANGE IN FUND BALANCE | - | (89,370) | (89,370) |
| FUND BALANCE, BEGINNING | <u>365,105</u> | <u>365,105</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 365,105</u> | <u>\$ 275,735</u> | <u>\$(89,370)</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, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|-----------------------------------|-------------------|-------------------|------------------------------------|
| REVENUES | | | |
| Interest earnings | \$ 8,000 | \$ 6,849 | \$(1,151) |
| Other | <u>190,000</u> | <u>165,725</u> | <u>(24,275)</u> |
| Total revenues | <u>198,000</u> | <u>172,574</u> | <u>(25,426)</u> |
| EXPENDITURES | | | |
| General government: | | | |
| Other | <u>198,000</u> | <u>23,257</u> | <u>174,743</u> |
| Total expenditures | <u>198,000</u> | <u>23,257</u> | <u>174,743</u> |
| NET CHANGE IN FUND BALANCE | - | 149,317 | 149,317 |
| FUND BALANCE, BEGINNING | <u>587,431</u> | <u>587,431</u> | - |
| FUND BALANCE, ENDING | <u>\$ 587,431</u> | <u>\$ 736,748</u> | <u>\$ 149,317</u> |

ELLIS COUNTY, TEXAS

SHERIFF HIDTA FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|------------------|------------------|------------------------------------|
| REVENUES | | | |
| Seizures | \$ 129,259 | \$ 129,259 | \$ - |
| Interest | <u>2,029</u> | <u>2,029</u> | <u>-</u> |
| Total revenues | <u>131,288</u> | <u>131,288</u> | <u>-</u> |
| EXPENDITURES | | | |
| Public safety: | | | |
| Other | <u>131,288</u> | <u>76,962</u> | <u>54,326</u> |
| Total expenditures | <u>131,288</u> | <u>76,962</u> | <u>54,326</u> |
| NET CHANGE IN FUND BALANCES | - | 54,326 | 54,326 |
| FUND BALANCES, BEGINNING | <u>20,038</u> | <u>20,038</u> | <u>-</u> |
| FUND BALANCES, ENDING | <u>\$ 20,038</u> | <u>\$ 74,364</u> | <u>\$ 54,326</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|------------------|------------------|---|
| REVENUES | | | |
| Interest | \$ - | \$ 530 | \$ 530 |
| Total revenues | <u>-</u> | <u>530</u> | <u>530</u> |
| EXPENDITURES | | | |
| Public safety: | | | |
| Other | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | - | 530 | 530 |
| FUND BALANCE, BEGINNING | <u>16,911</u> | <u>16,911</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 16,911</u> | <u>\$ 17,441</u> | <u>\$ 530</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|-------------------|---------------------|---|
| REVENUES | | | |
| Taxes | \$ 5,875,016 | \$ 2,497,826 | \$(3,377,190) |
| Interest earnings | <u>15,000</u> | <u>36,014</u> | <u>21,014</u> |
| Total revenues | <u>5,890,016</u> | <u>2,533,840</u> | <u>(3,356,176)</u> |
| EXPENDITURES | | | |
| Debt service: | | | |
| Principal | 2,715,000 | 1,505,000 | 1,210,000 |
| Interest | 3,140,016 | 590,841 | 2,549,175 |
| Other | <u>35,000</u> | <u>910</u> | <u>34,090</u> |
| Total expenditures | <u>5,890,016</u> | <u>2,096,751</u> | <u>3,793,265</u> |
| NET CHANGE IN FUND BALANCE | - | 437,089 | 437,089 |
| FUND BALANCE, BEGINNING | <u>819,619</u> | <u>819,619</u> | - |
| FUND BALANCE, ENDING | <u>\$ 819,619</u> | <u>\$ 1,256,708</u> | <u>\$ 437,089</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|------------------|-------------------|---|
| REVENUES | | | |
| Taxes | \$ 4,054,751 | \$ 4,054,751 | \$ - |
| Interest earnings | 53,824 | 53,824 | - |
| Total revenues | <u>4,108,575</u> | <u>4,108,575</u> | <u>-</u> |
| EXPENDITURES | | | |
| Debt service: | | | |
| Principal | 1,210,000.00 | 1,210,000 | - |
| Interest | 2,216,365.00 | 2,216,365 | - |
| Other | 682,210 | - | 682,210 |
| Total expenditures | <u>4,108,575</u> | <u>3,426,365</u> | <u>682,210</u> |
| NET CHANGE IN FUND BALANCE | - | 682,210 | 682,210 |
| FUND BALANCE, BEGINNING | <u>581</u> | <u>581</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 581</u> | <u>\$ 682,791</u> | <u>\$ 682,210</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, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|-----------------------------------|-------------------|-------------------|------------------------------------|
| REVENUES | | | |
| Interest | \$ <u>4,000</u> | \$ <u>3,979</u> | \$ <u>(21)</u> |
| Total revenues | <u>4,000</u> | <u>3,979</u> | <u>(21)</u> |
| EXPENDITURES | | | |
| Capital outlay: | | | |
| Right-of-way purchase | <u>4,000</u> | <u>-</u> | <u>4,000</u> |
| Total expenditures | <u>4,000</u> | <u>-</u> | <u>4,000</u> |
| NET CHANGE IN FUND BALANCE | - | 3,979 | 3,979 |
| FUND BALANCE, BEGINNING | <u>113,604</u> | <u>113,604</u> | <u>-</u> |
| FUND BALANCE, ENDING | \$ <u>113,604</u> | \$ <u>117,583</u> | \$ <u>3,979</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|----------------------------|----------------------------|---|
| REVENUES | | | |
| Interest earnings | \$ <u>20,000</u> | \$ <u>16,523</u> | \$ <u>(3,477)</u> |
| Total revenues | <u>20,000</u> | <u>16,523</u> | <u>(3,477)</u> |
| EXPENDITURES | | | |
| Other | <u>20,000</u> | <u>-</u> | <u>20,000</u> |
| Total expenditures | <u>20,000</u> | <u>-</u> | <u>20,000</u> |
| NET CHANGE IN FUND BALANCE | <u>-</u> | <u>16,523</u> | <u>16,523</u> |
| FUND BALANCE, BEGINNING | <u>1,160,018</u> | <u>1,160,018</u> | <u>-</u> |
| FUND BALANCE, ENDING | \$ <u><u>1,160,018</u></u> | \$ <u><u>1,176,541</u></u> | \$ <u><u>16,523</u></u> |

ELLIS COUNTY, TEXAS

CAPITAL PROJECTS FUNDS

ROAD DISTRICT #5 AVAILABLE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|------------------|-------------------|---|
| REVENUES | | | |
| Interest earnings | \$ 4,000 | \$ 3,407 | \$ (593) |
| Total revenues | <u>4,000</u> | <u>3,407</u> | <u>(593)</u> |
| EXPENDITURES | | | |
| Other | <u>4,000</u> | <u>-</u> | <u>4,000</u> |
| Total expenditures | <u>4,000</u> | <u>-</u> | <u>4,000</u> |
| NET CHANGE IN FUND BALANCE | - | 3,407 | 3,407 |
| FUND BALANCE, BEGINNING | <u>96,856</u> | <u>96,856</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 96,856</u> | <u>\$ 100,263</u> | <u>\$ 3,407</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|-------------------|-------------------|---|
| REVENUES | | | |
| Interest earnings | \$ <u>7,000</u> | \$ <u>5,981</u> | \$ <u>(1,019)</u> |
| Total revenues | <u>7,000</u> | <u>5,981</u> | <u>(1,019)</u> |
| EXPENDITURES | | | |
| Capital outlay | <u>7,000</u> | <u>-</u> | <u>7,000</u> |
| Total expenditures | <u>7,000</u> | <u>-</u> | <u>7,000</u> |
| NET CHANGE IN FUND BALANCE | - | 5,981 | 5,981 |
| FUND BALANCE, BEGINNING | <u>175,661</u> | <u>175,661</u> | <u>-</u> |
| FUND BALANCE, ENDING | \$ <u>175,661</u> | \$ <u>181,642</u> | \$ <u>5,981</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|----------------------|----------------------|---|
| REVENUES | | | |
| Permanent improvement taxes | \$ 2,000 | \$ 509 | \$(1,491) |
| Interest earnings | 400,000 | 376,491 | (23,509) |
| Other | <u>110,175</u> | <u>-</u> | <u>(110,175)</u> |
| Total revenues | <u>512,175</u> | <u>377,000</u> | <u>(135,175)</u> |
| EXPENDITURES | | | |
| General Government: | | | |
| Other | 307,005 | 307,005 | - |
| Capital outlay | <u>205,170</u> | <u>205,170</u> | <u>-</u> |
| Total expenditures | <u>512,175</u> | <u>512,175</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | - | (135,175) | (135,175) |
| FUND BALANCE, BEGINNING | <u>11,799,841</u> | <u>11,799,841</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 11,799,841</u> | <u>\$ 11,664,666</u> | <u>\$(135,175)</u> |

ELLIS COUNTY, TEXAS

CAPITAL PROJECTS FUNDS

2007 CONSTRUCTION PROJECT

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

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-----------------------------------|----------------------|----------------------|---|
| REVENUES | | | |
| Other | \$ 53,865,000 | \$ - | \$(53,865,000) |
| Interest earnings | <u>2,396,278</u> | <u>1,758,783</u> | <u>(637,495)</u> |
| Total revenues | <u>56,261,278</u> | <u>1,758,783</u> | <u>(54,502,495)</u> |
| EXPENDITURES | | | |
| Capital outlay | <u>56,261,278</u> | <u>5,532,039</u> | <u>50,729,239</u> |
| Total expenditures | <u>56,261,278</u> | <u>5,532,039</u> | <u>50,729,239</u> |
| NET CHANGE IN FUND BALANCE | - | (3,773,256) | (3,773,256) |
| FUND BALANCE, BEGINNING | <u>53,681,619</u> | <u>53,681,619</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 53,681,619</u> | <u>\$ 49,908,363</u> | <u>\$(3,773,256)</u> |

ELLIS COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | Balance September 30, 2007 | Additions | Deductions | Balance September 30, 2008 |
|--------------------------------|----------------------------------|----------------|----------------|----------------------------------|
| <u>COUNTY TREASURER</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 179,114 | \$ 1,402,879 | \$ 1,507,623 | \$ 74,370 |
| Total assets | \$ 179,114 | \$ 1,402,879 | \$ 1,507,623 | \$ 74,370 |
| Liabilities: | | | | |
| Due to beneficiaries | \$ 179,114 | \$ 1,402,879 | \$ 1,507,623 | \$ 74,370 |
| Total liabilities | \$ 179,114 | \$ 1,402,879 | \$ 1,507,623 | \$ 74,370 |
| <u>TAX COLLECTOR</u> | | | | |
| Assets: | | | | |
| Cash | \$ 1,775,369 | \$ 192,917,143 | \$ 192,926,999 | \$ 1,765,513 |
| Total assets | \$ 1,775,369 | \$ 192,917,143 | \$ 192,926,999 | \$ 1,765,513 |
| Liabilities: | | | | |
| Due to other governments | \$ 1,762,548 | \$ 1,749,816 | \$ 1,762,548 | \$ 1,749,816 |
| Due to beneficiaries | 12,821 | 15,697 | 12,821 | 15,697 |
| Total liabilities | \$ 1,775,369 | \$ 1,765,513 | \$ 1,775,369 | \$ 1,765,513 |
| <u>COUNTY ATTORNEY</u> | | | | |
| Assets: | | | | |
| Cash | \$ 108,174 | \$ 1,085,310 | \$ 1,027,583 | \$ 165,901 |
| Total assets | \$ 108,174 | \$ 1,085,310 | \$ 1,027,583 | \$ 165,901 |
| Liabilities: | | | | |
| Due to beneficiaries | \$ 108,174 | \$ 1,085,310 | \$ 1,027,583 | \$ 165,901 |
| Total liabilities | \$ 108,174 | \$ 1,085,310 | \$ 1,027,583 | \$ 165,901 |

(continued)

ELLIS COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | <u>Balance September 30, 2007</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance September 30, 2008</u> |
|------------------------------|---|---------------------|---------------------|---|
| <u>SHERIFF</u> | | | | |
| Assets: | | | | |
| Cash | \$ 64,529 | \$ 1,276,560 | \$ 1,278,326 | \$ 62,763 |
| Total assets | <u>\$ 64,529</u> | <u>\$ 1,276,560</u> | <u>\$ 1,278,326</u> | <u>\$ 62,763</u> |
| Liabilities: | | | | |
| Due to beneficiaries | \$ 64,529 | \$ 1,276,560 | \$ 1,278,326 | \$ 62,763 |
| Total liabilities | <u>\$ 64,529</u> | <u>\$ 1,276,560</u> | <u>\$ 1,278,326</u> | <u>\$ 62,763</u> |
| <u>DISTRICT CLERK</u> | | | | |
| Assets: | | | | |
| Cash | \$ 2,430,564 | \$ 1,424,713 | \$ 640,822 | \$ 3,214,455 |
| Total assets | <u>\$ 2,430,564</u> | <u>\$ 1,424,713</u> | <u>\$ 640,822</u> | <u>\$ 3,214,455</u> |
| Liabilities: | | | | |
| Due to beneficiaries | \$ 2,430,564 | \$ 1,424,713 | \$ 640,822 | \$ 3,214,455 |
| Total liabilities | <u>\$ 2,430,564</u> | <u>\$ 1,424,713</u> | <u>\$ 640,822</u> | <u>\$ 3,214,455</u> |
| <u>COUNTY CLERK</u> | | | | |
| Assets: | | | | |
| Cash | \$ 2,483,813 | \$ 1,834,381 | \$ 2,286,054 | \$ 2,032,140 |
| Total assets | <u>\$ 2,483,813</u> | <u>\$ 1,834,381</u> | <u>\$ 2,286,054</u> | <u>\$ 2,032,140</u> |
| Liabilities: | | | | |
| Due to beneficiaries | \$ 2,483,813 | \$ 1,834,381 | \$ 2,286,054 | \$ 2,032,140 |
| Total liabilities | <u>\$ 2,483,813</u> | <u>\$ 1,834,381</u> | <u>\$ 2,286,054</u> | <u>\$ 2,032,140</u> |

(continued)

ELLIS COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | Balance September 30, 2007 | Additions | Deductions | Balance September 30, 2008 |
|---|----------------------------------|--------------|--------------|----------------------------------|
| <u>JUSTICE OF THE PEACE</u> | | | | |
| Assets: | | | | |
| Cash | \$ 372,972 | \$ 752,087 | \$ 991,733 | \$ 133,326 |
| Total assets | \$ 372,972 | \$ 752,087 | \$ 991,733 | \$ 133,326 |
| Liabilities: | | | | |
| Due to other governments | \$ 372,972 | \$ 752,087 | \$ 991,733 | \$ 133,326 |
| Total liabilities | \$ 372,972 | \$ 752,087 | \$ 991,733 | \$ 133,326 |
| <u>JUVENILE PROBATION AND CORRECTIONS</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 395,471 | \$ 495,699 | \$ 663,633 | \$ 227,537 |
| Total assets | \$ 395,471 | \$ 495,699 | \$ 663,633 | \$ 227,537 |
| Liabilities: | | | | |
| Due to beneficiaries | \$ 395,471 | \$ 495,699 | \$ 663,633 | \$ 227,537 |
| Total liabilities | \$ 395,471 | \$ 495,699 | \$ 663,633 | \$ 227,537 |
| <u>ADULT COMMUNITY SUPERVISION AND CORRECTIONS</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 236,452 | \$ 4,074,655 | \$ 3,924,185 | \$ 386,922 |
| Total assets | \$ 236,452 | \$ 4,074,655 | \$ 3,924,185 | \$ 386,922 |
| Liabilities: | | | | |
| Due to beneficiaries | \$ 236,452 | \$ 4,074,655 | \$ 3,924,185 | \$ 386,922 |
| Total liabilities | \$ 236,452 | \$ 4,074,655 | \$ 3,924,185 | \$ 386,922 |

(continued)

ELLIS COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | <u>Balance September 30, 2007</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance September 30, 2008</u> |
|--|---|-----------------------|-----------------------|---|
| <u>TOTAL - ALL AGENCY FUNDS</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ <u>8,046,458</u> | \$ <u>205,263,427</u> | \$ <u>205,246,958</u> | \$ <u>8,062,927</u> |
| Total assets | \$ <u>8,046,458</u> | \$ <u>205,263,427</u> | \$ <u>205,246,958</u> | \$ <u>8,062,927</u> |
| Liabilities: | | | | |
| Due to other governments | \$ 2,135,520 | \$ 2,501,903 | \$ 2,754,281 | \$ 1,883,142 |
| Due to beneficiaries | <u>5,910,938</u> | <u>11,609,894</u> | <u>11,341,047</u> | <u>6,179,785</u> |
| Total liabilities | \$ <u>8,046,458</u> | \$ <u>14,111,797</u> | \$ <u>14,095,328</u> | \$ <u>8,062,927</u> |

TABLE 1

ELLIS COUNTY, TEXAS

NET ASSETS BY COMPONENT
(Unaudited)
LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|--|-------------|------|---------------|---------------|---------------|---------------|---------------|---------------|--|--|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | | |
| 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 | | |
| Restricted | - | - | 4,825,686 | 5,253,940 | 655,299 | 738,058 | 820,200 | 1,939,499 | | |
| Unrestricted | - | - | 5,578,868 | 6,395,700 | 12,939,290 | 25,535,552 | 28,550,362 | 28,951,526 | | |
| Total governmental activities net assets | \$ - | \$ - | \$ 27,187,947 | \$ 30,535,212 | \$ 31,820,189 | \$ 29,591,824 | \$ 33,613,635 | \$ 37,928,054 | | |

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

TABLE 2

ELLIS COUNTY, TEXAS

CHANGES IN NET ASSETS
(Unaudited)
LAST TEN FISCAL YEARS¹

| | Fiscal Year | | | | | | | | | |
|----------------------------|-------------|------|------|------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| EXPENSES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ - | \$ - | \$ - | \$ - | \$ 6,662,572 | \$ 9,070,809 | \$ 8,845,589 | \$ 9,232,072 | \$ 9,457,567 | \$ 11,027,372 |
| Judicial | - | - | - | - | 4,317,576 | 3,851,390 | 4,046,313 | 4,185,014 | 4,584,015 | 5,242,394 |
| Public safety | - | - | - | - | 8,925,462 | 10,740,789 | 12,452,447 | 14,306,479 | 15,924,850 | 17,125,896 |
| Health and welfare | - | - | - | - | 1,956,606 | 1,959,263 | 2,445,497 | 2,585,252 | 2,363,193 | 1,869,806 |
| Conservation | - | - | - | - | 145,802 | 142,549 | 142,802 | 161,970 | 169,892 | 196,106 |
| Roads and highways | - | - | - | - | 6,613,357 | 5,384,181 | 5,241,732 | 6,330,052 | 5,576,443 | 7,474,568 |
| Interest on long-term debt | - | - | - | - | 814,526 | 851,471 | 931,667 | 907,828 | 941,235 | 3,398,336 |
| Total expenses | \$ - | \$ - | \$ - | \$ - | \$ 29,435,901 | \$ 32,000,452 | \$ 34,106,047 | \$ 37,708,667 | \$ 39,017,195 | \$ 46,334,478 |

PROGRAM REVENUES

| | |
|--|------|
| Governmental activities: | |
| Fees, fines and charges for services: | |
| General government | \$ - |
| Judicial | \$ - |
| Public safety | \$ - |
| Roads and highways | \$ - |
| Operating grants and contributions | \$ - |
| Total governmental activities program revenues | \$ - |

| | | | | | | | | | | |
|-------------------------------|------|------|------|------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| NET (EXPENSE) REVENUES | \$ - | \$ - | \$ - | \$ - | \$ (20,123,868) | \$ (22,844,963) | \$ (24,572,796) | \$ (28,035,833) | \$ (28,795,380) | \$ (36,791,980) |
|-------------------------------|------|------|------|------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|

Continued

ELLIS COUNTY, TEXAS

CHANGES IN NET ASSETS
(Unaudited)

LAST TEN FISCAL YEARS¹

| | Fiscal Year | | | | | | | | | |
|---|-------------|------|------|------|---------------|---------------|---------------|----------------|---------------|------------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ 20,881,858 | \$ 23,240,361 | \$ 24,936,383 | \$ 27,456,824 | \$ 29,439,346 | \$ 36,056,133 |
| Investment earnings | - | - | - | - | 100,294 | 187,035 | 921,390 | 1,190,279 | 1,911,951 | 2,999,772 |
| Loss on disposal of assets | - | - | - | - | - | - | - | (4,463,528) | - | - |
| Miscellaneous | - | - | - | - | - | - | - | 1,575,759 | 1,465,894 | 2,050,494 |
| Total general revenues | \$ - | \$ - | \$ - | \$ - | \$ 20,982,152 | \$ 23,427,396 | \$ 25,857,773 | \$ 25,759,334 | \$ 32,817,191 | \$ 41,106,399 |
| CHANGE IN NET ASSETS | \$ - | \$ - | \$ - | \$ - | \$ 858,284 | \$ 582,433 | \$ 1,284,977 | \$ (2,276,499) | \$ 4,021,811 | \$ 4,314,419 |
| Prior period adjustment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 48,134 | \$ - | \$ - |
| | | | | | | | | | | <i>Concluded</i> |

Source: Comprehensive Annual Financial Report

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

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

| | Fiscal Year | | | | | | | | | |
|------------------------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| General fund | | | | | | | | | | |
| Unreserved | \$ 2,779,520 | \$ 1,710,495 | \$ 4,081,492 | \$ 4,378,169 | \$ 4,876,449 | \$ 5,168,051 | \$ 5,288,710 | \$ 6,950,191 | \$ 8,666,051 | \$ 8,731,805 |
| Total general fund | \$ 2,779,520 | \$ 1,710,495 | \$ 4,081,492 | \$ 4,378,169 | \$ 4,876,449 | \$ 5,168,051 | \$ 5,288,710 | \$ 6,950,191 | \$ 8,666,051 | \$ 8,731,805 |
| Road and bridge fund | | | | | | | | | | |
| Unreserved | \$ 1,430,703 | \$ 1,332,671 | \$ 1,929,875 | \$ 1,576,878 | \$ 1,108,473 | \$ 1,864,675 | \$ 2,635,685 | \$ 2,594,738 | \$ 3,632,211 | \$ 3,692,602 |
| Total road & bridge | \$ 1,430,703 | \$ 1,332,671 | \$ 1,929,875 | \$ 1,576,875 | \$ 1,108,473 | \$ 1,864,675 | \$ 2,635,685 | \$ 2,594,738 | \$ 3,632,211 | \$ 3,692,602 |
| All other governmental funds | | | | | | | | | | |
| Reserved for: | | | | | | | | | | |
| Debt service | \$ 202,979 | \$ 521,571 | \$ 520,553 | \$ 588,439 | \$ 528,872 | \$ 515,570 | \$ 681,936 | \$ 738,058 | \$ 820,200 | \$ 1,939,499 |
| Unreserved | 23,360,201 | 21,325,075 | 13,384,521 | 4,755,360 | 2,624,952 | 2,159,952 | 6,551,444 | 13,196,145 | 67,027,599 | 63,149,058 |
| Capital projects funds | 738,120 | 578,186 | 706,815 | 1,418,161 | 1,419,634 | 1,439,811 | 1,492,455 | 1,574,343 | 2,120,482 | 2,337,017 |
| Special revenue funds | | | | | | | | | | |
| Total other government funds | \$ 24,301,300 | \$ 22,424,832 | \$ 14,611,889 | \$ 6,761,960 | \$ 4,573,458 | \$ 4,115,333 | \$ 8,725,835 | \$ 15,508,546 | \$ 69,968,281 | \$ 67,425,574 |

Source: Comprehensive Annual Financial Report

ELLIS COUNTY, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

(Unaudited)

LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| REVENUES | | | | | | | | | | |
| Property Taxes | \$ 11,438,390 | \$ 13,843,959 | \$ 16,581,262 | \$ 18,549,364 | \$ 20,871,477 | \$ 23,198,533 | \$ 25,251,205 | \$ 27,347,054 | \$ 29,465,001 | \$ 35,931,673 |
| Intergovernmental | 763,899 | 723,374 | 902,187 | 664,249 | 561,643 | 647,686 | 511,101 | 1,414,288 | 1,474,198 | 1,132,717 |
| License & Permits | 1,850,218 | 1,847,656 | 1,721,797 | 2,021,017 | 2,025,740 | 2,079,994 | 2,104,406 | 2,052,476 | 2,211,088 | 2,214,945 |
| Fees of Office | 2,452,372 | 2,532,785 | 1,815,722 | 2,796,287 | 2,920,559 | 3,207,186 | 3,354,366 | 4,218,519 | 4,175,817 | 4,148,627 |
| Fines & Forfeitures | 1,285,852 | 1,529,296 | 1,069,897 | 1,483,836 | 2,867,310 | 1,998,833 | 2,345,817 | 1,933,470 | 2,536,161 | 2,298,259 |
| Interest | 1,595,273 | 2,049,017 | 1,177,323 | 514,410 | 228,415 | 193,702 | 589,713 | 1,190,279 | 1,911,951 | 2,999,772 |
| Other | 3,645,615 | 2,721,884 | 4,511,234 | 2,317,419 | 834,994 | 961,323 | 5,601,175 | 8,037,275 | 1,465,894 | 2,050,494 |
| Total revenues | \$ 23,031,619 | \$ 25,247,971 | \$ 27,779,422 | \$ 28,346,582 | \$ 30,310,138 | \$ 32,287,257 | \$ 39,757,783 | \$ 46,193,361 | \$ 43,240,110 | \$ 50,776,487 |
| EXPENDITURES | | | | | | | | | | |
| Gen Government | \$ 5,962,126 | \$ 6,188,614 | \$ 5,292,408 | \$ 6,961,557 | \$ 6,238,717 | \$ 7,002,691 | \$ 7,960,428 | \$ 8,305,989 | \$ 8,535,648 | \$ 10,557,978 |
| Judicial | 1,084,002 | 1,208,377 | 923,732 | 1,306,215 | 4,341,153 | 3,825,724 | 4,052,289 | 4,153,553 | 4,556,045 | 5,177,314 |
| Public Safety | 5,687,885 | 7,023,925 | 5,632,453 | 8,707,048 | 8,958,038 | 10,531,010 | 12,035,044 | 13,858,838 | 15,721,318 | 16,776,899 |
| Health & Welfare | 1,492,717 | 1,899,643 | 1,314,790 | 1,774,010 | 1,953,746 | 1,956,403 | 2,437,956 | 2,579,856 | 2,357,797 | 1,864,410 |
| Conservation | 97,330 | 111,510 | 67,994 | 118,515 | 145,802 | 142,549 | 142,802 | 177,041 | 164,409 | 189,595 |
| Road & Bridge | 5,111,424 | 3,946,182 | 3,955,645 | 6,002,873 | 6,010,235 | 4,984,460 | 5,263,697 | 6,224,065 | 5,686,867 | 7,216,815 |
| Capital Outlay | 3,528,513 | 5,925,534 | 13,432,553 | 9,729,813 | 2,778,590 | 1,099,397 | 251,260 | 597,882 | 787,964 | 5,737,209 |
| Debt Service | | | | | | | | | | |
| Principal | 816,044 | 837,409 | 1,074,761 | 17,764,635 | 1,270,047 | 1,334,208 | 1,344,597 | 1,430,843 | 2,058,674 | 2,848,629 |
| Interest | 363,075 | 1,301,034 | 1,073,136 | 1,409,622 | 869,060 | 821,136 | 767,539 | 711,758 | 663,974 | 2,824,200 |
| Total expenditures | \$ 24,143,116 | \$ 28,442,228 | \$ 32,767,272 | \$ 53,774,288 | \$ 32,565,388 | \$ 31,697,578 | \$ 34,255,612 | \$ 38,039,825 | \$ 40,532,696 | \$ 53,193,049 |

Continued

ELLIS COUNTY, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
(Unaudited)
LAST TEN FISCAL YEARS

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|---------------|----------------|----------------|----------------|----------------|------------|--------------|--------------|---------------|----------------|
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (1,111,497) | (3,194,257) | (4,987,850) | (25,427,706) | (2,255,250) | 589,679 | 5,502,171 | 8,153,536 | 2,707,414 | (2,416,562) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers in | \$ - | \$ 2,000 | \$ 1,738,558 | \$ 106,174 | \$ 112,487 | \$ 455,817 | \$ - | \$ 112,500 | \$ 111,100 | \$ 116,415 |
| Transfers out | - | (2,000) | (1,738,558) | (106,174) | (112,487) | (455,817) | - | (112,500) | (111,100) | (116,415) |
| Debt proceeds | 18,075,490 | - | - | 17,620,615 | - | - | - | - | 53,875,000 | - |
| Other | (200,273) | 176,331 | 114,525 | - | 96,623 | - | - | 201,575 | 630,654 | - |
| Total other financing sources (uses) | 17,875,217 | 176,331 | 114,525 | 17,620,615 | 96,623 | - | - | 201,575 | 54,505,654 | - |
| NET CHANGE IN FUND BALANCES | \$ 16,763,720 | \$(3,017,926) | \$(4,873,325) | \$(7,807,091) | \$(2,158,627) | \$ 589,679 | \$ 5,502,171 | \$ 8,355,111 | \$ 57,213,068 | \$(2,416,562) |
| DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES | 5.7% | 9.5% | 11.1% | 43.5% | 7.2% | 7.0% | 6.2% | 5.7% | 6.9% | 12.0% |

Source: Comprehensive Annual Financial Reports

Concluded

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

| <u>Tax Year</u> | <u>Real Property</u> | <u>Personal Property</u> | <u>Total Assessed Valuation</u> | <u>Total Direct Rate*</u> | <u>Estimated Actual Value</u> |
|-----------------|----------------------|--------------------------|---------------------------------|---------------------------|-------------------------------|
| 1999 | 3,749,437,660 | 1,135,918,450 | 4,885,356,110 | 0.2998 | 4,885,356,110 |
| 2000 | 4,799,001,853 | 1,328,638,192 | 6,127,640,045 | 0.3313 | 6,127,640,045 |
| 2001 | 5,746,067,565 | 1,502,086,422 | 7,248,153,987 | 0.3515 | 7,248,153,987 |
| 2002 | 6,879,481,633 | 1,402,222,040 | 8,281,703,673 | 0.3514 | 8,281,703,673 |
| 2003 | 7,293,902,060 | 1,596,064,070 | 8,889,966,130 | 0.3514 | 8,889,966,130 |
| 2004 | 7,659,168,117 | 1,815,048,890 | 9,474,217,007 | 0.3513 | 9,474,217,007 |
| 2005 | 8,207,129,335 | 1,956,636,165 | 10,163,765,500 | 0.3500 | 10,163,765,500 |
| 2006 | 8,949,770,368 | 1,947,251,600 | 10,897,021,968 | 0.3500 | 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 |

*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 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| <u>DIRECT</u> | | | | | | | | | | |
| COUNTY-WIDE: | | | | | | | | | | |
| Ellis County | \$0.25314 | \$0.28374 | \$0.29719 | \$0.30202 | \$0.31017 | \$0.31464 | \$0.31599 | \$0.31891 | \$0.32049 | \$0.364598 |
| Farm to Market | 0.046620 | 0.047596 | 0.054304 | 0.049400 | 0.041230 | 0.036656 | 0.034006 | 0.031093 | 0.02901 | 0.029009 |
| <u>OVERLAPPING GOVERNMENTS</u> | | | | | | | | | | |
| CITIES: | | | | | | | | | | |
| Bardwell | 0.14818 | 0.15230 | 0.16250 | 0.16975 | 0.16975 | 0.18536 | 0.18625 | 0.18580 | 0.18580 | 0.185800 |
| Cedar Hill | 0.64269 | 0.64269 | 0.64140 | 0.64140 | 0.64140 | 0.64140 | 0.64140 | 0.64140 | 0.64140 | 0.641400 |
| Ennis | 0.60000 | 0.60000 | 0.60000 | 0.63000 | 0.63000 | 0.63000 | 0.73000 | 0.71000 | 0.71000 | 0.695000 |
| Ferris | 0.75000 | 0.71000 | 0.63793 | 0.60000 | 0.58554 | 0.59275 | 0.60000 | 0.60000 | 0.60000 | 0.650000 |
| Garrett | 0.34000 | 0.33000 | 0.31000 | 0.31000 | 0.31000 | 0.31000 | 0.29991 | 0.31984 | 0.33239 | 0.328803 |
| Italy | 0.73700 | 0.67000 | 0.64785 | 0.74500 | 0.59453 | 0.59453 | 0.68000 | 0.69300 | 0.77111 | 0.936728 |
| Maypearl | 0.78000 | 0.78000 | 0.78000 | 0.76735 | 0.75642 | 0.73716 | 0.73716 | 0.73716 | 0.69217 | 0.684396 |
| * Midlothian | 0.25366 | 0.29604 | 0.41346 | 0.41113 | 0.41182 | 0.42404 | 0.64038 | 0.65795 | 0.65000 | 0.650000 |
| Milford | 0.61367 | 0.58603 | 0.54935 | 0.52786 | 0.49967 | 0.49967 | 0.49547 | 0.50157 | 0.48550 | 0.500000 |
| Oak Leaf | 0.19600 | 0.19600 | 0.21127 | 0.26000 | 0.26174 | 0.35000 | 0.34156 | 0.33144 | 0.34854 | 0.348544 |
| Ovilla | 0.38129 | 0.39649 | 0.38780 | 0.55856 | 0.66675 | 0.68250 | 0.68250 | 0.68250 | 0.66800 | 0.667997 |
| Palmer | 0.59878 | 0.59880 | 0.59880 | 0.55893 | 0.55893 | 0.57165 | 0.57165 | 0.62920 | 0.62920 | 0.629200 |
| Pecan Hill | 0.23581 | 0.22498 | 0.22800 | 0.23154 | 0.23937 | 0.25462 | 0.25108 | 0.24066 | 0.25065 | 0.300000 |
| Red Oak | 0.65000 | 0.64000 | 0.61500 | 0.61500 | 0.61500 | 0.61500 | 0.61380 | 0.64000 | 0.63500 | 0.635000 |
| Waxahachie | 0.61250 | 0.61750 | 0.61750 | 0.61250 | 0.61750 | 0.61750 | 0.61500 | 0.61500 | 0.61500 | 0.615000 |
| SCHOOL DISTRICTS: | | | | | | | | | | |
| Avalon | 1.32000 | 1.36000 | 1.43300 | 1.34833 | 1.34400 | 1.41910 | 1.49380 | 1.37600 | 1.09958 | 1.22459 |
| Ennis | 1.46000 | 1.49000 | 1.59000 | 1.65190 | 1.65190 | 1.65190 | 1.65190 | 1.57000 | 1.40000 | 1.48000 |
| Ferris | 1.49000 | 1.49000 | 1.51000 | 1.53950 | 1.53700 | 1.77190 | 1.77190 | 1.57070 | 1.26970 | 1.27720 |
| Italy | 1.46470 | 1.56000 | 1.56000 | 1.50000 | 1.56000 | 1.56000 | 1.56000 | 1.43300 | 1.11105 | 1.24100 |
| Maypearl | 1.53000 | 1.53000 | 1.55000 | 1.55000 | 1.58000 | 1.77900 | 1.76900 | 1.64800 | 1.34000 | 1.36000 |
| Midlothian | 1.65990 | 1.70970 | 1.72000 | 1.72000 | 1.72000 | 1.76450 | 1.78750 | 1.69750 | 1.36750 | 1.40750 |
| Milford | 1.66120 | 1.66120 | 1.62398 | 1.62398 | 1.62398 | 1.62398 | 1.62400 | 1.49400 | 1.19000 | 1.18000 |
| Palmer | 1.40068 | 1.44650 | 1.56209 | 1.56209 | 1.61700 | 1.61700 | 1.61000 | 1.48000 | 1.50000 | 1.28000 |
| Red Oak | 1.53800 | 1.53800 | 1.53000 | 1.54500 | 1.57000 | 1.64000 | 1.64000 | 1.51000 | 1.30000 | 1.50000 |
| Waxahachie | 1.45580 | 1.54670 | 1.68000 | 1.71000 | 1.63900 | 1.71650 | 1.72080 | 1.59730 | 1.36000 | 1.36000 |

Continued

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

| TAXING JURISDICTION | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|
| SPECIAL DISTRICTS: | | | | | | | | | | |
| EC ESD #3 | \$0.03000 | \$0.03000 | \$0.03000 | \$0.03000 | \$0.03000 | \$0.03000 | \$0.03000 | \$0.03000 | \$0.03000 | \$0.03000 |
| EC ESD #2 | 0.03000 | 0.03000 | 0.05000 | 0.05000 | 0.05750 | 0.05750 | 0.06500 | 0.06750 | 0.07025 | 0.07229 |
| EC ESD #1 | 0.06000 | 0.06300 | 0.06500 | 0.06700 | 0.06700 | 0.06700 | 0.07000 | 0.07000 | 0.07350 | 0.07350 |
| EC ESD #4 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 |
| EC ESD #5 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 |
| EC ESD #6 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.06000 | 0.06000 |
| EC ESD #7 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 |
| EC ESD #8 | - | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.08000 | 0.08000 | 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 |
| Ellis Co. W C & ID | 0.06000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.00000 |
| * Midlothian Water Co. | 0.19416 | 0.19416 | 0.19416 | 0.19416 | 0.19416 | 0.19416 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| | | | | | | | | | | <i>Concluded</i> |

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

Source: Central Appraisal District of Ellis County

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

TABLE 7

**ELLIS COUNTY, TEXAS
PRINCIPAL TAXPAYERS
(Unaudited)
SEPTEMBER 30, 2008**

| Name | Type of Business | 2008 Assessed Valuations | Percentage of Total Assessed Valuation |
|---------------------------------|------------------------|--------------------------------|---|
| Midlothian Energy LP | Utility | \$ 425,673,510 | 3.28% |
| Walgreen Company | Distribution Center | 267,981,440 | 2.06% |
| TXI Operations LP | Cement Plant | 258,049,880 | 1.99% |
| Chaparral Steel Company | Steel Mill | 248,766,020 | 1.92% |
| HOLCIM (US), Inc. | Cement Plant | 221,237,020 | 1.70% |
| Oncor Electric Delivery Company | Utility | 132,243,880 | 1.02% |
| Target Corporation | Distribution Center | 116,583,200 | 0.90% |
| Dartco of Texas LTD LP | Manufacturing Facility | 104,555,410 | 0.81% |
| CVS Texas Distrubution LP | Distribution Center | 100,941,900 | 0.78% |
| Elk Roofing Products | Roofing Products | 87,018,460 | 0.67% |
| | | <u>\$ 1,963,050,720</u> | <u>15.12%</u> |

Note: Total Assessed Valuation of \$ 12,980,455,192

Source: Ellis County Appraisal District

Due to the nature of this table, only current year data is presented

TABLE 8

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

| <u>FISCAL YEAR</u> | <u>TOTAL TAX LEVY</u> | <u>CURRENT TAX COLLECTIONS</u> | <u>% OF LEVY COLLECTED</u> | <u>DELINQUENT TAX COLLECTIONS</u> | <u>TOTAL TAX COLLECTIONS</u> | <u>% OF TOTAL TAX COLLECTION TO TAX LEVY</u> |
|--------------------|-----------------------|--------------------------------|----------------------------|-----------------------------------|------------------------------|--|
| 1999 | 11,221,309 | 10,923,161 | 97.34% | 526,315 | 11,449,476 | 102.03% |
| 2000 | 13,648,716 | 13,239,870 | 97.00% | 604,089 | 13,843,959 | 101.43% |
| 2001 | 16,778,500 | 16,136,412 | 96.17% | 444,850 | 16,581,262 | 98.82% |
| 2002 | * 18,390,426 | 18,074,500 | 98.28% | 474,864 | 18,549,364 | 100.86% |
| 2003 | * 20,308,800 | 19,843,239 | 97.71% | 962,460 | 20,805,699 | 102.45% |
| 2004 | * 22,639,359 | 22,031,384 | 97.31% | 1,131,482 | 23,162,866 | 102.31% |
| 2005 | * 24,485,051 | 23,673,110 | 96.68% | 1,182,984 | 24,856,094 | 101.52% |
| 2006 | * 26,832,506 | 25,965,504 | 96.77% | 1,379,945 | 27,345,449 | 101.91% |
| 2007 | * 28,609,607 | 27,966,441 | 97.75% | 863,202 | 28,829,643 | 100.77% |
| 2008 | * 35,334,581 | 34,609,030 | 97.95% | 736,070 | 35,345,099 | 100.03% |

(a) Delinquent Tax Collections includes penalty and interest.

* 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 (1)</u> | <u>Assessed Values (2)</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> |
|--------------------|-----------------------|----------------------------|----------------------------|---|------------------------|--|-----------------------------------|--|
| 1999 | 105,000 | 4,885,356,110 | 25,849,112 | 202,979 | 25,646,133 | 0.52% | 244.25 | 1.17% |
| 2000 | 111,360 | 6,127,640,045 | 25,169,325 | 521,207 | 24,648,118 | 0.40% | 221.34 | 1.02% |
| 2001 | 111,360 | 7,248,153,987 | 24,219,027 | 520,553 | 23,698,474 | 0.33% | 212.81 | 0.88% |
| 2002 | 116,555 | 8,281,703,673 | 24,282,813 | 588,439 | 23,694,374 | 0.29% | 203.29 | 0.82% |
| 2003 | 129,250 | 8,889,966,130 | 22,801,333 | 528,872 | 22,272,461 | 0.25% | 172.32 | 0.69% |
| 2004 | 129,250 | 9,474,217,007 | 21,707,073 | 515,570 | 21,191,503 | 0.22% | 163.96 | 0.60% |
| 2005 | 131,826 | 10,163,765,500 | 20,567,737 | 681,936 | 19,885,801 | 0.20% | 150.85 | 0.53% |
| 2006 | 139,300 | 10,897,021,968 | 18,701,262 | 738,058 | 17,963,204 | 0.16% | 128.95 | 0.64% |
| 2007 | 143,468 | 11,947,742,957 | 72,492,135 | 820,200 | 71,671,935 | 0.60% | 499.57 | 2.23% |
| 2008 | 147,850 | 12,908,455,192 | 69,982,330 | 1,939,499 | 68,042,831 | 0.53% | 460.22 | 1.97% |

Notes:

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

(1) See Table 12 for population data.

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

TABLE 10

ELLIS COUNTY, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
(Unaudited)
SEPTEMBER 30, 2008

| <u>Taxing Jurisdiction</u> | <u>Total Funded Debt</u> | <u>Percentage Applicable To Named Government</u> | <u>Overlapping Funded Net Debt</u> |
|--------------------------------------|----------------------------------|--|--|
| SPECIAL DISTRICTS: | | | |
| Ellis County WC&ID #1 | \$ 854,927 | 100.00% | \$ 854,927 |
| CITIES: | | | |
| Bardwell | 169,000 | 100.00% | 169,000 |
| Ennis | 32,399,849 | 100.00% | 32,399,849 |
| Ferris | 3,250,000 | 100.00% | 3,250,000 |
| Italy | 3,470,267 | 100.00% | 3,470,267 |
| Maypearl | 410,000 | 100.00% | 410,000 |
| Midlothian | 67,013,951 | 100.00% | 67,013,951 |
| Milford | 530,000 | 100.00% | 530,000 |
| Ovilla | 6,618,350 | 90.08% | 5,961,810 |
| Palmer | 2,594,000 | 100.00% | 2,594,000 |
| Red Oak | 25,105,000 | 100.00% | 25,105,000 |
| Waxahachie | 45,005,396 | 100.00% | 45,005,396 |
| COUNTY-LINE CITITES: | | | |
| Cedar Hill | 70,876,960 | 3.58% | 2,537,395 |
| Glenn Heights | 6,159,189 | 29.09% | 1,791,708 |
| Grand Prairie | 205,028,951 | 5.71% | 11,707,153 |
| Mansfield | 91,476,692 | 0.39% | 356,759 |
| SCHOOL DISTRICTS: | | | |
| Avalon ISD | 1,305,000 | 100.00% | 1,305,000 |
| Italy ISD | 1,630,000 | 100.00% | 1,630,000 |
| Maypearl ISD | 15,996,498 | 100.00% | 15,996,498 |
| Midlothian ISD | 169,159,131 | 100.00% | 169,159,131 |
| Palmer ISD | 4,779,999 | 100.00% | 4,779,999 |
| Red Oak ISD | 99,832,143 | 100.00% | 99,832,143 |
| Waxahachie ISD | 99,297,289 | 100.00% | 99,297,289 |
| COUNTY-LINE SCHOOL DISTRICTS: | | | |
| Ennis ISD | 173,065,548 | 92.48% | 160,051,019 |
| Ferris ISD | 31,230,530 | 95.10% | 29,700,234 |
| Frost ISD | 1,182,000 | 6.67% | 78,839 |
| Milford ISD | 507,433 | 77.05% | 390,977 |
| TOTAL NET OVERLAPPING DEBT | | | \$ 785,378,344 |
| Ellis County | | | \$ 69,982,330 |

Source: Texas Municipal Reports

**ELLIS COUNTY, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
(Unaudited)
September 30, 2008**

| | |
|---|---------------------------------|
| Assessed Value of Real Property | \$ 10,753,312,471 |
| Assessed Value of Personal and Other Property | <u>2,227,142,721</u> |
| Total Assessed Value | <u><u>\$ 12,980,455,192</u></u> |

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

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

| | |
|---|-------------------|
| Debt limit, 25% of Real Property Assessed Value | \$ 2,688,328,118 |
| Amount of Debt Applicable to Debt Limit: | |
| Debt Limit: | |
| Total Bonded Debt Applicable | \$ 69,982,330 |
| Less: Assets in Debt Service Fund available for payment of principal | <u>1,939,499</u> |
| | <u>68,042,831</u> |

| | |
|--|--------------------------------|
| Legal Debt Margin, Bonds Issued Under Article III, Section 52 of the Texas Constitution | <u><u>\$ 2,620,285,287</u></u> |
|--|--------------------------------|

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

| Fiscal Year | (1) Population | Personal Income (thousands of dollars) | (2) Per Capita Income | (3) Median Age | (4) School Enrollment | (2) Unemployment Rate |
|------------------------|---------------------------|---|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|
| 1999 | 97,054 | 2,022,897 | 20,843 | 32.6 | 20,126 | 2.5% |
| 2000 | 103,000 | 2,244,988 | 21,796 | 32.8 | 21,359 | 3.5% |
| 2001 | 103,000 | 2,503,621 | 24,307 | 32.9 | 22,670 | 4.6% |
| 2002 | 105,000 | 2,611,980 | 24,876 | 33.0 | 22,910 | 5.6% |
| 2003 | 111,360 | 2,796,695 | 25,114 | 33.1 | 23,105 | 6.1% |
| 2004 | 111,360 | 3,041,910 | 27,316 | 33.2 | 24,645 | 5.3% |
| 2005 | 116,555 | 3,312,027 | 28,416 | 33.2 | 25,591 | 5.1% |
| 2006 | 120,052 | 2,426,491 | 20,212 | 33.2 | 25,866 | 5.3% |
| 2007 | 143,468 | 3,216,839 | 22,422 | 33.0 | 29,464 | 4.4% |
| 2008 | 147,850 | 3,461,464 | 23,412 | 33.2 | 30,678 | 5.3% |

Data Sources:

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

ELLIS COUNTY, TEXAS

PRINCIPAL EMPLOYERS
(Unaudited)
CURRENT YEAR

| <u>Employer</u> | 2008 | |
|--|------------------|---|
| | <u>Employees</u> | <u>% of Total County Employment</u> |
| Gerdau Ameristeel | 1,000 | 1.49% |
| Waxahachie Independent School District | 912 | 1.36% |
| Midlothian Independent School District | 900 | 1.34% |
| Sterilite Corporation of Texas | 825 | 1.23% |
| Ennis Independent School District | 789 | 1.18% |
| Walgreen Company | 700 | 1.04% |
| Target Corporation | 600 | 0.90% |
| Alliance Data Systems | 584 | 0.87% |
| Ellis County Government | 535 | 0.80% |
| Owens Corning | 500 | 0.75% |
| Total | <u>7,345</u> | <u>10.96%</u> |
| Total County Employment | 67,023 | |

Sources: North Central Texas Council of Governments
Waxahachie Chamber of Commerce
ONCOR
City of Midlothian 2008 CAFR

Data from 1999 is not available

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

| <u>Function/Program</u> | <u>2008</u> | <u>2007</u> |
|-------------------------|-------------------|-------------------|
| General government | 94 | 96 |
| Judicial | 76 | 74 |
| Public safety | 248 | 231 |
| Health and welfare | 7 | 8 |
| Conservation | 5 | 5 |
| Roads and highways | <u>72</u> | <u>64</u> |
| Total | <u><u>502</u></u> | <u><u>478</u></u> |

Source: Ellis County Human Services

Years prior to 2007 not available

TABLE 15

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

| Function/Program | 2008 | 2007 |
|---|---------|---------|
| General Government | | |
| Number of A/P checks issued | 12,580 | 13,789 |
| Flood Plain/Building Permits | 861 | 951 |
| Aerobic Septic Permits | 899 | 690 |
| Other Septic Permits | 159 | 108 |
| Nuisance Complaints | 669 | 645 |
| New Subdivisions | 24 | 61 |
| Judicial | | |
| Hot Check cases | | |
| Number of checks processed | 2,271 | 2,787 |
| Number of theft by check cases filed | 451 | 479 |
| Public Safety | | |
| Number of 911 calls received | 32,198 | 32,149 |
| Average Jail daily population | 350 | 460 |
| Jail bookings | 6,119 | 5,993 |
| Jail releases | 6,540 | 6,016 |
| Jail inmates at September 30, 07 | 404 | 385 |
| Violations reported by Sheriff office | 3,000 | 5,652 |
| Transportation | | |
| Roadway resurfacing (miles) | 160 | 95.8 |
| Mowing along roadways (equipment miles) | 4,852 | 6,826 |
| Ditch and culvert cleaning (miles) | 260 | 110 |
| Conservation | | |
| Number of people served in programs | 104,089 | 106,779 |
| Health and Welfare | | |
| Number of applications filed | 403 | 350 |
| Number of cases approved | 66 | 57 |

Years prior to 2007 not available



**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**

Board of Trustees
Ellis County, Texas

Members of the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ellis County, Texas as of and for the year ended September 30, 2008, which collectively comprise Ellis County, Texas' basic financial statements and have issued our report thereon dated March 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ellis County, Texas' 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 District's internal control over financial reporting.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ellis County, Texas' 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 management, others within the entity, and granting entities and is not intended to be used and should not be used by anyone other than these specified parties.

Pattillo, Braun & Hill, L.L.P.

March 27, 2009