

BEE COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2008

ISSUED BY
COUNTY AUDITOR'S OFFICE

SUSANA MORON, CPA
COUNTY AUDITOR

BEE COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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COUNTY JUDGE:
David Silva
COUNTY CLERK:
Mirella Escamilla Davis
DISTRICT CLERK:
Anna Marie Silvas
COUNTY ATTORNEY:
Mike Knight
SHERIFF:
Carlos Carrizales, Jr.
TAX ASSESSOR-COLLECTOR:
Linda G. Bridge



COMMISSIONER PRECINCT 1:
Carlos Salazar, Jr.
COMMISSIONER PRECINCT 2:
Susan C. Stasny
COMMISSIONER PRECINCT 3:
Eloy Rodriguez
COMMISSIONER PRECINCT 4:
Ronnie Olivares
COUNTY AUDITOR:
Susana Morón, CPA

COUNTY OF BEE
111 S. St. Mary's St. - Suite 101
Beeville, Texas 78102

April 17, 2009

The Honorable District Judges
Joel Johnson, 156th Judicial District
Michael Welborn, 36th Judicial District
Janna Whatley, 343rd Judicial District

The Honorable Commissioners' Court, Bee County, Texas
David Silva, County Judge
Carlos Salazar, County Commissioner, Precinct 1
Susan Stasny, County Commissioner, Precinct 2
Eloy Rodriguez, County Commissioner, Precinct 3
Ronnie Olivares, County Commissioner, Precinct 4

The Citizens of Bee County

Ladies, Gentlemen and Citizens:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Bee County for the fiscal year ended September 30, 2008.

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

Bee County's financial statements have been audited by Pattillo, Brown, & Hill, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Bee 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 Bee County's financial statements for the fiscal year ended September 30, 2008, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Bee County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the last section of this report.

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

Profile of Bee County

Bee County is in the Rio Grande plain of south central Texas, fifty miles northwest of Corpus Christi and 146 miles southeast of Austin. It is bordered on the north by Karnes and Goliad counties, on the east by Refugio County, on the south by San Patricio County, and on the west by Live Oak County. Beeville is the county's largest town and seat of government. An airport built in 1966 serves Beeville and the surrounding region.

Bee County covers 866 square miles that slope gently to the coast. The elevation ranges from 200 to 300 feet. Geologically northern Bee County is in the Rio Grande embayment; the Lissie and Beaumont formations extend into the southern part of the county to form a broad, flat, and fertile plain. Blanco, Medio, and Aransas creeks and their tributaries, which flow in a southeasterly direction, drain the county. The southwest corner of the county has cracking clayey soils or loamy surfaces with cracking clayey subsoils. The northern two-thirds of the county has dark, alkaline soils, with loamy surface layers and cracking clayey subsoils, while the remainder of the county has light-colored acidic soils, with loamy surface layers and cracking clayey subsoils. Between 41 percent and 50 percent of the land in the county is considered prime farmland.

Bee County was established shortly after the settlement of the Cart War, which originated ten miles east of the site of Beeville. The county, named for Barnard E. Bee, Sr., was formed from San Patricio, Goliad, Refugio, Live Oak, and Karnes counties on December 8, 1857, and officially organized on January 25, 1858, when the first officers were elected. Beeville, the first county seat, was on Medio Creek, near Medio Hill, where the first post office had been established in 1857. In 1860 Maryville became the county seat; this community was later designated Beeville-on-the-Poesta to distinguish it from the former county seat.

Bee County is a public corporation and political subdivision of the State of Texas. The county seat is the City of Beeville. The general governing body of the County is the elected five-member Commissioners Court in accordance with Article 5, Paragraph 18 of the Texas Constitution. Commissioners serve four years staggered terms, two members elected every two years. The county judge is elected at large to serve a four-year term.

The commissioner's court sets the tax rates, establishes policies for the County operations, approves contracts for the County develops and adopts the County budget within the resources as estimated by the county auditor. The commissioner's court is also responsible for development of policies and orders, approving financial commitments and appointment of various department heads. The management and leadership provided by members of the commissioner's court and the elected and appointed officials of other departments are crucial to the success of the County's financial management and growth.

The county auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County and "examining, auditing and approving" all disbursements from County funds prior to their submission to the commissioners court for approval. The county auditor is appointed by the council of district judges for a two year term.

The County provides many varied services for the public it serves. These services include operation of the district, county and justices of the peace judicial systems, voting operations for national, state and some local elections, maintenance on and construction of county owned roads and bridges, recording functions relating to property rights and vital statistics, operation of the law enforcement agencies (sheriff and constables), operation of the county jail, assistance to indigents, the provision of juvenile health and education and welfare services involving the care and correction of dependent or delinquent children as well as property tax collections for multiple agencies.

The County does have one blended component unit which is included in this report.

The annual budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriation to the county auditor on or before May 31st of each year. The county auditor uses these requests as the starting point for developing a base line budget, but without any tax increases or personnel changes. The county auditor then presents this base line budget to the commissioners' court for review prior to July. The commissioners' court holds several budget workshops to discuss priorities or meet with department heads. A copy of the proposed budget is filed with the county clerk and county auditor. The commissioner's court then must hold a public hearing on a day within seven calendar days after the date the proposed budget is filed but before September 30th of the current year. The commissioner's court must take action on the proposed budget at the conclusion of the public hearing.

The appropriated budget is prepared by fund, department, and budget category. The budget is prepared by line item and all transfers between budget categories and departments require the special approval of the commissioner's court.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general funds, this comparison is presented on page 35 as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the Supplemental Non-major Governmental Funds subsection of this report, which starts on page 101. Also included is project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted (the grants fund and capital projects fund).

Factors Affecting Financial Condition

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

Local economy. The County currently enjoys a favorable economic environment and local indicators point to continued stability. The region has a varied industrial base that adds to the relative stability of employment.

Despite the negative revenue trends for other state and local governments in the nation, Bee County has experience stable real property tax collections and significant increases in the market value of real property.

Long-term financial planning. To protect the County's assets and to further economic development, the commissioner's court issued \$7,085,000, Combination Tax and Revenue Certificates of obligation, Series 2003, dated July 1, 2003 for constructing and improving the coliseum and the courthouse. A brand new Justice Center was also built across the street from the courthouse. The certificates will be paid back over the next 20 years. State statutes limit the amount of debt a governmental entity may issue to 25 percent of its total assessment valuation of real property. The County is well within its debt limits.

Cash management policies and practices. The commissioners' court has adopted a formal investment policy for the County and has designated the county auditor as the County's investment officer. The general objectives set forth in the policy provide for financial security and optimum liquidity of County funds while achieving the maximum yield on funds invested and maximum levels of invested funds.

Authorized investments are consistent with those investments authorized by State law for Texas counties. The County expanded its investment portfolio this year by laddering its investments in U.S. agency instruments over a five year period. Approximately eight percent of the investments mature in five years. County depository funds are collateralized by over 100% with securities held by the bank's agent bank, a federal reserve.

Risk management. The county insures through private insurance company against catastrophic losses to its infrastructure and certain major items of personal property. Items so insured include buildings and contents, data media and valuable papers.

The County has elected to self-insurance its group health insurance.

The County's general liability self-insured fund recognizes an expense as soon as the County is notified of a claim based upon estimates provided by the county attorney. The estimated claims liability account is updated twice a year. The group self-insurance fund includes incurred claims but not reported. The County will recover any losses incurred through future premiums charged. The County carries individual stop-loss and aggregate claims stop-loss policies on group health insurance claims to minimize risk.

Pension and other post employment benefits. The County provides retirement, disability and death benefits for all of its regular employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (the TCDRS). Specific plan provisions are adopted by the County within the options available in the state statutes governing the TCDRS. Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employee-financed monetary credits. The level of these monetary credits is adopted within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed. Through budgetary policy, the County is funding 6.00% matching contribution for each employee resulting in a 175% return for retirees.

Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bee County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last seventeen years (fiscal year ended 1991 through 2007). We believe our current report continuous to conform to the Certificate of Achievement program requirements, and are submitting it to the GFOA.

The presentation of the CAFR could not have been accomplished without the efficient and dedicated services of the staff of the County Auditor's office. We express our appreciation to all the members of the office who assisted in and contributed to its preparation. We also thank the members of the Commissioners Court and their staff and all other County officials and employees who have given their support in planning and conducting the financial operations of the County in a responsible manner.

The presentation of the CAFR could not have been accomplished without the efficient and dedicated services of the staff of the County Auditor's office. We express our appreciation to all the members of the office who assisted in and contributed to its preparation. We also thank the members of the Commissioners Court and their staff and all other County officials and employees who have given their support in planning and conducting the financial operations of the County in a responsible manner.

Finally, I would like to thank the District Judges for their support and guidance in matters relating to the discharge of my duties as county auditor. I am very honored to serve the citizens of the County and work with the outstanding officials and employees that help make Bee County one of the best in Texas.

Respectfully submitted,

A handwritten signature in cursive script that reads "Susana Morón". The signature is written in black ink and is positioned above the printed name and title.

Susana Morón
County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Bee 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.



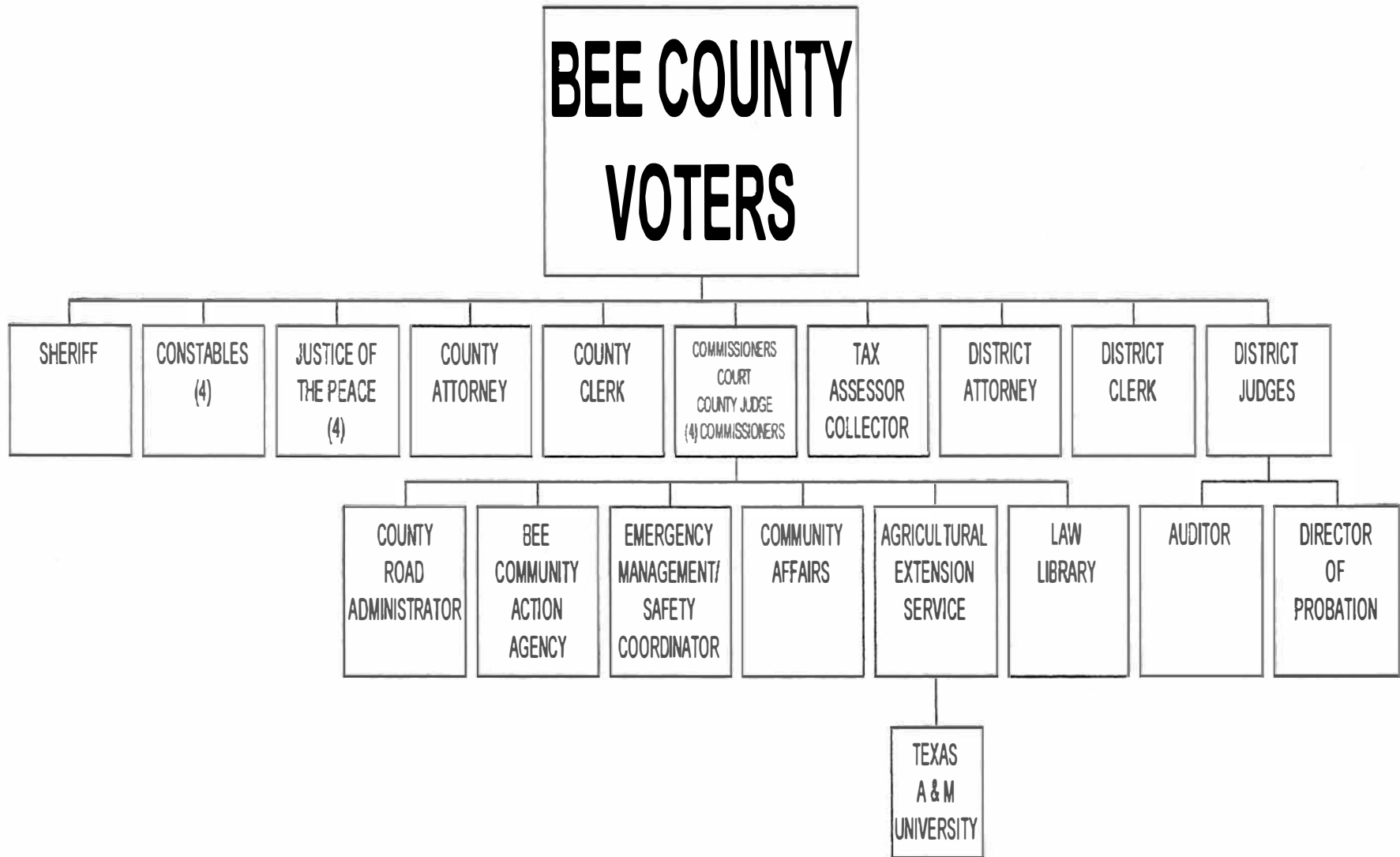
A handwritten signature in black ink, appearing to read "M. L. R. R.", written in a cursive style.

President

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

Executive Director

BEE COUNTY ORGANIZATION CHART



BEE COUNTY, TEXAS
DIRECTORY OF OFFICIALS
SEPTEMBER 30, 2008

DISTRICT COURT

Michael E. Welborn
Joel B. Johnson
Janna Whatley
Martha Warner
Anna Marie Silvas

Judge, 36th Judicial County
Judge, 156th Judicial County
Judge, 343rd Judicial County
District Attorney
District Clerk

COMMISSIONERS' COURT

David Silva
Carlos Salazar
Susan C. Stasny
Eloy Rodriguez
Ronnie Olivares

County Judge
Commissioner, Precinct No. 1
Commissioner, Precinct No. 2
Commissioner, Precinct No. 3
Commissioner, Precinct No. 4

OTHER COUNTY OFFICIALS

Carlos Carrizales, Jr.
Mirella E. Davis
Andrea Gibbud
Mike Knight
Susana Morón, CPA

Sheriff
County Clerk
Tax Assessor-Collector
County Attorney
County Auditor

JUSTICES OF THE PEACE

Raul Casarez
Ted Staples
David Garza
Joseph Lyvers

Precinct No. 1
Precinct No. 2
Precinct No. 3
Precinct No. 4

CONSTABLES

Alejandro Delgado
Clifford Bagwell
Abel Suniga
Young T. Brown

Precinct No. 1
Precinct No. 2
Precinct No. 3
Precinct No. 4

OTHER OFFICIALS

Frank Montez
Donnie Montemeyer
Kelsey Hill
Dennis DeWitt

County Road Administrator
Extension Agent
Extension Agent FCS
Community Affairs/
Veterans Service Officer
Adult Probation Director
Juvenile Probation Director
BCAA Executive Director

Dana J. Hendrick
Marla Ruvalcaba
Anna Simo

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge
and County Commissioners
Bee County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bee 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 Bee County, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

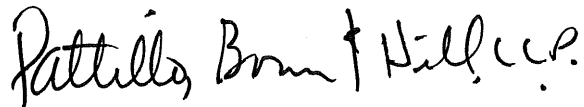
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bee County, Texas, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund, Headstart Fund, Health Care Fund I and II for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2009, on our consideration of Bee County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 16 through 26 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



February 26, 2009

Management's Discussion and Analysis

As management of Bee County, we offer readers of the Bee County financial statements this narrative overview and analysis of the financial activities of Bee 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.

This is the fifth year Bee County is presenting financial information in the new reporting format required by Governmental Accounting Standards Board (GASB) Statement 34.

Financial Highlights

- The assets of Bee County exceeded its liabilities at the close of the most recent fiscal year by \$28,189,022.
- Restricted net assets of \$4,297,151 are funds set aside for specific purposes such as: road and bridge, debt service and capital projects.
- As of the close of the current fiscal year, Bee County's governmental funds reported combined ending fund balances of \$5,555,525.
- The unreserved fund balance for the General Fund was \$1,258,374, or 19% of total General Fund expenditures, up from 26% last year. The major factors of the increase are explained later in the analysis.
- The County's total debt decreased by \$295,000 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Bee County's basic financial statements. The County's basic 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 Bee County's finances in a manner similar to a private-sector business. They present the financial picture of the county from an economic resource measurement focus using the accrual basis of accounting. These statements include all assets of the County (except for infrastructure) and all liabilities. Additionally, certain adjustments have occurred to eliminate duplications in regards to interfund activity such as premiums charged by the self-insurance fund, transfers, receivables and payables.

The statement of net assets presents information on all of the 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 Bee County is improving or deteriorating.

The statement of activities presents information showing how the County'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, debt payments, and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the 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 the County include general government, buildings and facilities, administration of justice, law enforcement and corrections, social services, health, safety and sanitation, agriculture, education and consumer sciences, roads, bridges and transportation.

The government-wide financial statements can be found on pages 22 and 23 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. The 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 the County can be divided into three categories: governmental funds, proprietary 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 available resources, as well as on balances of unencumbered 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.

Bee County maintains 4 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, Health Care Fund I, Health Care Fund II, and Headstart Fund. Data from the other 37 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.

Bee County adopts an annual appropriated budget for its General Fund, certain Special Revenue Funds, and the Debt Service Fund. Budgetary comparison statements have been provided for the General Fund, Health Care Fund I & II and the Headstart Fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 24 through 27 of this report.

Proprietary Funds. The only type of proprietary fund that Bee County maintains is Internal Service Funds, which are an accounting device used to accumulate and allocate costs internally among the County's various functions. Bee County uses two Internal Service Funds to account for the Group Insurance Service and the Fuel Service. Because both of these services predominantly benefit governmental activities, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund is presented as a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 33 through 35 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Bee County’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 36 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 37 through 58 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and Internal Service Funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 60 through 100 of this report.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE STATEMENTS

As stated earlier, net assets may serve over time as a useful indicator of a government’s financial position. At the close of the 2008 fiscal year, the County’s assets exceeded liabilities by \$28,189,022 and are summarized as follows:

BEE COUNTY’S NET ASSETS

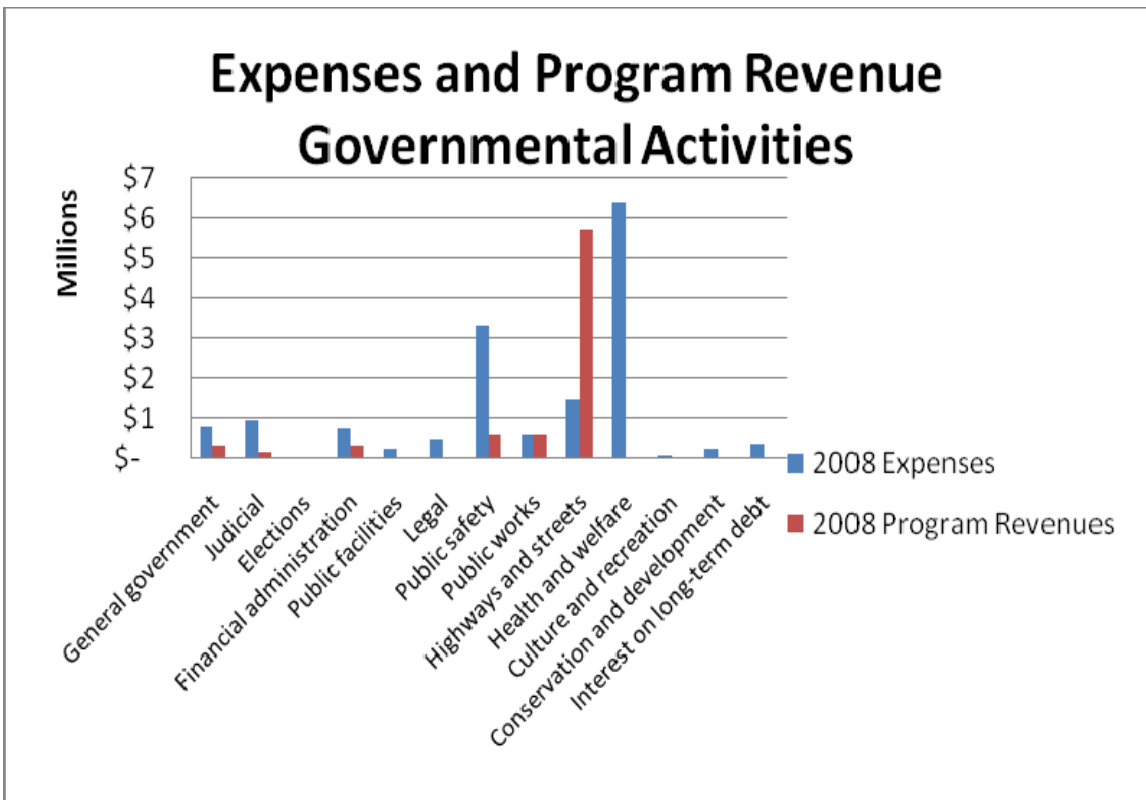
	Primary Government Governmental Activities	
	<u>2008</u>	<u>2007</u>
Current assets	\$ 24,923,406	\$ 25,309,042
Capital assets	<u>30,325,652</u>	<u>28,287,675</u>
Total assets	<u>55,249,058</u>	<u>53,596,717</u>
Current liabilities	18,793,947	19,661,308
Noncurrent liabilities	<u>8,266,089</u>	<u>8,535,246</u>
Total liabilities	<u>27,060,036</u>	<u>28,196,554</u>
Net assets:		
Invested in capital assets, net of related debt	22,085,406	20,169,638
Restricted	4,297,151	3,429,213
Unrestricted	<u>1,806,465</u>	<u>1,801,310</u>
Total net assets	<u>\$ 28,189,022</u>	<u>\$ 25,400,161</u>

A portion of the County’s net assets (\$22,085,406) reflects investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment). Bee County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. It should be noted that the resources needed to repay the debt associated with these capital assets must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

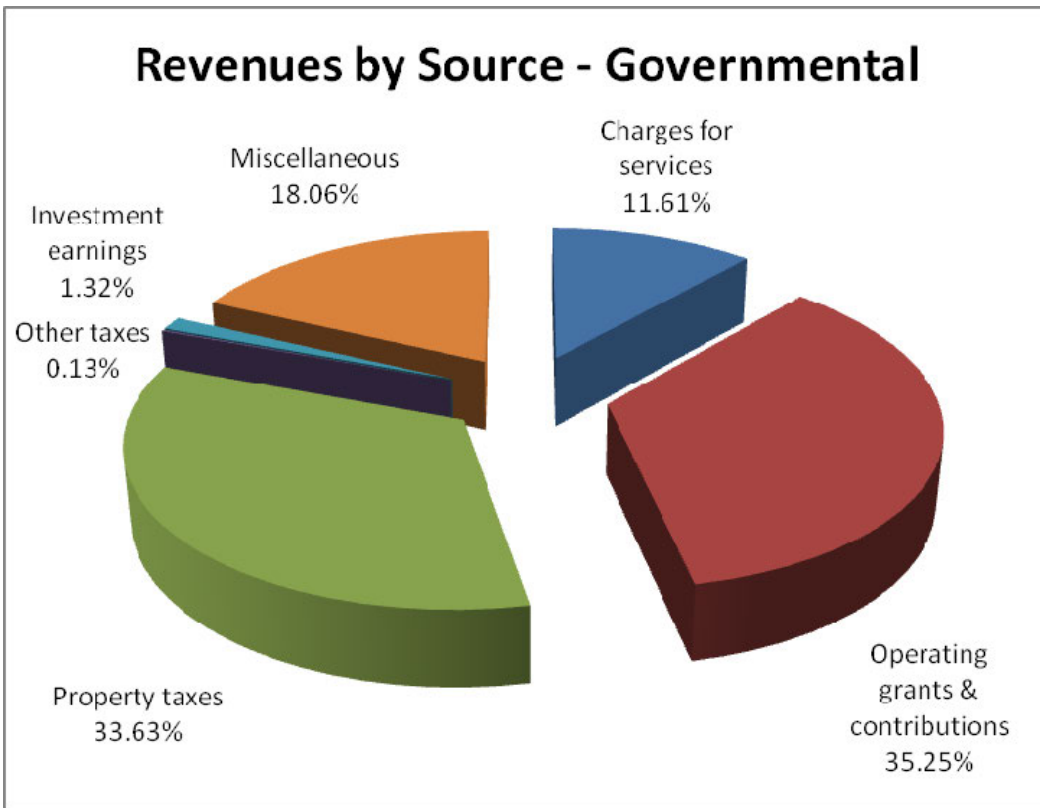
BEE COUNTY'S CHANGES IN NET ASSETS

	Primary Government	
	Governmental Activities	
	2008	2007
REVENUES		
Program revenues:		
Charges for services	\$ 1,916,234	\$ 1,686,823
Operating grants and contributions	5,817,562	2,388,136
General revenues:		
Property taxes	4,380,041	4,248,938
Other taxes	1,191,141	1,037,831
Investment earnings	217,272	295,228
Miscellaneous	2,981,340	6,618,701
Total revenues	16,503,590	16,275,657
EXPENSES		
General government	792,131	1,976,308
Judicial	956,717	1,141,325
Elections	31,454	15,730
Financial administration	770,413	540,282
Public facilities	224,226	111,502
Legal	453,787	455,560
Public safety	3,300,359	2,682,681
Public works	543,298	703,341
Highways and streets	1,480,245	4,217,505
Health and welfare	6,326,222	5,583,025
Culture and recreation	70,085	70,000
Conservation and development	230,571	337,436
Interest on long-term debt	336,511	353,894
Total expenses	15,516,019	18,188,589
CHANGE IN NET ASSETS	987,571	(1,912,932)
NET ASSETS, BEGINNING	25,160,014	24,930,199
PRIOR PERIOD ADJUSTMENT	2,041,437	2,382,894
NET ASSETS, ENDING	\$ 28,189,022	\$ 25,400,161

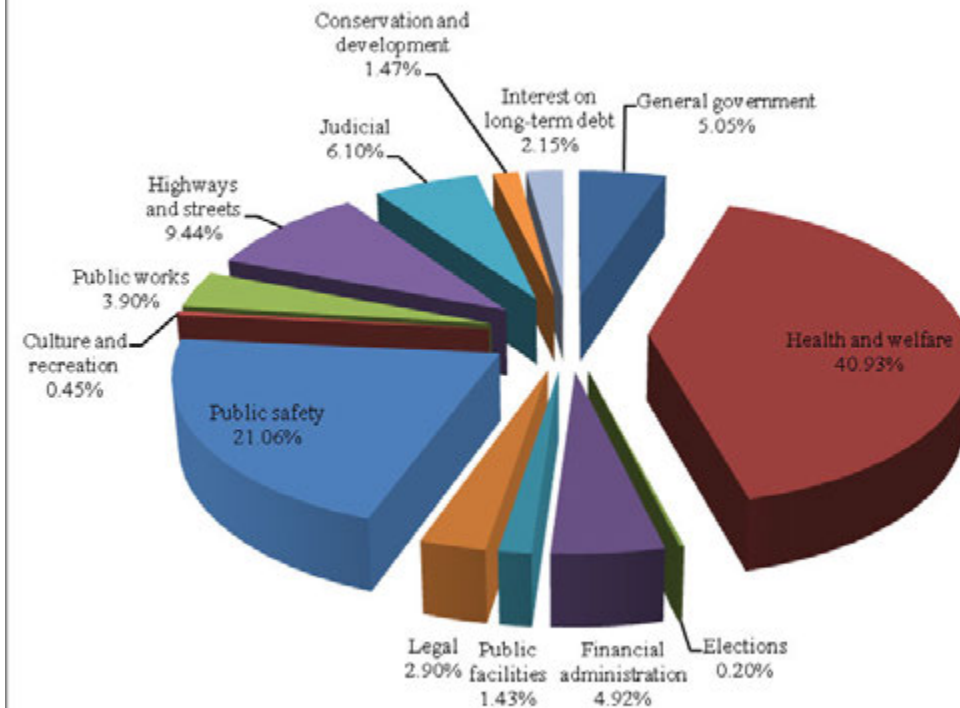
Property taxes are collected to support government activity through the General Fund, Special Road and Bridge Fund, and Debt Service Fund. Property tax revenues increased \$131,103 (3%) from last fiscal year. Although overall tax rates increased slightly from 2007 to 2008, growth in both residential and commercial areas as well as increased assessed values on established properties resulted in the increase of property tax revenues collected.



The chart above compares expenses and direct revenues associated with like County services. The pie chart below includes other revenues, i.e. tax collections that are not tied to individual services provided by the County.



Expenses - Governmental Activities



FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

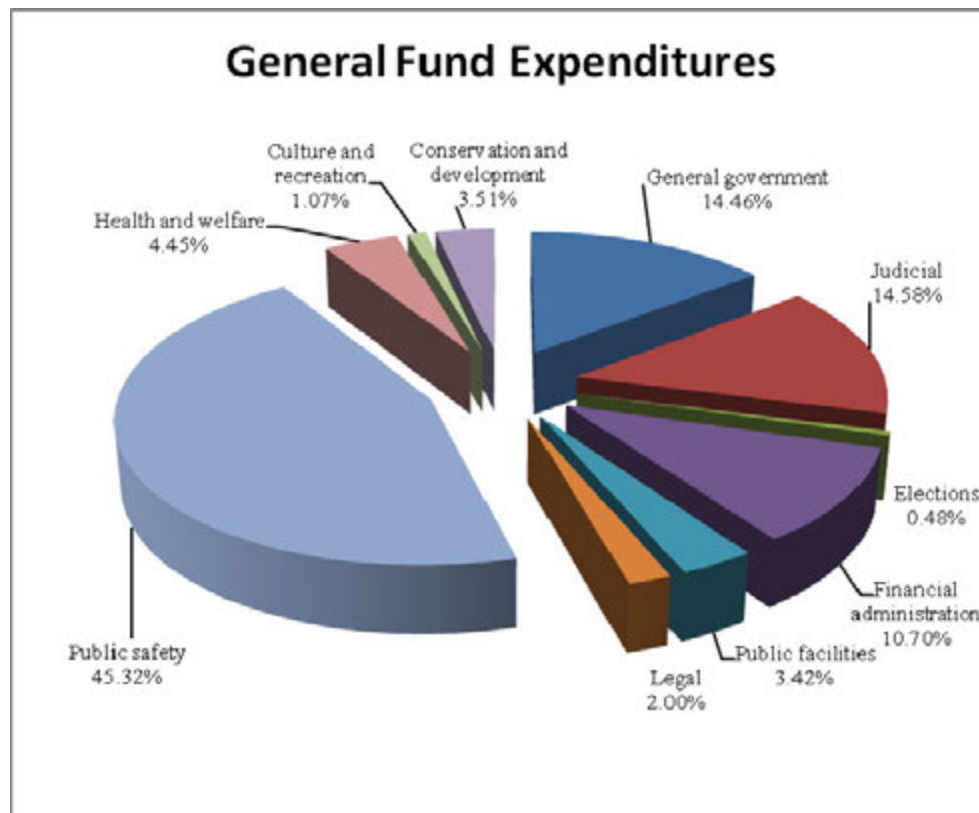
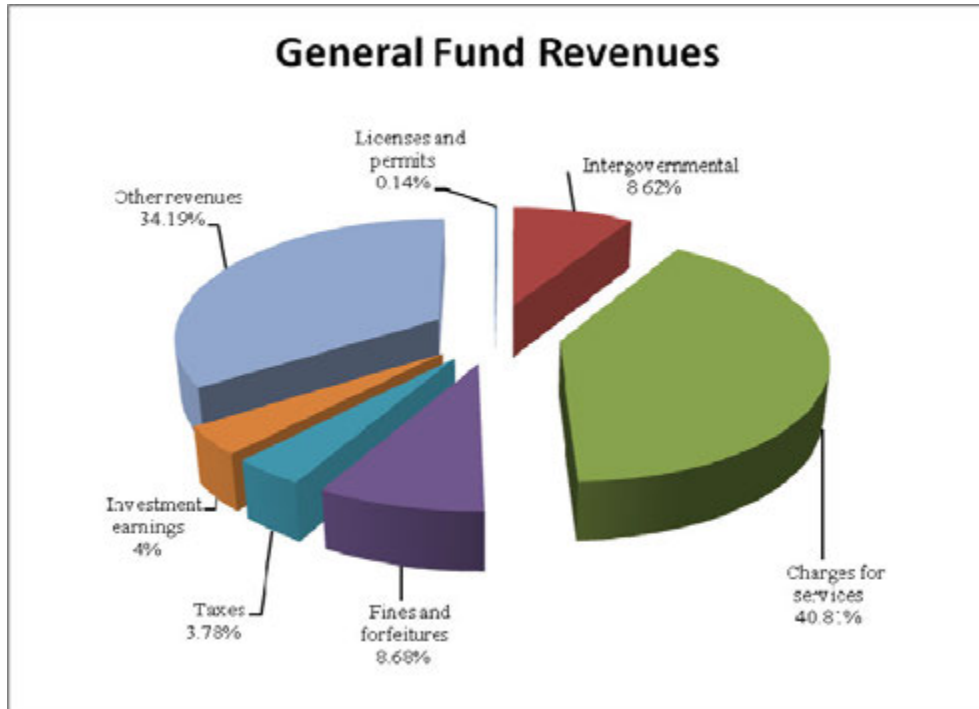
Governmental Funds. The focus of this section is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Bee County's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's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

As of the end of the current fiscal year, Bee County's governmental funds reported combined ending fund balances of \$5,555,525, an increase of \$325,002 in comparison with the prior year besides a prior period adjustment for capital asset corrections.

General Fund. The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,258,374. The debt service fund is included within this category, as well as the road and bridge fund, capital projects, grant fund and other funds restricted to specific purposes. The debt service fund has a total fund balance of \$100,145. As explained earlier, this increase resulted from intentional commissioner's court action to increase reserves and adopt a balanced budget by maintaining taxes and cutting expenses. As a measure of the general fund's liquidity, it may be useful to compare both the unreserved fund balance and total fund balance to total fund expenditures. Unreserved general fund balance for 2008 represents 19% of the total general fund expenditures. This fund balance total expenditure ratio indicates a positive financial position. The commissioner's court has set goals which include applying the general fund expenditures and transfers out to be approximately three months of annual expenditures for the fund balance.

Other governmental funds have a total combined fund balance of \$4,297,151. The debt service fund is included within this category, as well as the road and bridge fund, grant fund and other funds restricted to specific purposes. The debt service fund has a total fund balance of \$100,145, increased by \$46,313 as compared to the prior year.

The reasons for changes in the net assets were a result of operational favorable variances and adjustments to the overall capital assets that resulted in a favorable increase to the overall net assets due to capital adjustments. General Fund revenues and expenditures are graphically depicted below.



Other financing sources for the County came from:

Other Financing Resources

Proprietary funds. The County's only type of proprietary fund is an internal service fund, commonly referred to as the insurance fund. The information is presented the same as in the government-wide financial statements, but in more detail.

Unrestricted net assets of the internal service funds at the end of the year amounted to \$334,428 with \$260,367 belonging to the Group Health Insurance fund and \$74,061 belonging to the Fuel Farm Fund.

The self-insurance fund reports all liabilities on the full accrual basis and includes claims that have occurred but not yet been reported. Complete details on each fund can be found on pages 57 through 58.

GENERAL FUND BUDGETARY HIGHLIGHTS

In total, the original budget and the final amended budget were increased expenditures by \$188,510. The County made significant changes that were made between the functions. The actual expenditures for this fiscal year (budget basis) ended \$54,385 under total appropriations for expenditures and transfers out. Actual revenues came in \$419,528 over budget, or 7.07% of budget. Total general fund expenditures and transfers out consumed 100% of the budgeted expenditures plus transfers out. Adjustments were made to the budget original and final budget for favorable and unforeseen budget issues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The County's investment in capital assets for its governmental activities as of September 30, 2008, amounts to \$206,990. This investment in capital assets includes building improvements, machinery and equipment. GASB Statement No. 34 requires the County to report and depreciate new infrastructure assets (roads, bridges, airport, etc.) effective with the beginning of the current year. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

Major capital projects completed during year is as follows:

Building and improvements	<u>\$80,102</u>
Total projects completed	<u>\$80,102</u>

Total investment in the County's capital assets increased overall by \$206,990 or 1% due to the capital additions to building improvements, machinery and equipment.

CAPITAL ASSET AND DEBT ADMINISTRATION

**BEE COUNTY, TEXAS
CAPITAL ASSETS
(Net of depreciation)**

	Governmental Activities	
	<u>2008</u>	<u>2007</u>
Land	\$ 292,638	\$ 327,638
Building and improvements	28,206,000	27,326,624
Furniture, equipment and machinery	<u>1,827,014</u>	<u>633,413</u>
Total capital assets, net	<u>\$36,938,594</u>	<u>\$29,287,675</u>

Additional information on the County’s capital assets can be found in note IV-C on page 50 of this report for more detailed note information on capital asset activity.

Long-term debt. At September 30, 2008, the County had limited general tax obligation bonds and certificates of obligation outstanding in the amount of \$8,045,000. This total debt is backed by the full faith and credit of the County. Chapter 1301, as amended, of the Texas Government Code, limits the amount of bonds that is payable from the \$0.80 Constitution tax rate issued for the purpose as follows:

Courthouse Bonds	.76 % of Assessed Valuation
Pledged Revenue Certificates of Obligation	.14 % of Assessed Valuation

**BEE COUNTY, TEXAS
LONG-TERM DEBT**

	Governmental Activities	
	<u>2008</u>	<u>2007</u>
General Obligation Refunding Bonds	\$ 960,000	\$ 1,255,000
Pledged Revenue Certificates of Obligation	<u>7,085,000</u>	<u>7,085,000</u>
Total	<u>\$ 8,045,000</u>	<u>\$ 8,340,000</u>

The County’s total debt decreased by \$295,000 during the current year. No new debt was issued by the County during the current fiscal year. Additional information on the County’s long-term liabilities can be found in note IV-F on page 53 of this report.

The County currently maintains an “A Stable” rating from Standard & Poor’s for general obligation debt. Additional information on the County’s long-term debt are in the notes to the financial statements and the statistical section of this report. For more detailed information on long-term debt activity, please refer to the relevant disclosures in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- The unemployment rate for Bee County is currently 6.6% at September 30, 2008, which compares unfavorably to the State’s average unemployment rate of 5.1%.

Fiscal year 2008 reflected skyrocketing gas prices and the near collapse of Wall Street and the financial ruin of several lending investment institutions. Many Bee County residents stood to lose as much as one-third or more of their retirement investments because of the crisis on Wall Street.

The outlook for Bee County is not as bleak as other US communities. Bee County is holding its' own. Retail Sales are good, causing Sales Tax to remain constant and most months increasing over last year. Beeville has a lot of traffic going through helping out local stores. Sikorsky Support Services, Inc., with the Bee Development Authority out at Chase Field has 200 employees on the aviation side and plans to move up to 500. This would be a tremendous boost for our economy, but with the recession they are not sure right now. Modern Pipe a local manufacturer closed and we lost 40 jobs. May Fabricators another manufacturer of trash containers with other plants in the US has experienced some cut backs but are still in business.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Bee County's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Bee County Auditor
111 S. St. Mary's Street, Suite 101
Beeville, Texas 78102
susana.moron@co.bee.tx.us

BASIC FINANCIAL STATEMENTS

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

	Primary Government
	Governmental Activities
ASSETS	
Cash and investments	\$ 5,887,212
Taxes receivable (net of allowances)	231,563
Accounts receivable	17,964,329
Due from other governments	796,979
Inventories	34,092
Prepaid items	9,231
Restricted cash and investments	-
Capital assets:	
Land	292,638
Buildings and improvements	34,018,915
Equipment	6,029,118
Less: accumulated depreciation	(10,015,019)
Total capital assets	30,325,652
Total assets	55,249,058
LIABILITIES	
Accounts payable	630,202
Accrued liabilities	65,325
Due to other governments	59,764
Unearned revenues	17,944,498
Accrued interest	94,158
Noncurrent liabilities:	
Due within one year	310,000
Due in more than one year	7,956,089
Total liabilities	27,060,036
NET ASSETS	
Invested in capital assets, net of related debt	22,085,406
Restricted for:	
Special revenue	3,810,852
Debt service	100,145
Capital projects	386,154
Unrestricted	1,806,465
Total net assets	\$ 28,189,022

The accompanying notes are an integral part of these financial statements.

BEE COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets <u>Primary Government</u>
				Governmental Activities
Primary government				
Governmental activities:				
General government	\$ 792,131	\$ 326,517	\$ -	\$(465,614)
Judicial	956,717	146,726	-	(809,991)
Elections	31,454	-	-	(31,454)
Financial administration	770,413	228,787	68,004	(473,622)
Public facilities	224,226	38,435	-	(185,791)
Legal	453,787	35,032	-	(418,755)
Public safety	3,300,359	392,184	197,504	(2,710,671)
Public works	543,298	-	590,852	47,554
Highways and streets	1,480,245	748,553	4,961,202	4,229,510
Health and welfare	6,326,222	-	-	(6,326,222)
Culture and recreation	70,085	-	-	(70,085)
Conservation and development	230,571	-	-	(230,571)
Interest on long-term debt	336,511	-	-	(336,511)
Total governmental activities	15,516,019	1,916,234	5,817,562	(7,782,223)
Total primary government	\$ 15,516,019	\$ 1,916,234	\$ 5,817,562	\$(7,782,223)
General revenues:				
Taxes:				
Property taxes				5,550,390
Other				20,792
Investment earnings				217,272
Miscellaneous				2,981,340
Total general revenues				8,769,794
Change in net assets				987,571
Net assets, beginning				25,160,014
Prior period adjustment				2,041,437
Net assets, ending				\$ 28,189,022

The accompanying notes are an integral part of these financial statements.

BEE COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2008

	<u>General</u>	<u>Health Care Fund I</u>	<u>Health Care Fund II</u>
ASSETS			
Cash and investments	\$ 1,041,858	\$ 3,000,353	\$ 170,389
Taxes receivable (net of allowance)	159,219	-	-
Accounts receivable	173,252	8,208,787	9,582,290
Due from other governments	39,152	-	-
Due from other funds	443,128	-	-
Prepaid assets	<u>8,138</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,864,747</u>	<u>\$ 11,209,140</u>	<u>\$ 9,752,679</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	125,358	1,464	15,474
Accrued liabilities	65,325	-	-
Due to other governments	953	-	-
Due to other funds	-	-	-
Deferred revenue	320,579	8,208,791	9,582,290
Other liabilities	<u>94,158</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>606,373</u>	<u>8,210,255</u>	<u>9,597,764</u>
Fund balances:			
Designated for capital projects	-	-	-
Unreserved, reported in:			
General fund	1,258,374	-	-
Special revenue funds	-	2,998,885	154,915
Capital projects fund	-	-	-
Debt service fund	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,258,374</u>	<u>2,998,885</u>	<u>154,915</u>
Total liabilities and fund balances	<u>\$ 1,864,747</u>	<u>\$ 11,209,140</u>	<u>\$ 9,752,679</u>

Amounts not 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.

An Internal Service Fund is used by management to charge the costs of certain capital assets to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the statement of net assets.

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 accompanying notes are an integral part of these financial statements.

Headstart Fund	Other Governmental	Total Governmental Funds
\$ -	\$ 1,349,669	\$ 5,562,269
-	72,344	231,563
-	-	17,964,329
189,560	542,975	771,687
-	-	443,128
-	1,093	9,231
<u>\$ 189,560</u>	<u>\$ 1,966,081</u>	<u>\$ 24,982,207</u>
42,838	395,169	580,303
-	-	65,325
-	58,811	59,764
113,516	329,612	443,128
-	72,344	18,184,004
-	-	94,158
<u>156,354</u>	<u>855,936</u>	<u>19,426,682</u>
-	-	-
-	-	1,258,374
33,206	623,846	3,810,852
-	386,154	386,154
-	100,145	100,145
<u>33,206</u>	<u>1,110,145</u>	<u>5,555,525</u>
<u>\$ 189,560</u>	<u>\$ 1,966,081</u>	
		30,325,652
		239,506
		334,428
		<u>(8,266,089)</u>
		<u>\$ 28,189,022</u>

BEE COUNTY, TEXAS

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

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>General</u>	<u>Health Care Fund I</u>	<u>Health Care Fund II</u>
REVENUES			
Taxes	\$ 4,319,814	\$ -	\$ -
Licenses and permits	3,011	-	-
Intergovernmental	181,810	-	-
Charges for services	861,195	-	-
Fines and forfeitures	183,251	-	-
Investment earnings	79,746	101,727	8,128
Other revenues	<u>721,375</u>	<u>456,048</u>	<u>435,558</u>
Total revenues	<u>6,350,202</u>	<u>557,775</u>	<u>443,686</u>
EXPENDITURES			
Current:			
General government	947,657	-	-
Judicial	955,553	-	-
Elections	31,416	-	-
Financial administration	701,472	-	-
Public facilities	223,953	-	-
Legal	131,178	-	-
Public safety	2,969,907	-	-
Public works	-	-	-
Highways and streets	-	-	-
Health and welfare	291,919	-	445,867
Culture and recreation	70,000	-	-
Conservation and development	230,290	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	-	46,860	-
Total expenditures	<u>6,553,345</u>	<u>46,860</u>	<u>445,867</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(203,143)</u>	<u>510,915</u>	<u>(2,181)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	431,685	-	-
Transfers out	<u>(190,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>241,685</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	38,542	510,915	(2,181)
FUND BALANCES, BEGINNING	<u>1,801,310</u>	<u>2,487,970</u>	<u>157,096</u>
PRIOR PERIOD ADJUSTMENT	<u>(581,478)</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 1,258,374</u>	<u>\$ 2,998,885</u>	<u>\$ 154,915</u>

The accompanying notes are an integral part of these financial statements.

<u>Headstart Fund</u>	<u>Other Governmental</u>	<u>Governmental Funds</u>
\$ -	\$ 1,285,528	\$ 5,605,342
-	640,080	643,091
3,165,410	3,690,276	7,037,496
-	102,792	963,987
-	125,905	309,156
-	26,395	215,996
-	148,425	1,761,406
<u>3,165,410</u>	<u>6,019,401</u>	<u>16,536,474</u>
-	134,663	1,082,320
-	-	955,553
-	-	31,416
-	68,004	769,476
-	-	223,953
-	322,057	453,235
-	326,436	3,296,343
-	610,954	610,954
-	1,478,444	1,478,444
2,968,594	2,701,133	6,407,513
-	-	70,000
-	-	230,290
-	295,000	295,000
-	336,511	336,511
-	-	46,860
<u>2,968,594</u>	<u>6,273,202</u>	<u>16,287,868</u>
<u>196,816</u>	<u>(253,801)</u>	<u>248,606</u>
-	851,855	1,283,540
-	<u>(1,093,540)</u>	<u>(1,283,540)</u>
-	<u>(241,685)</u>	<u>-</u>
196,816	(495,486)	248,606
<u>(163,610)</u>	<u>826,960</u>	<u>5,109,726</u>
-	<u>778,671</u>	<u>197,193</u>
<u>\$ 33,206</u>	<u>\$ 1,110,145</u>	<u>\$ 5,555,525</u>

BEE COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2008

Net change in fund balances - total governmental funds: \$ 248,606

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

Governmental funds report outlays for capital assets as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 187,974

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (34,160)

The issuance of long-term debt (e.g., bonds) 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 295,000

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. (25,843)

Internal Service Funds are used by management to charge the costs of certain capital assets to individual funds. The net revenue of certain activities of Internal Service Funds is reported with governmental activities. 315,994

Change in net assets of governmental activities \$ 987,571

The accompanying notes are an integral part of these financial statements.

BEE COUNTY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,057,768	\$ 4,057,768	\$ 4,319,814	\$ 262,046
Licenses and permits	3,000	3,000	3,011	11
Intergovernmental	182,761	182,761	181,810	(951)
Charges for services	724,025	724,025	861,195	137,170
Fines and forfeitures	222,000	222,000	183,251	(38,749)
Investment earnings	75,000	75,000	79,746	4,746
Other revenues	<u>666,120</u>	<u>666,120</u>	<u>721,375</u>	<u>55,255</u>
Total revenues	<u>5,930,674</u>	<u>5,930,674</u>	<u>6,350,202</u>	<u>419,528</u>
EXPENDITURES				
Current:				
General government	937,881	957,507	947,657	9,850
Judicial	935,361	959,909	955,553	4,356
Elections	22,522	22,522	31,416	(8,894)
Financial administration	690,430	711,742	701,472	10,270
Public facilities	214,079	227,887	223,953	3,934
Legal	132,834	132,788	131,178	1,610
Public safety	2,933,801	2,989,574	2,969,907	19,667
Health and welfare	263,666	300,746	291,919	8,827
Culture and recreation	70,000	70,000	70,000	-
Conservation and development	<u>219,451</u>	<u>235,860</u>	<u>230,290</u>	<u>5,570</u>
Total expenditures	<u>6,420,025</u>	<u>6,608,535</u>	<u>6,553,345</u>	<u>55,190</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(489,351)</u>	<u>(677,861)</u>	<u>(203,143)</u>	<u>474,718</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	517,263	517,263	431,685	85,578
Transfers out	<u>(145,517)</u>	<u>(190,805)</u>	<u>(190,000)</u>	<u>(805)</u>
Total other financing sources and uses	<u>371,746</u>	<u>326,458</u>	<u>241,685</u>	<u>84,773</u>
NET CHANGE IN FUND BALANCE	<u>(117,605)</u>	<u>(351,403)</u>	<u>38,542</u>	<u>389,945</u>
FUND BALANCE, BEGINNING	1,801,310	1,801,310	1,801,310	-
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>(581,478)</u>	<u>581,478</u>
FUND BALANCE, ENDING	<u>\$ 1,683,705</u>	<u>\$ 1,449,907</u>	<u>\$ 1,258,374</u>	<u>\$ 971,423</u>

The accompanying notes are an integral part of these financial statements.

BEE COUNTY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

HEALTH CARE FUND I

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 50,000	\$ 50,000	\$ 101,727	\$ 51,727
Other revenue	456,046	456,046	456,048	2
Total revenues	506,046	506,046	557,775	51,729
EXPENDITURES				
Current:				
Capital outlay	1,000,000	1,000,000	46,860	953,140
Total expenditures	1,000,000	1,000,000	46,860	953,140
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(493,954)	(493,954)	510,915	1,004,869
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
NET CHANGE IN FUND BALANCE	(493,954)	(493,954)	510,915	1,004,869
FUND BALANCE, BEGINNING	2,487,970	2,487,970	2,487,970	-
FUND BALANCE, ENDING	\$ 1,994,016	\$ 1,994,016	\$ 2,998,885	\$ 1,004,869

The accompanying notes are an integral part of these financial statements.

BEE COUNTY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

HEALTH CARE FUND II

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 20,000	\$ 20,000	\$ 8,128	\$ (11,872)
Other revenue	435,561	435,561	435,558	(3)
Total revenues	455,561	455,561	443,686	(11,875)
EXPENDITURES				
Current:				
Health and welfare	333,072	443,000	445,867	(2,867)
Total expenditures	333,072	443,000	445,867	(2,867)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	122,489	12,561	(2,181)	(14,742)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
NET CHANGE IN FUND BALANCE	122,489	12,561	(2,181)	(14,742)
FUND BALANCE, BEGINNING	157,096	157,096	157,096	-
FUND BALANCE, ENDING	\$ 279,585	\$ 169,657	\$ 154,915	\$(14,742)

The accompanying notes are an integral part of these financial statements.

BEE COUNTY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

HEADSTART

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,009,704	\$ 3,009,704	\$ 3,165,410	\$ 155,706
Total revenues	<u>3,009,704</u>	<u>3,009,704</u>	<u>3,165,410</u>	<u>155,706</u>
EXPENDITURES				
Current:				
Health and welfare	<u>3,009,704</u>	<u>3,009,704</u>	<u>2,968,594</u>	<u>41,110</u>
Total expenditures	<u>3,009,704</u>	<u>3,009,704</u>	<u>2,968,594</u>	<u>41,110</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>196,816</u>	<u>196,816</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	196,816	196,816
FUND BALANCE, BEGINNING	<u>(163,610)</u>	<u>(163,610)</u>	<u>(163,610)</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ (163,610)</u></u>	<u><u>\$ (163,610)</u></u>	<u><u>\$ 33,206</u></u>	<u><u>\$ 196,816</u></u>

The accompanying notes are an integral part of these financial statements.

BEE COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2008

		<u>Governmental Activities</u>
		<u>Internal Service Funds</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$	324,943
Due from other governments		25,292
Inventory		<u>34,092</u>
Total current assets		<u>384,327</u>
 Total assets		 <u>384,327</u>
LIABILITIES		
Accounts payable		<u>49,899</u>
Total liabilities		<u>49,899</u>
NET ASSETS		
Unrestricted		<u>334,428</u>
 Total net assets	 \$	 <u><u>334,428</u></u>

The accompanying notes are an integral part of these financial statements.

BEE COUNTY, TEXAS

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS**

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
OPERATING REVENUES	
Employer/employee contributions	\$ 1,112,226
Charges for services	<u>11,587</u>
Total operating revenues	<u>1,123,813</u>
OPERATING EXPENSES	
Claims and administration	802,594
Other supplies and expenses	<u>6,501</u>
Total operating expenses	<u>809,095</u>
OPERATING INCOME	<u>314,718</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest and investment revenues	<u>1,276</u>
Total non-operating revenues (expenses)	<u>1,276</u>
CHANGE IN NET ASSETS	315,994
TOTAL NET ASSETS, BEGINNING	<u>24,193</u>
ADJUSTMENT TO NET ASSETS	<u>(5,759)</u>
TOTAL NET ASSETS, ENDING	<u>\$ 334,428</u>

The accompanying notes are an integral part of these financial statements.

BEE COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from services and participants	\$ 1,038,617
Payments to benefit claims	(802,594)
Payments to vendors	(17,922)
Net cash used by operating activities	218,101
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment earnings	1,276
Net cash flows provided by investing activities	1,276
DECREASE IN CASH AND CASH EQUIVALENTS	219,377
CASH AND EQUIVALENTS, BEGINNING	105,566
CASH AND EQUIVALENTS, ENDING	\$ 324,943
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ 314,718
Adjustments to reconcile operating loss to net cash used by operating activities:	
(Increase) decrease in accounts receivable	(9,138)
(Increase) decrease in inventory	(19,244)
(Decrease) increase in accounts payable	16,961
(Decrease) increase in due to other funds	(85,196)
Net cash used by operating activities	\$ 218,101

The accompanying notes are an integral part of these financial statements.

BEE COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2008

	<u>Agency Fund</u>
ASSETS	
Cash and investments	\$ <u>1,436,479</u>
Total assets	\$ <u>1,436,479</u>
LIABILITIES	
Due to others	\$ <u>1,436,479</u>
Total liabilities	\$ <u>1,436,479</u>

The accompanying notes are an integral part of these financial statements.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bee County, Texas, (the County) uses a commission form of government under the laws and statutes of the constitution of the State of Texas. The County provides various services to advance the welfare, health, morals, comfort, safety, and convenience of the County and its inhabitants. A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

A. Reporting Entity

Bee County, Texas was organized in 1858. The County operates using a commission form of government under the statutes and the Constitution of the State of Texas. The County (government) provides various services to general government (tax collection, property records, auto registration), judicial (district attorney, courts, juvenile), law enforcement and corrections (sheriff, constables, jail), roads, bridges and transportation and social services.

At the beginning of the 1997 year, the Bee County Regional Medical Center was leased to Spohn Health of Corpus Christi, Texas so the County does not have any control of this operation. The funds of the Bee County Regional Medical Center at September 30, 2008 are now accounted for in Health Care Special Revenue Fund which uses these funds and other funds to provide medical services to indigents as well as other health and welfare costs. The County (government) is required by generally accepted accounting principles to present the financial statements of 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 operation and so data from these 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. The government did not have any discretely presented component units in fiscal year 2008. Also, the County is not a component unit of any other entity.

The accompanying basic financial statements present the government and its blended unit of the Bee County Community Action Agency defined according to criteria in GASB Statement No. 14, The Financial Reporting Entity. The Agency maintains and performs administrative functions for the federal grants. The accompanying basic financial statements present the government and its blended unit of the Bee County Community Action Agency defined according to criteria in GASB Statement No. 14, The Financial Reporting Entity.

The Bee County Community Action Agency is a blended component unit of Bee County. It was created to provide service to individuals and families of low income, included but not limited to, assistance to elderly and disabled adults, rural transportation, home improvements and weatherization and educational services for children. The agency is operated under the supervision of the County Commissioners. The Board of Directors consist of the members of the Commissioners and appointed positions and in the event of dissolution, net assets, if any after reversion back to the granting agency, would revert to the County.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenue.

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. 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 revenues.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are 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.

Intergovernmental revenues, rents, commissions, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County, which includes delinquent property taxes, licenses, fees and fines. For grants, like the government-wide financial statements, the revenue is recognized when all the eligibility requirements have been met.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The County reports the following major governmental funds:

The ***General Fund*** is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund.

The ***Health Care I Fund*** is a Special Revenue Fund used to account for the initial hospital renovations.

The ***Health Care II Fund*** is a Special Revenue Fund used to account for the additional/facility expansion costs.

The ***Headstart Fund*** is a Special Revenue Fund used to account for education expenditures for lower income children.

All other governmental funds are combined and reported as nonmajor. Nonmajor funds include road fund, inland and island parks, grants, capital projects and other special revenue funds.

Additionally, the County reports the following fund types:

The ***Debt Service Fund*** is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

The ***Capital Projects Fund*** is used to account for the acquisition of capital assets or construction of major capital projects.

Internal Service Funds account for and finance the County's uninsured risks of loss from workers compensation coverage, general liability, and group health insurance. Revenues are derived from County contributions, employee and retiree/cobra premiums, investment income, and premiums from some external entities. Expenses are for benefits, claims and administrative expenses.

Agency Funds are used to account for assets held by the County on behalf of individuals and other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity

1. Deposit and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of one year or less from the date of acquisition. State statutes and the County's official investment policy authorized the County to invest in obligations of the U.S. and its agencies, certificates of deposit, local government pools, repurchase agreements, money market mutual funds and direct obligations of the State of Texas of its agencies.

Investments for the County, as well as for its component units, are reported at fair market value. TexPool is a local government investment pool that operates in accordance with appropriate state laws and regulations under oversight from the Texas State Comptroller. The reported value of the pool is the same as the fair value of the pool shares. All investment income is recognized as revenue in the appropriate fund's statement of activity and or statement of revenues, expenditures and changes in fund balance.

The County considers all highly liquid investments with original maturities of less than 90 days to be cash equivalents. Cash and cash equivalents at year-end include demand deposits and repurchase agreements. Statutes give the County the authority to invest the funds in obligations of the United States, direct obligations of the State of Texas, other obligations guaranteed or insured by the State of Texas or the United States, obligations of states, agencies, counties, or cities of any state that have been rated not less than one or its equivalent by a nationally recognized investment firm, certificates of deposit guaranteed insured or secured by approved obligations, prime domestic bankers' acceptances, commercial paper, fully collateralized repurchase agreements, and an SEC-registered, no-load money market mutual fund whose assets consist exclusively of approved obligations.

State statutes and the adopted Investment Policy govern the Agency's cash and investment policies. The Agency's policies governing bank deposits require depositories to be FDIC-insured institutions and depositories must fully collateralize all deposits in excess of FDIC insurance limits. The depository bank deposits for safekeeping and trust with the Agency's agent bank, approved pledged securities in an amount sufficient to protect the Agency funds on a day-to-day basis. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC")-Insurance.

2. Receivables and Payables

All trade and property tax receivable are shown net of an allowance for uncollectibles. Trade receivables are directly written-off when circumstances indicate a receivable is no longer collectible usually within one year a receivable when circumstances indicate a receivable is no longer collectible usually within one year a receivable was incurred. The property tax receivable allowance is equal to 100 percent of the balances older than 11 years plus .5 percent of the balances less than 11 years old which includes the current year's levy.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Receivables and Payables (Continued)

Property taxes are levied prior to September 30 based on taxable value as of January 1 and become due October 1 and past due after January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. On the governmental fund financial statements outstanding property taxes receivable is reported as deferred revenue.

Accounts receivable include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and unearned revenue (a liability) at the time the contracts are approved and signed. Grant revenues are recognized when eligibility requirements established by the grantor have been met at which time unearned revenue (the liability account) is reduced.

Lending or borrowing between funds is reflected as “due to or due from” (current position) or “advances to/from other funds” (non-current). Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Interfund activity reflected in “due to or due from” is eliminated on the governmental-wide statements.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories comprise of expendable supplies and gasoline held for consumption. All inventory items are expensed when used. Report inventories are offset by a reservation of fund balance, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets. Inventory policy on government-wide statements is consistent with fund statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the fund financial statements, advances and prepayments are offset by a reservation of fund balance which indicates they do not represent “available spendable resources”.

4. Capital Assets

Capital assets, which include property, buildings and improvements and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years.

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.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (Continued)

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements	20
Equipment	10 - 15
Vehicles	6
Furniture	12
Heavy equipment	15
Computer equipment	7

GASB Statement No. 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 has implemented the retroactive infrastructure provisions for the fiscal year ending September 30, 2008.

5. Compensated Absences

Vacation, sick leave, benefits and compensatory (“comp”) time are accrued by full time county employees according to guidelines established by the County’s personal policies. Said policies allow for the accumulation of sick leave of one day per month up to a maximum of thirty days, but do not provide for payment of sick leave accruals. (i.e., sick leave not taken in any given year is lost and cannot be carried over to the next year). Accordingly since such accumulated amounts are nonvesting, unused sick leave at September 30, 2008 has not been accrued in the accompanying financial statements.

The County’s policy for vacation leave allows for 10 working day of vacation leave. Vacation leave does not accumulate if not used within the year (i.e., vacation leave not taken cannot be carried over to the following year). However, any unused vacation leave up to a maximum of 10 days per year is paid to an employee upon separation from service.

Compensatory (“comp”) time off is granted at the rate of one and one-half hour time off for every hour overtime worked and can be carried forward indefinitely. At September 30, 2008, the County’s liability for accrued vacation pay and the liability for compensatory time was \$221,089.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. 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.

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.

7. Federal and State Grants

Revenue from federal and state grants is recognized on the basis of actual expenditures incurred, limited to the amount of the total grant award. Shared revenue is recognized based on the fiscal period to which the entitlements received apply.

8. Fund Equity

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

9. 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.

10. Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. 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 the fund balance for total governmental funds on the governmental fund balance sheet and the net assets for governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

<u>Capital Assets at the Beginning of Year</u>	<u>Historic Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value at the Beginning of Year</u>	<u>Change in Net Assets</u>
Land	\$ 327,638	\$ -	\$ 327,638	
Buildings & Improvements	31,403,668	(4,077,044)	27,326,624	
Furniture & Equipment	<u>3,264,917</u>	<u>(2,631,504)</u>	<u>633,413</u>	
Change in Net Assets				<u>\$ 28,287,675</u>
<u>Long-term liabilities at the Beginning of Year</u>			<u>Payable at the Beginning of Year</u>	
Bonds Payable			(8,340,000)	
Compensated Absences			<u>(195,246)</u>	
Change in Net Assets				<u>(8,535,246)</u>
Net Adjustment to Net Assets				<u>\$ 19,752,429</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, 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 the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures and changes in fund balances and the changes in net assets of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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

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

This adjustment affects both the net asset balance and the change in net assets. The details of this adjustment are as follows:

<u>Current Year Capital Outlay</u>	<u>Amount</u>	<u>Adjustments to Changes in Net Assets</u>	<u>Adjustments in Net Assets</u>
Buildings & Improvements	\$ 80,102	\$ 80,102	
Furniture & Equipment	<u>126,888</u>	<u>126,888</u>	
Total Capital Outlay			<u>\$ 206,990</u>
Debt Principal Payments			
Bonds Payable	(295,000)	(295,000)	
Other	<u>25,843</u>	<u>25,843</u>	
Total Principal Payments			<u>(269,157)</u>
Net Adjustment to Net Assets			<u><u>\$ (62,167)</u></u>

Another element of the reconciliation is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details for this element are as follows:

Property taxes	\$ 34,160
Internal service fund activities	<u>315,994</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><u>\$ 350,154</u></u>

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Commissioners Court may levy taxes only in accordance with the budget. After final approval of the budget, the Commissioners Court may spend County funds only in strict compliance with the budget, except in any emergency. The Commissioners Court may authorize an emergency expenditure as an amendment to the original budget only in case of grave public necessity to meet an unusual and unforeseen condition that could have been included in the original budget only in case of grave public necessity to meet an unusual and unforeseen condition that could have been included in the original budget through the use of reasonable diligent thought and attention. If the court amends the original budget to meet and emergency, the court must file a copy of its order amending the budget with the County Clerk and the clerk shall attach the copy to the original budget. Only the Commissioners Court may amend the budget and shift funds from one budget account to another.

The original budget is adopted by Commissioners Court and filed with the County Clerk. Amendments are made during the year and approved by Commissioner Court. The budget should not be exceeded in any expenditures category under state law. The budget was amended to reflect as closely as possible revenues and expenditures for the twelve-month period. Certain categories exceeded the budget estimates. These variances were due to the fluctuations in revenues and expenditures as opposed to the prorated budget estimates.

The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by Commissioners Court, the County Judge, with the help of the County Auditor, prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to Commissioners Court.

The Commissioners Court invites various department heads to appear for a hearing concerning the department's budget request. Before determining the final budget, Commissioners Court may increase or decrease the amounts requested by various departments. Amounts finally budgeted may not exceed the estimate of revenues and available resources. Also, amendments can be made within the above guidelines.

When the Budget has been adopted by Commissioners Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of Commissioner Court advised of the condition of the various funds and accounts. Appropriations lapse at year end.

The County's legally adopted budget is at the function level. For internal management purposes, the budgets are detailed by line item and entered into the accounting records. Comparisons of actual expenditures or expenses to budget are made on an ongoing basis. Budgets of the General, Special Revenue, and Debt Service are prepared on an annual basis. Formal budgetary integration is not employed for Capital Projects Funds because budgetary control is achieved through legally binding construction contracts. Budgetary integration is not employed for the internal service fund because expenses are not controllable by management.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Special Revenue (except as noted in the following paragraph) and Debt Service Funds. All annual appropriations lapse at fiscal year-end.

Annually appropriated budgets are not adopted for all Special Revenue Funds. The BRMC, Sheriff Special Projects, Border Star Program, Tynan Colonia Grant, Skidmore Colonia Grant, BCAA Admin Fund, Child Care, Rural Transportation, Title III Nutrition, EFSNBP, Coastal Bend Workforce, CEAP, CP&L N-N Entex, CSBG, DOE/Exxon LINEAP, Home Program V, CPL/RE N-N, RPT Purchase, Vehicle Capital Replacement, Community Block Grant, Technology Fund, and the Sheriff Drug Forfeiture do not have legally adopted budgets. Accordingly, budget and actual comparisons do not include these funds.

The final budgets presented in this report reflect the budget amendments for all appropriation transfers processed during the fiscal year. More comprehensive accounting of activity on the budgetary basis is provided by request and for public inspection in The Office of the Bee County Auditor, 111S. St. Mary's Street, Suite 101, Beeville, Texas 78102.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders contracts and other commitment for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the governmental funds to an extent. All outstanding purchase orders automatically carry over to and encumber the next budget year unless Commissioners Court individually approves them as an encumbrance to the prior year. Encumbrances outstanding at year-end are reported and reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. As of September 30, 2008, no encumbrances were approved by Commissioners Court to carry forward as an encumbrance from the 2007/2008 budget.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Bee County's demand deposits were within the contracted depository bank (International Bank of Commerce, Beeville, Texas) Tex-Pool Accounts and Robert W. Baird Investment firm, the very large majority of which were in interest bearing accounts.

The bank deposits were all secured at the balance sheet date by FDIC coverage and by pledged U.S. government securities (as authorized by state law) held by the pledging bank's agent or trust in Bee County's name, deemed collateralized under Texas law. Both the county and the depository bank maintain copies of the safekeeping receipts related to the pledge securities. Funds were properly secured at all times. Tex-Pool is not SEC regulated but is governed by an independent board of directors and operates in accordance with appropriate state laws and regulations such as Robert W. Baird Investments. The reported value of the pool is the fair value of the pool shares.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

At year-end, the County's carrying amount of deposits was \$1,389,180 and the bank balance was \$1,410,879.

The County's cash deposits at September 30, 2008 were covered by federal deposit insurance or collateralized by securities pledged in the County's name and held by a separate federal reserve bank contracted by the County's depository. The highest cash balances were on hand during the month of October 2007.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less Than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More Than 10</u>
TexPool	\$ 3,008,872	\$ 3,008,872	\$ -	\$ -	\$ -
Robert W. Baird & Co. Inc.	1,489,160	1,489,160	-	-	-
Total	<u>\$ 4,498,032</u>	<u>\$ 4,498,032</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional policies and contractual provisions governing deposits and investments for the County are specified below:

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 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.

Credit Risk. In accordance with state law and the County's investment policy, investments in mutual funds and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A. The County's investments in investment pools were rated AAA. As of September 30, 2008, the County's investments were rated Aaa by Moody's Standard & Poor's.

Concentration of Credit Risk. The County does not place a limit on the amount the County may invest in any one issuer. The County does not have a concentration of credit risk.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

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. The County does not have a custodial credit risk.

Interest Rate Risk. In accordance with its investment policy, the County manages its exposure to declines in fair market values by limiting the average dollar-weighted maturity of its portfolio to a maximum of 365 days.

B. Receivables

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

	Governmental Funds					Total
	General	Health Care Fund I	Health Care Fund II	Headstart Fund	Other Nonmajor Funds	
Receivables:						
Property taxes	\$ 159,219	\$ -	\$ -	\$ -	\$ 72,344	\$ 231,563
Accounts	173,252	8,208,787	9,582,290	-	-	17,964,329
Intergovernmental	39,152	-	-	189,560	542,975	771,687
Net total receivables	\$ 371,623	\$ 8,208,787	\$ 9,582,290	\$ 189,560	\$ 615,319	\$ 18,967,579

Governmental funds report *deferred revenue* in connection with receivables for revenues that are 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:

	Unavailable	Unearned
Delinquent property taxes receivable	\$ 231,563	\$ -
Other	17,952,441.00	-
facilities construction	\$ 18,184,004	\$ -

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

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

	Beginning Balance 10/1/07	Increases	Reclassifications/ Decreases	Ending Balance 9/30/08
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 327,638	\$ -	\$ (35,000)	\$ 292,638
Total assets not being depreciated	<u>327,638</u>	<u>-</u>	<u>(35,000)</u>	<u>292,638</u>
Capital assets, being depreciated:				
Buildings and improvements	31,403,668	80,102	2,535,145	34,018,915
Machinery and equipment	<u>3,264,917</u>	<u>126,888</u>	<u>2,637,313</u>	<u>6,029,118</u>
Total capital assets being depreciated	<u>34,668,585</u>	<u>206,990</u>	<u>5,172,458</u>	<u>40,048,033</u>
Less accumulated depreciation:				
Buildings and improvements	(4,077,044)	(1,390)	(1,734,481)	(5,812,915)
Infrastructure	-	-	-	-
Machinery and equipment	<u>(2,631,504)</u>	<u>(17,626)</u>	<u>(1,552,974)</u>	<u>(4,202,104)</u>
Total accumulated depreciation	<u>(6,708,548)</u>	<u>(19,016)</u>	<u>(3,287,455)</u>	<u>(10,015,019)</u>
Total capital assets being depreciated, net	<u>27,960,037</u>	<u>226,006</u>	<u>8,459,913</u>	<u>36,645,956</u>
Governmental activities capital assets, net	\$ <u>28,287,675</u>	\$ <u>226,006</u>	\$ <u>8,424,913</u>	\$ <u>36,938,594</u>

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

Governmental activities:	
General government	\$ 1,319
Judicial	1,164
Elections	38
Financial administration	937
Public facilities	273
Legal	552
Public safety	4,016
Public works	744
Highways and streets	1,801
Health and welfare	7,806
Culture and recreation	85
Conservation and development	<u>281</u>
Total depreciation expense - governmental activities	\$ <u>19,016</u>

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2008, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue	\$ 269,114
Special Revenue	Special Revenue	174,014

These balances resulted from the time lag between the dates that 1) interfund goods and services are provided on reimbursable expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund transfers:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Special Revenue	\$ 55,049
General	Capital Projects	376,636
Special Revenue	General	227,705
Special Revenue	Special Revenue	624,150

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

E. Leases

The County has entered into two direct financing leases with Spohn Health System of Corpus Christi, Texas. The County is the lessor in the contracts. The two leases are for 30 years for the hospital building and 15 years for the Doctor's building. For these the County has set up the account Hospital Lease Receivable. The County recognized the receivable with a contra asset of deferred revenue lease interest. The difference is deferred revenue lease principal in the liabilities section of the balance sheets. When rents are received the interest portion of the lease is recognized as revenue and the principal portion is recognized as other financing sources. The Bee County Health Care Special Revenue Fund accounts for the hospital lease payments received and Courthouse Renovations Capital Projects Funds account for the lease payments received for the Doctors' Building lease payments.

In the event of the lessee defaulting on the contract then all property, equipment, and improvements will belong to the County. It is expected in that the lease will be renegotiated at the end of the 30 years.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

The following is a schedule of the future minimum lease payments to be received and the present value of the lease payments to be received for the Doctor's Building lease as of September 30, 2008:

<u>Year</u>	<u>Amount</u>
2009	\$ 51,500
2010	51,500
2011	<u>51,494</u>
Total Minimum Lease Payments	154,494
Less Amount Representing Interest	<u>(15,007)</u>
Present Value of net Minimum Lease Payments	<u>\$ 139,487</u>

The following is a schedule of the future minimum lease payments to be received and the present value of the lease payments to be received for the hospital building lease as of September 30, 2008:

<u>Year</u>	<u>Amount</u>
2009	\$ 456,048
2010	456,048
2011	456,048
2012	456,048
2013	456,068
Thereafter	<u>5,928,547</u>
Total Minimum Lease Payments	8,208,807
Less Amount Representing Interest	<u>(3,230,556)</u>
Present Value of net Minimum Lease Payments	<u>\$ 4,978,251</u>

The following is a schedule of the future minimum lease payments to be received and the present value of the lease payments to be received for the hospital building lease I as of September 30, 2008:

<u>Year</u>	<u>Amount</u>
2009	\$ 219,266
2010	219,266
2011	219,266
2012	219,266
2013	219,266
Thereafter	<u>3,727,529</u>
Total Minimum Lease Payments	4,823,859
Less Amount Representing Interest	<u>(2,164,785)</u>
Present Value of net Minimum Lease Payments	<u>\$ 2,659,074</u>

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

The following is a schedule of the future minimum lease payments to be received and the present value of the lease payments to be received for the hospital building lease II as of September 30, 2008:

<u>Year</u>	<u>Amount</u>
2009	\$ 216,293
2010	216,292
2011	216,292
2012	216,292
2013	216,292
Thereafter	<u>3,676,967</u>
Total Minimum Lease Payments	4,758,428
Less Amount Representing Interest	<u>(2,135,423)</u>
Present Value of net Minimum Lease Payments	<u>\$ 2,623,005</u>

F. Long-Term Liabilities

The following is a summary of the long-term liability transactions of the County for the year ended September 30, 2008.

	Balance September 30, 2007	Additions	Retirements	Balance September 30, 2008	Amounts Due Within One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 8,340,000	\$ -	\$ 295,000	\$ 8,045,000	\$ 310,000
Compensated absences	<u>195,246</u>	<u>25,843</u>	<u>-</u>	<u>221,089</u>	<u>-</u>
Total governmental activities	<u>\$ 8,535,246</u>	<u>\$ 25,843</u>	<u>\$ 295,000</u>	<u>\$ 8,266,089</u>	<u>\$ 310,000</u>

The compensated absences liability will be liquidated from the applicable funds where the expenditure occurs. The general fund and special revenue funds are the applicable funds where expenditures are usually utilized to retire compensated absences.

Bonds

During fiscal year 2007, the County authorized \$2,470,000 of General Obligation Refunding Bonds by an order passed by the Commissioners' Court. The bonds are payable from an ad valorem tax levied within the County. Interest at rates ranging from 3.00% to 3.80% are payable at February 15 and August 15 of each year.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-term Liabilities (Continued)

Bonds (Continued)

During fiscal year 2007, the County authorized \$7,085,000 of Combination Tax and Limited Pledge Revenue Certificate of Obligation Bonds by an order passed by the Commissioners' Court. The bonds are by the combination of ad valorem taxes and revenue bonds. Interest at rates ranging from 3.75% to 4.60% are payable at February 15 and August 15 of each year.

The debt service requirements to maturity on all bonds are:

Fiscal Year Ending September 30,	Principal	Interest	Total
2009	\$ 310,000	\$ 325,198	\$ 635,198
2010	370,000	316,486	686,486
2011	380,000	302,834	682,834
2012	395,000	288,393	683,393
2013	400,000	278,084	678,084
2014-2018	2,205,000	1,156,304	3,361,304
2019-2023	2,720,000	657,471	3,377,471
2024-2028	1,265,000	87,240	1,352,240
Total	<u>\$ 8,045,000</u>	<u>\$ 3,412,010</u>	<u>\$ 11,457,010</u>

V. OTHER INFORMATION

A. Retirement Plan

Plan Description

Bee County, Texas, provides retirement, disability, and death benefits for all of its fulltime 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 30 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 deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump sum are not entitled to any amounts contributed by their employer.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

V. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Plan Description (Continued)

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 deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

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

Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. However, the governing body elected to pay a rate of 6.84% for the 2008 year that exceeded the actuarially determined rate as allowed by the provisions of the TCDRS Act. For the months of the accounting year in 2008 the employer contributed the actuarially determined rate of 9.00%.

The contribution rate payable by the employee members for calendar year 2008 is the rate of 6.84% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Act

For the employer's accounting year ending September 30, 2008, the annual pension cost for the TCDRS plan for its employees was \$358,647 and the actual contributions were \$358,647.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2006 and December 31, 2007, the basis for determining the contribution rates for calendar years 2007 and 2008. The December 31, 2007 actuarial valuation is the most recent valuation.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

V. OTHER INFORMATION

A. Retirement Plan (Continued)

Actuarial Liabilities and Funding Progress

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, open	level percentage of payroll, open
Amortization period	20	15	15
Asset valuation method	long-term appreciation with adjustment	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value
Actuarial Assumptions:			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.3	5.3	5.3
Inflation	3.5	3.5	3.5
Cost-of-living adjustments	0.0%	0.0%	0.0%

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

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/05	\$ 353,918	100%	\$ -
12/31/06	353,396	100%	-
12/31/07	358,647	100%	-

**Schedule of Funding Progress for the Retirement Plan
For the Employees of Bee 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)
2005	\$ 9,957,584	\$ 10,481,061	\$ 523,477	95.01%	\$ 5,083,415	10.30%
2006	10,858,082	10,976,995	118,913	98.92%	5,270,549	2.26%
2007	11,761,170	11,747,360	(13,810)	100.00%	5,177,533	(0.27%)

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

V. OTHER INFORMATION (Continued)

B. Employee Benefits Plan

The County provides group medical benefits to its employees on a self-funded basis. Stop-loss coverage is provided by an insurance company and an independent company serves as Claim Administrator.

All fulltime County employees (regularly scheduled to work at least 30 hours per week) are eligible for coverage under the Plan. Employees can enroll for personal coverage and dependent coverage.

A reconciliation of claims liabilities is shown below.

	<u>2008</u>	<u>2007</u>
Claims liabilities at October 1	\$ -	\$ 67,182
Incurred claims	816,566	1,088,220
Payments on claims	<u>(802,595)</u>	<u>(1,155,402)</u>
Claims liabilities at September 30	<u>\$ 13,971</u>	<u>\$ -</u>

All claim liabilities are due within one year.

C. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The funds in the plan are held by Nationwide Retirement Solutions, Inc of Columbus, Ohio as the plan administrator for the County. The funds are held in trust by Nationwide Retirement Solutions, Inc. for the exclusive benefits of the employees and their beneficiaries who will receive these funds directly remitted by Nationwide Retirement Solutions, Inc. to the County employees and their beneficiaries, the County no longer owns the amounts deferred by the employees or related income on these amounts. Therefore, since the plan does not qualify to be included with the County's fiduciary funds there are not any plan assets included in the County's financial statements. It is noted, however, that at September 30, 2008, Nationwide Retirement Solutions, Inc. had \$560,035 (market value) in the plan for County employees.

BEE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

V. OTHER INFORMATION (Continued)

D. Commitments and Contingencies

The County is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the management, the outcome of these lawsuits will not have a material adverse effect on the accompanying combined financial statements, and accordingly, no provision for losses has been recorded.

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2008, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

E. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County provides for the management of risks through a combination of self-insurance and traditional insurance. The amount of settlements has not exceeded insurance coverage for each of the past three fiscal years.

F. Self-Insurance

The County is partially self-insured against hospital cost for its employees. The employees pay \$1,000 deductible. Then up to the first \$6,000, the employee pays 30% of the medical costs and the County pays 70% of the medical costs. From \$10,000 to \$50,000, the County pays 100% of the medical costs. After \$50,000 the insurance company pays 100% of the costs up to \$1,000,000 lifetime maximum. Estimated liabilities incurred are reflected in the applicable financials at September 30, 2008.

G. Deficit Fund Balance

None of the County's funds had a deficit fund balance at September 30, 2008 except for the District Clerk Records Management, HAVA/Election Fund, Border Star Program, Child Care Fund, Rural Transportation and Title III Nutrition. These deficits are expected to be liquidated by future resources of the County.

H. Prior Period Adjustments

Adjustments have been made to correct beginning fund balances for activity that should have been reflected in the prior fiscal years.

REQUIRED SUPPLEMENTAL INFORMATION

BEE COUNTY, TEXAS

REQUIRED SUPPLEMENTAL INFORMATION

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

**SCHEDULE OF FUNDING PROGRESS FOR THE RETIREMENT PLAN
FOR THE EMPLOYEES OF BEE COUNTY**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Funded Ratio (a/b)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage of Payroll ((b-a)/c)</u>
2003	\$ 8,339,891	\$ 8,928,881	\$ 588,990	93.40%	\$ 4,741,228	12.42%
2004	8,896,150	9,594,082	697,932	92.73%	5,181,582	13.47%
2005	9,957,584	10,481,061	523,477	95.01%	5,083,415	10.30%
2006	10,858,082	10,976,995	118,913	98.92%	5,270,549	2.26%
2007	11,761,170	11,747,360	(13,810)	100.12%	5,177,533	-0.27%

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

BEE COUNTY, TEXAS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad valorem taxes - current	\$ 2,922,768	\$ 2,922,768	\$ 2,976,712	\$ 53,944
Penalties and interest - current	26,000	26,000	42,394	16,394
Ad valorem taxes - delinquent	70,000	70,000	78,572	8,572
Penalties and interest - delinquent	29,000	29,000	30,995	1,995
County sales taxes	<u>1,010,000</u>	<u>1,010,000</u>	<u>1,191,141</u>	<u>181,141</u>
Total taxes	<u>4,057,768</u>	<u>4,057,768</u>	<u>4,319,814</u>	<u>262,046</u>
Licenses and permits:				
Alcohol beverage permits	<u>3,000</u>	<u>3,000</u>	<u>3,011</u>	<u>11</u>
Total charges for services	<u>3,000</u>	<u>3,000</u>	<u>3,011</u>	<u>11</u>
Intergovernmental:				
Homeland grant	-	-	8,442	8,442
Mixed beverage tax	20,000	20,000	24,066	4,066
State indigent defense	20,765	20,765	24,598	3,833
State allocation for County Attorney	21,950	21,950	20,833	(1,117)
State allocation for County Judge	15,000	15,000	15,000	-
State jury fee reimbursement	12,000	12,000	9,656	(2,344)
CBCOG 911 Addressing reimbursement	22,000	22,000	22,902	902
City of Bee/Health and Sanitation	12,000	12,000	14,528	2,528
City of Bee/Jail Fee	10,000	10,000	11,070	1,070
Emergency management	-	-	30,715	30,715
Skidmore Water Supply	46,046	46,046	-	(46,046)
Chapter 19 Voter Registration	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
Total intergovernmental	<u>182,761</u>	<u>182,761</u>	<u>181,810</u>	<u>(951)</u>
Charges for services:				
County Judge	500	500	683	183
County Clerk	205,000	205,000	217,537	12,537
Sheriff	165,000	165,000	177,056	12,056
District Clerk	70,000	70,000	123,659	53,659
Tax-Assessor Collector fees	170,000	170,000	228,787	58,787
Probate Judge's training fees	300	300	295	(5)
Justice of the Peace No. 1	6,000	6,000	6,370	370
Justice of the Peace No. 2	1,675	1,675	3,542	1,867
Justice of the Peace No. 3	5,000	5,000	7,998	2,998
Justice of the Peace No. 4	4,000	4,000	5,157	1,157
Constable Precinct No. 1	-	-	610	610
Constable Precinct No. 2	250	250	1,260	1,010
Constable Precinct No. 3	-	-	190	190
Constable Precinct No. 4	2,000	2,000	2,605	605

BEE COUNTY, TEXAS
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES (Continued)				
Charges for services: (Continued)				
County Attorney	4,000	4,000	2,516	(1,484)
Health inspector fees	40,000	40,000	38,435	(1,565)
Co. 10% State agency	50,000	50,000	44,424	(5,576)
County card service fee	300	300	65	(235)
Crime victims fee	-	-	6	6
Total charges for services	<u>724,025</u>	<u>724,025</u>	<u>861,195</u>	<u>137,170</u>
Fines and forfeitures:				
Justice of the Peace No. 1	26,000	26,000	31,912	5,912
Justice of the Peace No. 2	18,000	18,000	22,534	4,534
Justice of the Peace No. 3	140,000	140,000	94,585	(45,415)
Justice of the Peace No. 4	<u>38,000</u>	<u>38,000</u>	<u>34,220</u>	<u>(3,780)</u>
Total fines and forfeitures	<u>222,000</u>	<u>222,000</u>	<u>183,251</u>	<u>(38,749)</u>
Investment income and other:				
Investment income	<u>75,000</u>	<u>75,000</u>	<u>79,746</u>	<u>4,746</u>
Total investment and other	<u>75,000</u>	<u>75,000</u>	<u>79,746</u>	<u>4,746</u>
Other revenues:				
Rental fees of county buildings	10,200	10,200	10,200	-
Reimbursement of court appt. attorneys	12,000	12,000	17,824	5,824
Medical center lease	51,500	51,500	51,500	-
Tobacco settlement	25,000	25,000	29,822	4,822
Normanna landfill fees	32,000	32,000	31,098	(902)
Refunds and sundries	10,000	10,000	11,476	1,476
Rental - correctional facility	500,000	500,000	513,280	13,280
Commissions - inmate telephone	25,000	25,000	55,801	30,801
Miscellaneous	<u>420</u>	<u>420</u>	<u>374</u>	<u>(46)</u>
Total other revenues	<u>666,120</u>	<u>666,120</u>	<u>721,375</u>	<u>55,255</u>
Total revenues	<u>\$ 5,930,674</u>	<u>\$ 5,930,674</u>	<u>\$ 6,350,202</u>	<u>\$ 419,528</u>

BEE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2008

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
General Government:				
Commissioners' court	\$ 360,859	\$ 355,991	\$ 352,498	\$ 3,493
County Clerk	270,508	277,044	276,821	223
Emergency management	31,876	49,416	45,413	4,003
Non-departmental	274,638	275,056	272,925	2,131
Total General Government	937,881	957,507	947,657	9,850
Judicial:				
County court	35,500	36,550	36,548	2
District court	340,400	358,741	358,738	3
District Clerk	250,784	251,250	251,171	79
Justice of the Peace 1-4	308,677	313,368	309,096	4,272
Total Judicial	935,361	959,909	955,553	4,356
Elections:				
Elections	22,522	22,522	31,416	(8,894)
Total Elections	22,522	22,522	31,416	(8,894)
Financial Administration:				
County Auditor	294,801	310,535	301,186	9,349
Motor vehicle and voter registration	170,541	173,857	175,228	(1,371)
Tax Assessor-Collector	129,770	127,840	125,548	2,292
Appraisal district	95,318	99,510	99,510	-
Total Financial Administration	690,430	711,742	701,472	10,270
Public Facilities:				
County courthouse	124,479	132,223	132,206	17
Congressional district office building	6,450	6,450	6,321	129
Health department probation	25,500	23,637	21,836	1,801
Courthouse annex/justice	34,050	36,953	36,490	463
Dougherty building	7,500	10,086	10,085	1
LADD building	10,600	13,038	12,015	1,023
Economic development	5,500	5,500	5,000	500
Total Public Facilities	214,079	227,887	223,953	3,934
Legal:				
County Attorney	132,834	132,788	131,178	1,610
Total Legal	132,834	132,788	131,178	1,610

BEE COUNTY, TEXAS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
EXPENDITURES				
Public Safety:				
Constables 1-4	\$ 46,995	\$ 47,095	\$ 45,914	\$ 1,181
Operations	33,423	33,422	29,875	3,547
Sheriff	1,356,277	1,336,789	1,332,566	4,223
Correctional facilities	1,191,642	1,292,327	1,286,603	5,724
Highway patrol	28,166	28,225	28,225	-
Highway patrol license	9,851	9,773	7,916	1,857
Juvenile board	138,310	112,806	109,671	3,135
Adult probation services	129,137	129,137	129,137	-
Total Public Safety	<u>2,933,801</u>	<u>2,989,574</u>	<u>2,969,907</u>	<u>19,667</u>
Health and Welfare:				
Environmental public health	102,384	104,621	104,689	(68)
Waste management	106,182	136,105	127,312	8,793
Welfare	55,100	60,020	59,918	102
Total Health and Welfare	<u>263,666</u>	<u>300,746</u>	<u>291,919</u>	<u>8,827</u>
Culture and Recreation:				
County library	70,000	70,000	70,000	-
Total Culture and Recreation	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Conservation and Development:				
Agricultural extension services	80,454	80,373	75,205	5,168
Coliseum	138,997	155,487	155,085	402
Total Conservation and Development	<u>219,451</u>	<u>235,860</u>	<u>230,290</u>	<u>5,570</u>
 Total expenditures	 <u>\$ 6,420,025</u>	 <u>\$ 6,608,535</u>	 <u>\$ 6,553,345</u>	 <u>\$ 55,190</u>

NONMAJOR GOVERNMENTAL FUNDS

District Clerk Records Management Fund – accounts for District Clerk records management fees that are to be used for records management purposes.

County Clerk Records Management Fund – accounts for County Clerk fees that are to be used for records management purposes.

HAVA/Election Fund – (Help America Vote Act) This fund accounts for the County Clerk and Tax Collector elections equipment, training, and voting accessibility.

Courthouse Security Fund – accounts for County and County Clerk fees that are to be used for courthouse security purposes.

Road and Bridge Funds – Operating and Special Road Tax – established to comply with Article 6790, Vernon’s Civil Statutes, which authorized counties to levy, assess and collect ad valorem taxes (property taxes) (special road and bridge tax) for the purpose of constructing and maintaining special roads and bridges within the County. These funds also account for the motor vehicle license fee and the state lateral road credit allocation revenue.

Bee County Regional Medical Center Fund – to be utilized operational expenditures.

Farm-to-Market Road Fund – established to comply with Article 6674, Vernon’s Civil Statutes and receives ad valorem tax revenues for the purpose of constructing and maintaining farm-to-market roads or for flood control.

County Records Management Fund – accounts for County fees that are to be used for records management purposes.

District Attorney Fund – accounts for District Attorney fees and charges for various collections.

Sheriff Special Projects Fund – accounts for grant proceeds used in tobacco age enforcement.

Border Star Program – accounts for grant proceeds used by Sheriff Department for border security.

Abandoned Vehicle Fund – accounts for proceeds of sales of abandoned or seized vehicles.

Tynan Colonia Grant Fund – accounts for grants used for infrastructure improvements.

Skidmore Colonia Grant Fund – accounts for grants used for infrastructure improvements.

BCAA Administration Fund – used to accounts for administration costs of the Bee County Community Action Agency.

Child Care Fund – used to accounts for grants used for child care purposes including meals to children.

Rural Public Transportation Fund – used to accounts for transportation services for the general public in the non-urbanized service area.

Title III Nutrition and Title XX Home Delivered Meals Fund – used to accounts for home delivered meals to the elderly and disabled adults who are home bound.

EFSNBP Fund – Emergency Food, Shelter, Nutrition Board Program, This fund is used to supplement the work of local agencies to assist people in need of emergency assistance relating to food, shelter and rent/mortgage.

Coastal Bend Workforce Dev Fund – to provide curb-to-curb transportation services for adult and youth program related activities (Monday through Friday, 8:00 am to 5:00 pm).

C.E.A.P. Fund – Comprehensive Energy Assistance Program, this fund is used to provide household energy related services for low-income person.

Law Library Fund – to account for the cost of operating and maintaining a law library for public use. Financing is provided through fees charged as part of court costs for civil cases processed through the County and County courts.

CP&L Neighbor to Neighbor/Entex Fund – to account for collections and disbursements for the assistance of utility bills (electric, gas).

CSBG Fund – Community Services Block Grant is used to account for direct services to low-income clients and supplements agency programs.

DOE/Exxon LINEAP Fund – to account for collections and disbursements for the assistance of needy clients.

Home Program V Fund – used to provide funds for the rehabilitation of homes.

Victims Assistance Fund – to account for collections and disbursements for the assistance of victims.

CP&L Neighbor to Neighbor Fund – to account for collections and disbursements for the assistance of electric utility bills.

RPT Purchase of Service Fund – Rural Public Transportation Fund, purchase of service fund is used for transportation services for the general public in the non-urbanized area, utilizing a nominal fee structure and 24-hour advance notice requirement.

Vehicle Capital Replacement Fund – used to account for capital acquisitions for Rural Public Transportation activities.

Community Block Grant Fund – to account for grants used for infrastructure improvements.

Technology Fund – accounts for grants used for technology enhancements.

County Attorney Check Collection Fund – accounts for County Attorney fees and charges for “hot check” collections.

Sheriff Federal Drug Forfeiture Fund – accounts for monies seized by the Sheriff during drug and other crime arrests in cooperation with Federal authorities.

Debt Service Fund – used to account for the collection of levied taxes and payments of indebtedness of the County.

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

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

	<u>District Clk Records Management</u>	<u>County Clk Records Management</u>	<u>HAVA/ Election Fund</u>	<u>Courthouse Security Fund</u>
ASSETS				
Cash and investments	\$ 1,289	\$ 16,477	\$ 10,765	\$ 104,432
Taxes receivable (net of allowance)	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Prepaid assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,289</u>	<u>\$ 16,477</u>	<u>\$ 10,765</u>	<u>\$ 104,432</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,850	\$ 12,734	\$ -	\$ -
Due to other funds	-	-	13,000	489
Due to other governments	-	-	1,161	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,850</u>	<u>12,734</u>	<u>14,161</u>	<u>489</u>
Fund balances:				
Designated for capital projects	-	-	-	-
Unreserved, undesignated	<u>(561)</u>	<u>3,743</u>	<u>(3,396)</u>	<u>103,943</u>
Total fund balances	<u>(561)</u>	<u>3,743</u>	<u>(3,396)</u>	<u>103,943</u>
Total liabilities and fund balances	<u>\$ 1,289</u>	<u>\$ 16,477</u>	<u>\$ 10,765</u>	<u>\$ 104,432</u>

<u>Road & Bridge Fund</u>	<u>Special Road Tax Fund</u>	<u>BCRMC Fund</u>	<u>Farm to Market Lateral Road</u>	<u>County Records Management</u>	<u>District Attorney Fund</u>
\$ 340,871	\$ 35,977	\$ 20,430	\$ 29,702	\$ 1,555	\$ 21,465
-	36,160	-	1,765	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 340,871</u>	<u>\$ 72,137</u>	<u>\$ 20,430</u>	<u>\$ 31,467</u>	<u>\$ 1,555</u>	<u>\$ 21,465</u>
\$ 23,635	\$ -	\$ -	\$ -	\$ -	\$ 527
-	-	-	-	-	-
-	-	-	-	-	-
-	36,160	-	1,765	-	-
<u>23,635</u>	<u>36,160</u>	<u>-</u>	<u>1,765</u>	<u>-</u>	<u>527</u>
-	-	-	-	-	-
317,236	35,977	20,430	29,702	1,555	20,938
<u>317,236</u>	<u>35,977</u>	<u>20,430</u>	<u>29,702</u>	<u>1,555</u>	<u>20,938</u>
<u>\$ 340,871</u>	<u>\$ 72,137</u>	<u>\$ 20,430</u>	<u>\$ 31,467</u>	<u>\$ 1,555</u>	<u>\$ 21,465</u>

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

	<u>Sheriff Special Projects</u>	<u>Border Star Program</u>	<u>Abandoned Vehicle Fund</u>	<u>Tynan Colonia Grant</u>
ASSETS				
Cash and investments	\$ 3,542	\$ 65,530	\$ 21,039	\$ -
Taxes receivable (net of allowance)	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	1,675
Prepaid assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 3,542</u>	<u>\$ 65,530</u>	<u>\$ 21,039</u>	<u>\$ 1,675</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 152	\$ 1,675
Due to other funds	-	91,831	-	-
Due to other governments	-	-	-	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>91,831</u>	<u>152</u>	<u>1,675</u>
Fund balances:				
Designated for capital projects	-	-	-	-
Unreserved, undesignated	<u>3,542</u>	<u>(26,301)</u>	<u>20,887</u>	<u>-</u>
Total fund balances	<u>3,542</u>	<u>(26,301)</u>	<u>20,887</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 3,542</u>	<u>\$ 65,530</u>	<u>\$ 21,039</u>	<u>\$ 1,675</u>

Skidmore Colonia Grant	BCAA Admin Fund	Child Care Fund	Rural Transportation Fund	Title III Nutrition Fund	EFSNBP Fund
\$ -	\$ 6,849	\$ -	\$ -	\$ -	\$ 867
-	-	-	-	-	-
-	-	-	-	-	-
-	-	32,297	100,174	19,184	-
<u>-</u>	<u>1,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 7,942</u>	<u>\$ 32,297</u>	<u>\$ 100,174</u>	<u>\$ 19,184</u>	<u>\$ 867</u>
\$ -	\$ -	\$ 8,865	\$ 10,837	\$ 4,206	\$ 867
-	8	30,282	103,210	41,326	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>8</u>	<u>39,147</u>	<u>114,047</u>	<u>45,532</u>	<u>867</u>
-	-	-	-	-	-
<u>-</u>	<u>7,934</u>	<u>(6,850)</u>	<u>(13,873)</u>	<u>(26,348)</u>	<u>-</u>
<u>-</u>	<u>7,934</u>	<u>(6,850)</u>	<u>(13,873)</u>	<u>(26,348)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 7,942</u>	<u>\$ 32,297</u>	<u>\$ 100,174</u>	<u>\$ 19,184</u>	<u>\$ 867</u>

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

	Coastal Bend Workforce Dev	CEAP Fund	Law Library Fund	Reliant Energy Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and investments	\$ -	\$ -	\$ 75,329	\$ 15,383
Taxes receivable (net of allowance)	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	3,051	45,297	-	-
Prepaid assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 3,051</u>	<u>\$ 45,297</u>	<u>\$ 75,329</u>	<u>\$ 15,383</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 237	\$ 7,168	\$ -	\$ 1,492
Due to other funds	2,035	27,811	-	-
Due to other governments	-	-	-	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,272</u>	<u>34,979</u>	<u>-</u>	<u>1,492</u>
Fund balances:				
Designated for capital projects	-	-	-	-
Unreserved, undesignated	<u>779</u>	<u>10,318</u>	<u>75,329</u>	<u>13,891</u>
Total fund balances	<u>779</u>	<u>10,318</u>	<u>75,329</u>	<u>13,891</u>
Total liabilities and fund balances	<u>\$ 3,051</u>	<u>\$ 45,297</u>	<u>\$ 75,329</u>	<u>\$ 15,383</u>

<u>CSBG Fund</u>	<u>DOE/Exxon LINEAP Fund</u>	<u>Home Program V Fund</u>	<u>Victims Assistance Fund</u>	<u>CPL/RE N to N Fund</u>	<u>RPT Purchase of Service</u>
\$ 10,515	\$ 4,541	\$ 6,704	\$ 5,036	\$ 1,627	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
24,543	5,387	186,105	-	-	21,977
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 35,058</u>	<u>\$ 9,928</u>	<u>\$ 192,809</u>	<u>\$ 5,036</u>	<u>\$ 1,627</u>	<u>\$ 21,977</u>
\$ 21,199	\$ 4,600	\$ 182,872	\$ 282	\$ 1,014	\$ 7,358
4,967	3	-	-	31	14,619
-	-	-	-	-	-
-	-	-	-	-	-
<u>26,166</u>	<u>4,603</u>	<u>182,872</u>	<u>282</u>	<u>1,045</u>	<u>21,977</u>
-	-	-	-	-	-
8,892	5,325	9,937	4,754	582	-
<u>8,892</u>	<u>5,325</u>	<u>9,937</u>	<u>4,754</u>	<u>582</u>	<u>-</u>
<u>\$ 35,058</u>	<u>\$ 9,928</u>	<u>\$ 192,809</u>	<u>\$ 5,036</u>	<u>\$ 1,627</u>	<u>\$ 21,977</u>

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

	<u>Vehicle Capital Replacement</u>	<u>Comm Block Grant Fund</u>	<u>Technology Fund</u>	<u>County Atty Check Collection</u>
ASSETS				
Cash and investments	\$ -	\$ -	\$ 61,232	\$ 1,899
Taxes receivable (net of allowance)	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	103,285	-	-
Prepaid assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>-</u>	\$ <u>103,285</u>	\$ <u>61,232</u>	\$ <u>1,899</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 103,285	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	57,650	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>103,285</u>	<u>57,650</u>	<u>-</u>
Fund balances:				
Designated for capital projects	-	-	-	-
Unreserved, undesignated	-	-	3,582	1,899
	<u>-</u>	<u>-</u>	<u>3,582</u>	<u>1,899</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>3,582</u>	<u>1,899</u>
Total liabilities and fund balances	\$ <u>-</u>	\$ <u>103,285</u>	\$ <u>61,232</u>	\$ <u>1,899</u>

Sheriff Fed Drug Forfeiture	Total Nonmajor Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ 863,056	\$ 100,145	\$ 386,468	\$ 1,349,669
-	37,925	34,419	-	72,344
-	-	-	-	-
-	542,975	-	-	542,975
-	1,093	-	-	1,093
<u>\$ -</u>	<u>\$ 1,445,049</u>	<u>\$ 134,564</u>	<u>\$ 386,468</u>	<u>\$ 1,966,081</u>
\$ -	\$ 394,855	\$ -	\$ 314	\$ 395,169
-	329,612	-	-	329,612
-	58,811	-	-	58,811
-	37,925	34,419	-	72,344
-	821,203	34,419	314	855,936
-	-	-	-	-
-	623,846	100,145	386,154	1,110,145
-	623,846	100,145	386,154	1,110,145
<u>\$ -</u>	<u>\$ 1,445,049</u>	<u>\$ 134,564</u>	<u>\$ 386,468</u>	<u>\$ 1,966,081</u>

BEE COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>District Clk Records Management</u>	<u>County Clk Records Management</u>	<u>HAVA/ Election Fund</u>	<u>Courthouse Security Fund</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	6,041	-
Charges for services	2,254	51,503	-	27,206
Fines and forfeitures	-	-	-	-
Investment income	-	418	-	2,643
Other revenue	-	-	-	-
Total revenues	<u>2,254</u>	<u>51,921</u>	<u>6,041</u>	<u>29,849</u>
EXPENDITURES				
Current:				
General government	4,936	127,874	-	-
Financial administration	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	55,551
Public works	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	19,278	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>4,936</u>	<u>127,874</u>	<u>19,278</u>	<u>55,551</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,682)</u>	<u>(75,953)</u>	<u>(13,237)</u>	<u>(25,702)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	78,150	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>78,150</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(2,682)</u>	<u>2,197</u>	<u>(13,237)</u>	<u>(25,702)</u>
FUND BALANCES, BEGINNING	<u>2,121</u>	<u>1,546</u>	<u>9,841</u>	<u>129,645</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u><u>\$ (561)</u></u>	<u><u>\$ 3,743</u></u>	<u><u>\$ (3,396)</u></u>	<u><u>\$ 103,943</u></u>

<u>Road & Bridge Fund</u>	<u>Special Road Tax Fund</u>	<u>BCRMC Fund</u>	<u>Farm to Market Lateral Road</u>	<u>County Records Management</u>	<u>District Attorney Fund</u>
\$ -	\$ 588,414	\$ -	\$ 20,792	\$ -	\$ -
640,080	-	-	-	-	-
-	-	-	21,609	-	183,913
-	-	-	-	6,745	-
108,473	-	-	-	-	-
5,134	3,217	396	1,261	59	298
3,552	-	-	-	-	-
<u>757,239</u>	<u>591,631</u>	<u>396</u>	<u>43,662</u>	<u>6,804</u>	<u>184,211</u>
-	-	-	-	1,853	-
-	-	-	-	-	-
-	-	-	-	-	292,746
-	-	-	-	-	-
1,409,397	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,409,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,853</u>	<u>292,746</u>
(652,158)	591,631	396	43,662	4,951	(108,535)
605,000	-	-	-	-	105,000
-	(595,051)	-	(40,000)	(6,150)	-
<u>605,000</u>	<u>(595,051)</u>	<u>-</u>	<u>(40,000)</u>	<u>(6,150)</u>	<u>105,000</u>
(47,158)	(3,420)	396	3,662	(1,199)	(3,535)
<u>364,394</u>	<u>39,397</u>	<u>20,034</u>	<u>26,040</u>	<u>2,754</u>	<u>24,398</u>
-	-	-	-	-	75
<u>\$ 317,236</u>	<u>\$ 35,977</u>	<u>\$ 20,430</u>	<u>\$ 29,702</u>	<u>\$ 1,555</u>	<u>\$ 20,938</u>

BEE COUNTY, TEXAS

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

**NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Sheriff Special Projects	Border Star Program	Abandoned Vehicle Fund	Tynan Colonia Grant
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	40,935	197,504	-	122,930
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	304	28	287	-
Other revenue	-	-	46,531	-
Total revenues	<u>41,239</u>	<u>197,532</u>	<u>46,818</u>	<u>122,930</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Financial administration	-	-	-	-
Legal	-	-	-	-
Public safety	40,697	223,833	6,355	-
Public works	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	122,930
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>40,697</u>	<u>223,833</u>	<u>6,355</u>	<u>122,930</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>542</u>	<u>(26,301)</u>	<u>40,463</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(24,998)	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(24,998)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	542	(26,301)	15,465	-
FUND BALANCES, BEGINNING	<u>3,000</u>	<u>-</u>	<u>5,422</u>	<u>-</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 3,542</u>	<u>\$(26,301)</u>	<u>\$ 20,887</u>	<u>\$ -</u>

Skidmore Colonia Grant	BCAA Admin Fund	Child Care Fund	Rural Transportation Fund	Title III Nutrition Fund	EFSNBP Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
156,894	780,626	227,899	590,852	153,655	16,421
-	-	-	-	-	-
-	-	-	-	4	-
-	-	-	18,813	51,674	-
<u>156,894</u>	<u>780,626</u>	<u>227,899</u>	<u>609,665</u>	<u>205,333</u>	<u>16,421</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	610,954	-	-
-	-	-	-	-	-
156,894	778,482	234,749	-	204,149	16,421
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>156,894</u>	<u>778,482</u>	<u>234,749</u>	<u>610,954</u>	<u>204,149</u>	<u>16,421</u>
-	2,144	(6,850)	(1,289)	1,184	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,144	(6,850)	(1,289)	1,184	-
-	5,538	-	(16,929)	(27,532)	-
-	252	-	4,345	-	-
<u>\$ -</u>	<u>\$ 7,934</u>	<u>\$ (6,850)</u>	<u>\$ (13,873)</u>	<u>\$ (26,348)</u>	<u>\$ -</u>

BEE COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Coastal Bend Workforce Dev	CEAP Fund	Law Library Fund	Reliant Energy Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	2,873	182,500	-	-
Charges for services	-	-	15,084	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	1,397	-
Other revenue	-	-	-	20,194
Total revenues	<u>2,873</u>	<u>182,500</u>	<u>16,481</u>	<u>20,194</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Financial administration	-	-	-	-
Legal	-	-	5,833	-
Public safety	-	-	-	-
Public works	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	1,670	183,143	-	8,987
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>1,670</u>	<u>183,143</u>	<u>5,833</u>	<u>8,987</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,203</u>	<u>(643)</u>	<u>10,648</u>	<u>11,207</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,203	(643)	10,648	11,207
FUND BALANCES, BEGINNING	<u>(421)</u>	<u>12,625</u>	<u>64,681</u>	<u>2,684</u>
PRIOR PERIOD ADJUSTMENT	<u>(3)</u>	<u>(1,664)</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 779</u>	<u>\$ 10,318</u>	<u>\$ 75,329</u>	<u>\$ 13,891</u>

<u>CSBG Fund</u>	<u>DOE/Exxon LINEAP Fund</u>	<u>Home Program V Fund</u>	<u>Victims Assistance Fund</u>	<u>CPL/RE N to N Fund</u>	<u>RPT Purchase of Service</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
263,698	62,547	186,105	48,905	-	59,140
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	7,661	-
<u>263,698</u>	<u>62,547</u>	<u>186,105</u>	<u>48,905</u>	<u>7,661</u>	<u>59,140</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
275,570	68,372	190,472	61,030	7,621	59,140
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>275,570</u>	<u>68,372</u>	<u>190,472</u>	<u>61,030</u>	<u>7,621</u>	<u>59,140</u>
(11,872)	(5,825)	(4,367)	(12,125)	40	-
-	-	-	13,000	-	-
-	-	-	-	-	-
-	-	-	<u>13,000</u>	-	-
(11,872)	(5,825)	(4,367)	875	40	-
<u>28,674</u>	<u>-</u>	<u>14,304</u>	<u>4,365</u>	<u>430</u>	<u>-</u>
(7,910)	11,150	-	(486)	112	-
<u>\$ 8,892</u>	<u>\$ 5,325</u>	<u>\$ 9,937</u>	<u>\$ 4,754</u>	<u>\$ 582</u>	<u>\$ -</u>

BEE COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Vehicle Capital Replacement</u>	<u>Comm Block Grant Fund</u>	<u>Technology Fund</u>	<u>County Atty Check Collection</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	68,004	312,225	-	5,000
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	17,432
Investment income	-	-	1,214	71
Other revenue	-	-	-	-
Total revenues	<u>68,004</u>	<u>312,225</u>	<u>1,214</u>	<u>22,503</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Financial administration	68,004	-	-	-
Legal	-	-	-	23,478
Public safety	-	-	-	-
Public works	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	312,225	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>68,004</u>	<u>312,225</u>	<u>-</u>	<u>23,478</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,214</u>	<u>(975)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	1,214	(975)
FUND BALANCES, BEGINNING	<u>-</u>	<u>-</u>	<u>2,368</u>	<u>2,874</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,582</u>	<u>\$ 1,899</u>

Sheriff Fed Drug Forfeiture	Total Nonmajor Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ 609,206	\$ 676,322	\$ -	\$ 1,285,528
-	640,080	-	-	640,080
-	3,690,276	-	-	3,690,276
-	102,792	-	-	102,792
-	125,905	-	-	125,905
-	16,731	1,502	8,162	26,395
-	148,425	-	-	148,425
<u>-</u>	<u>5,333,415</u>	<u>677,824</u>	<u>8,162</u>	<u>6,019,401</u>
-	134,663	-	-	134,663
-	68,004	-	-	68,004
-	322,057	-	-	322,057
-	326,436	-	-	326,436
-	610,954	-	-	610,954
-	1,409,397	-	69,047	1,478,444
-	2,701,133	-	-	2,701,133
-	-	295,000	-	295,000
-	-	336,511	-	336,511
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>5,572,644</u>	<u>631,511</u>	<u>69,047</u>	<u>6,273,202</u>
<u>-</u>	<u>(239,229)</u>	<u>46,313</u>	<u>(60,885)</u>	<u>(253,801)</u>
-	801,150	-	50,705	851,855
<u>-</u>	<u>(666,199)</u>	<u>-</u>	<u>(427,341)</u>	<u>(1,093,540)</u>
<u>-</u>	<u>134,951</u>	<u>-</u>	<u>(376,636)</u>	<u>(241,685)</u>
-	(104,278)	46,313	(437,521)	(495,486)
<u>153,837</u>	<u>876,090</u>	<u>53,832</u>	<u>(102,962)</u>	<u>826,960</u>
<u>(153,837)</u>	<u>(147,966)</u>	<u>-</u>	<u>926,637</u>	<u>778,671</u>
<u>\$ -</u>	<u>\$ 623,846</u>	<u>\$ 100,145</u>	<u>\$ 386,154</u>	<u>\$ 1,110,145</u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

DISTRICT CLERK RECORDS MANAGEMENT

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Charges for services	\$ <u>1,375</u>	\$ <u>2,254</u>	\$ <u>879</u>
Total revenues	<u>1,375</u>	<u>2,254</u>	<u>879</u>
EXPENDITURES			
Current:			
General government	<u>4,500</u>	<u>4,936</u>	<u>(436)</u>
Total expenditures	<u>4,500</u>	<u>4,936</u>	<u>(436)</u>
NET CHANGE IN FUND BALANCE	<u>(3,125)</u>	<u>(2,682)</u>	<u>443</u>
FUND BALANCE, BEGINNING	<u>2,121</u>	<u>2,121</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$(1,004)</u></u>	<u><u>\$(561)</u></u>	<u><u>\$ 443</u></u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

COUNTY CLERK RECORDS MANAGEMENT

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 50,000	\$ 51,503	\$ 1,503
Investment income	<u>125</u>	<u>418</u>	<u>293</u>
Total revenues	<u>50,125</u>	<u>51,921</u>	<u>1,796</u>
EXPENDITURES			
Current:			
General government	<u>128,572</u>	<u>127,874</u>	<u>698</u>
Total expenditures	<u>128,572</u>	<u>127,874</u>	<u>698</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(78,447)</u>	<u>(75,953)</u>	<u>2,494</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>80,000</u>	<u>78,150</u>	<u>1,850</u>
Total other financing sources and uses	<u>80,000</u>	<u>78,150</u>	<u>1,850</u>
NET CHANGE IN FUND BALANCE	1,553	2,197	4,344
FUND BALANCE, BEGINNING	<u>1,546</u>	<u>1,546</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 3,099</u>	<u>\$ 3,743</u>	<u>\$ 4,344</u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

HAVA / ELECTION FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for services	\$ -	\$ 6,041	\$ 6,041
Total revenues	<u>-</u>	<u>6,041</u>	<u>6,041</u>
EXPENDITURES			
Current:			
Health and welfare	<u>19,278</u>	<u>19,278</u>	<u>-</u>
Total expenditures	<u>19,278</u>	<u>19,278</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(19,278)	(13,237)	6,041
FUND BALANCE, BEGINNING	<u>9,841</u>	<u>9,841</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$(9,437)</u></u>	<u><u>\$(3,396)</u></u>	<u><u>\$ 6,041</u></u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

COURTHOUSE SECURITY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for services	\$ 19,200	\$ 27,206	\$ 8,006
Investment earnings	<u>3,000</u>	<u>2,643</u>	<u>(357)</u>
Total revenues	<u>22,200</u>	<u>29,849</u>	<u>7,649</u>
EXPENDITURES			
Current:			
Public safety	<u>57,542</u>	<u>55,551</u>	<u>1,991</u>
Total expenditures	<u>57,542</u>	<u>55,551</u>	<u>1,991</u>
NET CHANGE IN FUND BALANCE	(35,342)	(25,702)	9,640
FUND BALANCE, BEGINNING	<u>129,645</u>	<u>129,645</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 94,303</u>	<u>\$ 103,943</u>	<u>\$ 9,640</u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

ROAD AND BRIDGE

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Licenses and permits	\$ 590,000	\$ 640,080	\$ 50,080
Fines and forfeitures	135,000	108,473	(26,527)
Investment earnings	6,000	5,134	(866)
Other revenue	<u>28,111</u>	<u>3,552</u>	<u>(24,559)</u>
Total revenues	<u>759,111</u>	<u>757,239</u>	<u>(1,872)</u>
EXPENDITURES			
Current:			
Highways and streets	<u>1,453,888</u>	<u>1,409,397</u>	<u>44,491</u>
Total expenditures	<u>1,453,888</u>	<u>1,409,397</u>	<u>44,491</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(694,777)</u>	<u>(652,158)</u>	<u>42,619</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>605,000</u>	<u>605,000</u>	<u>-</u>
Total other financing sources and uses	<u>605,000</u>	<u>605,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(694,777)</u>	<u>(47,158)</u>	<u>647,619</u>
FUND BALANCE, BEGINNING	<u>364,394</u>	<u>364,394</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$(330,383)</u></u>	<u><u>\$ 317,236</u></u>	<u><u>\$ 647,619</u></u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

SPECIAL ROAD TAX FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 558,792	\$ 588,414	\$ 29,622
Investment earnings	<u>3,000</u>	<u>3,217</u>	<u>217</u>
Total revenues	<u>561,792</u>	<u>591,631</u>	<u>29,839</u>
EXPENDITURES			
Current:			
General government	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>561,792</u>	<u>591,631</u>	<u>29,839</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(595,051)</u>	<u>(595,051)</u>	<u>-</u>
Total other financing sources and uses	<u>(595,051)</u>	<u>(595,051)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(33,259)	(3,420)	29,839
FUND BALANCE, BEGINNING	<u>39,397</u>	<u>39,397</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 6,138</u>	<u>\$ 35,977</u>	<u>\$ 29,839</u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

FARM-TO-MARKET & LATERAL ROAD

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 20,586	\$ 20,792	\$ 206
Intergovernmental	21,936	21,609	(327)
Investment earnings	200	1,261	1,061
Total revenues	<u>42,722</u>	<u>43,662</u>	<u>940</u>
EXPENDITURES			
Current:			
General government	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>42,722</u>	<u>43,662</u>	<u>940</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Total other financing sources and uses	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2,722	3,662	940
FUND BALANCE, BEGINNING	<u>26,040</u>	<u>26,040</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 28,762</u>	<u>\$ 29,702</u>	<u>\$ 940</u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

COUNTY RECORDS MANAGEMENT

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for services	\$ 6,400	\$ 6,745	\$ 345
Investment earnings	<u>75</u>	<u>59</u>	<u>(16)</u>
Total revenues	<u>6,475</u>	<u>6,804</u>	<u>329</u>
EXPENDITURES			
Current:			
General government	<u>1,850</u>	<u>1,853</u>	<u>(3)</u>
Total expenditures	<u>1,850</u>	<u>1,853</u>	<u>(3)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,625</u>	<u>4,951</u>	<u>342</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>(6,150)</u>	<u>(6,150)</u>	<u>-</u>
Total other financing sources and uses	<u>(6,150)</u>	<u>(6,150)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(1,525)</u>	<u>(1,199)</u>	<u>326</u>
FUND BALANCE, BEGINNING	<u>2,754</u>	<u>2,754</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 1,229</u>	<u>\$ 1,555</u>	<u>\$ 326</u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

DISTRICT ATTORNEY

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 208,203	\$ 183,913	\$(24,290)
Investment earnings	<u>200</u>	<u>298</u>	<u>98</u>
Total revenues	<u>208,403</u>	<u>184,211</u>	<u>(24,192)</u>
EXPENDITURES			
Current:			
Legal	<u>341,417</u>	<u>292,746</u>	<u>48,671</u>
Total expenditures	<u>341,417</u>	<u>292,746</u>	<u>48,671</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(133,014)</u>	<u>(108,535)</u>	<u>24,479</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>105,805</u>	<u>105,000</u>	<u>805</u>
Total other financing sources and uses	<u>105,805</u>	<u>105,000</u>	<u>805</u>
NET CHANGE IN FUND BALANCE	<u>(27,209)</u>	<u>(3,535)</u>	<u>23,674</u>
FUND BALANCE, BEGINNING	24,398	24,398	-
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>75</u>	<u>(75)</u>
FUND BALANCE, ENDING	<u>\$(2,811)</u>	<u>\$ 20,938</u>	<u>\$ 23,599</u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

ABANDONED VEHICLE

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Investment earnings	\$ 250	\$ 287	\$ 37
Other revenue	<u>75,000</u>	<u>46,531</u>	<u>(28,469)</u>
Total revenues	<u>75,250</u>	<u>46,818</u>	<u>(28,432)</u>
EXPENDITURES			
Current:			
Public safety	<u>11,500</u>	<u>6,355</u>	<u>5,145</u>
Total expenditures	<u>11,500</u>	<u>6,355</u>	<u>5,145</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>63,750</u>	<u>40,463</u>	<u>(23,287)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(63,350)</u>	<u>(24,998)</u>	<u>(38,352)</u>
Total other financing sources and uses	<u>(63,350)</u>	<u>(24,998)</u>	<u>(38,352)</u>
NET CHANGE IN FUND BALANCE	63,750	15,465	(48,285)
FUND BALANCE, BEGINNING	<u>5,422</u>	<u>5,422</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 69,172</u>	<u>\$ 20,887</u>	<u>\$(48,285)</u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

LAW LIBRARY

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for services	\$ 12,100	\$ 15,084	\$ 2,984
Investment earnings	900	1,397	497
Total revenues	<u>13,000</u>	<u>16,481</u>	<u>3,481</u>
EXPENDITURES			
Current:			
Public safety	<u>5,934</u>	<u>5,833</u>	<u>101</u>
Total expenditures	<u>5,934</u>	<u>5,833</u>	<u>101</u>
NET CHANGE IN FUND BALANCE	7,066	10,648	3,582
FUND BALANCE, BEGINNING	<u>64,681</u>	<u>64,681</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 71,747</u>	<u>\$ 75,329</u>	<u>\$ 3,582</u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

VICTIMS ASSISTANCE PROGRAM

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 47,843	\$ 48,905	\$ 1,062
Total revenues	<u>47,843</u>	<u>48,905</u>	<u>1,062</u>
EXPENDITURES			
Current:			
Health and welfare	<u>61,695</u>	<u>61,030</u>	<u>665</u>
Total expenditures	<u>61,695</u>	<u>61,030</u>	<u>665</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(13,852)</u>	<u>(12,125)</u>	<u>1,727</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>13,000</u>	<u>13,000</u>	<u>-</u>
Total other financing sources and uses	<u>13,000</u>	<u>13,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(13,852)</u>	<u>875</u>	<u>14,727</u>
FUND BALANCE, BEGINNING	4,365	4,365	-
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>(486)</u>	<u>486</u>
FUND BALANCE, ENDING	<u><u>\$(9,487)</u></u>	<u><u>\$ 4,754</u></u>	<u><u>\$ 15,213</u></u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

COUNTY ATTORNEY HOT CHECK COLLECTION

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ -	\$ 5,000	\$ 5,000
Fines and forfeitures	-	17,432	17,432
Investment earnings	-	71	71
Total revenues	<u>-</u>	<u>22,503</u>	<u>22,503</u>
EXPENDITURES			
Current:			
Legal	<u>24,225</u>	<u>23,478</u>	<u>747</u>
Total expenditures	<u>24,225</u>	<u>23,478</u>	<u>747</u>
NET CHANGE IN FUND BALANCE	(24,225)	(975)	23,250
FUND BALANCE, BEGINNING	<u>2,874</u>	<u>2,874</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$(21,351)</u>	<u>\$ 1,899</u>	<u>\$ 23,250</u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

DEBT SERVICE

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Taxes	\$ 650,562	\$ 676,322	\$ 25,760
Investment earnings	<u>3,000</u>	<u>1,502</u>	<u>(1,498)</u>
Total revenues	<u>653,562</u>	<u>677,824</u>	<u>24,262</u>
EXPENDITURES			
Debt service:			
Principal	295,000	295,000	-
Interest and other charges	<u>336,161</u>	<u>336,511</u>	<u>(350)</u>
Total expenditures	<u>631,161</u>	<u>631,511</u>	<u>(350)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	22,401	46,313	23,912
FUND BALANCE, BEGINNING	<u>53,832</u>	<u>53,832</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 76,233</u>	<u>\$ 100,145</u>	<u>\$ 23,912</u>

BEE COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

CAPITAL PROJECTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 374,413	\$ -	\$(374,413)
Investment earnings	<u>10,000</u>	<u>8,162</u>	<u>(1,838)</u>
Total revenues	<u>384,413</u>	<u>8,162</u>	<u>(376,251)</u>
EXPENDITURES			
Current:			
Highways and streets	<u>105,000</u>	<u>69,047</u>	<u>35,953</u>
Total expenditures	<u>105,000</u>	<u>69,047</u>	<u>35,953</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>279,413</u>	<u>(60,885)</u>	<u>(340,298)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	50,705	(50,705)
Transfers out	<u>(322,413)</u>	<u>(427,341)</u>	<u>104,928</u>
Total other financing sources and uses	<u>(322,413)</u>	<u>(376,636)</u>	<u>54,223</u>
NET CHANGE IN FUND BALANCE	279,413	(437,521)	(716,934)
FUND BALANCE, BEGINNING	(102,962)	(102,962)	-
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>926,637</u>	<u>(926,637)</u>
FUND BALANCE, ENDING	<u>\$ 176,451</u>	<u>\$ 386,154</u>	<u>\$(1,643,571)</u>

INTERNAL SERVICE FUNDS

BEE COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2008

	Group Insurance Service	Fuel Service	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current assets:			
Cash and investments	\$ 260,367	\$ 64,576	\$ 324,943
Due from other governments	-	25,292	25,292
Inventory	<u>-</u>	<u>34,092</u>	<u>34,092</u>
Total current assets	<u>260,367</u>	<u>123,960</u>	<u>384,327</u>
 Total assets	 <u>260,367</u>	 <u>123,960</u>	 <u>384,327</u>
LIABILITIES			
Current liabilities:			
Accounts payable	<u>-</u>	<u>49,899</u>	<u>49,899</u>
Total current liabilities	<u>-</u>	<u>49,899</u>	<u>49,899</u>
 Total liabilities	 <u>-</u>	 <u>49,899</u>	 <u>49,899</u>
NET ASSETS			
Unrestricted	<u>260,367</u>	<u>74,061</u>	<u>334,428</u>
 Total net assets	 <u>\$ 260,367</u>	 <u>\$ 74,061</u>	 <u>\$ 334,428</u>

BEE COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS**

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Group Insurance Service</u>	<u>Fuel Service</u>	<u>Total</u>
OPERATING REVENUES			
Employer/employee contributions	\$ 1,112,226	\$ -	\$ 1,112,226
Charges for services	<u>-</u>	<u>11,587</u>	<u>11,587</u>
Total operating revenues	<u>1,112,226</u>	<u>11,587</u>	<u>1,123,813</u>
OPERATING EXPENSES			
Claims and administration	802,594	-	802,594
Other supplies and expenses	<u>-</u>	<u>6,501</u>	<u>6,501</u>
Total operating expenses	<u>802,594</u>	<u>6,501</u>	<u>809,095</u>
OPERATING INCOME (LOSS)	309,632	5,086	314,718
NON-OPERATING REVENUES			
Interest and investment revenue	<u>1,275</u>	<u>1</u>	<u>1,276</u>
Total non-operating revenues	<u>1,275</u>	<u>1</u>	<u>1,276</u>
CHANGE IN NET ASSETS	<u>310,907</u>	<u>5,087</u>	<u>315,994</u>
TOTAL NET ASSETS, BEGINNING	<u>(50,540)</u>	<u>74,733</u>	<u>24,193</u>
ADJUSTMENT OF NET ASSETS	<u>-</u>	<u>(5,759)</u>	<u>(5,759)</u>
TOTAL NET ASSETS, ENDING	<u>\$ 260,367</u>	<u>\$ 74,061</u>	<u>\$ 334,428</u>

BEE COUNTY, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Group Insurance Service	Fuel Service	Total
	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from services and participants	\$ 1,027,030	\$ 11,587	\$ 1,038,617
Payments to benefit claims	(802,594)	-	(802,594)
Payments to vendors	<u> -</u>	<u>(17,922)</u>	<u>(17,922)</u>
Net cash provided (used) by operating activities	<u>224,436</u>	<u>(6,335)</u>	<u>218,101</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	<u>1,275</u>	<u>1</u>	<u>1,276</u>
Net cash flows provided by investing activities	<u>1,275</u>	<u>1</u>	<u>1,276</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	225,711	(6,334)	219,377
CASH AND EQUIVALENTS, BEGINNING	<u>34,656</u>	<u>70,910</u>	<u>105,566</u>
CASH AND EQUIVALENTS, ENDING	<u>\$ 260,367</u>	<u>\$ 64,576</u>	<u>\$ 324,943</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ <u>309,632</u>	\$ <u>5,086</u>	\$ <u>314,718</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Increase) decrease in accounts receivable	-	(9,138)	(9,138)
(Increase) decrease in inventory	-	(19,244)	(19,244)
(Decrease) increase in accounts payable	-	16,961	16,961
(Decrease) increase in due to other funds	<u>(85,196)</u>	<u> -</u>	<u>(85,196)</u>
Net cash provided (used) by operating activities	<u>\$ 224,436</u>	<u>\$ (6,335)</u>	<u>\$ 218,101</u>

AGENCY FUNDS

BEE COUNTY, TEXAS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - ALL AGENCY FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>STATE AGENCY FUND</u>				
Assets:				
Cash and investments	\$ <u>78,611</u>	\$ <u>356,566</u>	\$ <u>346,837</u>	\$ <u>88,340</u>
Liabilities:				
Due to others	\$ <u>78,611</u>	\$ <u>356,566</u>	\$ <u>346,837</u>	\$ <u>88,340</u>
<u>DISTRICT CLERK FUND</u>				
Assets:				
Cash and investments	\$ <u>565,616</u>	\$ <u>583,784</u>	\$ <u>605,968</u>	\$ <u>543,432</u>
Liabilities:				
Due to others	\$ <u>565,616</u>	\$ <u>583,784</u>	\$ <u>605,968</u>	\$ <u>543,432</u>
<u>COUNTY CLERK FUND</u>				
Assets:				
Cash and investments	\$ <u>150,739</u>	\$ <u>4,003</u>	\$ <u>26,348</u>	\$ <u>128,394</u>
Liabilities:				
Due to others	\$ <u>150,739</u>	\$ <u>4,003</u>	\$ <u>26,348</u>	\$ <u>128,394</u>
<u>COUNTY ATTORNEY FUND</u>				
Assets:				
Cash and investments	\$ <u>50</u>	\$ <u>44,108</u>	\$ <u>44,108</u>	\$ <u>50</u>
Liabilities:				
Due to others	\$ <u>50</u>	\$ <u>44,108</u>	\$ <u>44,108</u>	\$ <u>50</u>
<u>TAX OFFICE FUND</u>				
Assets:				
Cash and investments	\$ <u>233,150</u>	\$ <u>24,676,353</u>	\$ <u>24,701,069</u>	\$ <u>208,434</u>
Liabilities:				
Due to others	\$ <u>233,150</u>	\$ <u>24,676,353</u>	\$ <u>24,701,069</u>	\$ <u>208,434</u>

BEE COUNTY, TEXAS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - ALL AGENCY FUNDS**

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>SHERIFF'S OFFICE - REGULAR</u>				
Assets:				
Cash and investments	\$ <u>578</u>	\$ <u>961,511</u>	\$ <u>861,067</u>	\$ <u>101,022</u>
Liabilities:				
Due to others	\$ <u>578</u>	\$ <u>961,511</u>	\$ <u>861,067</u>	\$ <u>101,022</u>
<u>SHERIFF'S OFFICE - INMATES</u>				
Assets:				
Cash and investments	\$ <u>77,880</u>	\$ <u>154,232</u>	\$ <u>120,892</u>	\$ <u>111,220</u>
Liabilities:				
Due to others	\$ <u>77,880</u>	\$ <u>154,232</u>	\$ <u>120,892</u>	\$ <u>111,220</u>
<u>JUSTICES OF THE PEACE FUND</u>				
Assets:				
Cash and investments	\$ <u>-</u>	\$ <u>526,074</u>	\$ <u>526,074</u>	\$ <u>-</u>
Liabilities:				
Due to others	\$ <u>-</u>	\$ <u>526,074</u>	\$ <u>526,074</u>	\$ <u>-</u>
<u>DISTRICT ATTORNEY FUND</u>				
Assets:				
Cash and investments	\$ <u>81</u>	\$ <u>6,214</u>	\$ <u>6,181</u>	\$ <u>114</u>
Liabilities:				
Due to others	\$ <u>81</u>	\$ <u>6,214</u>	\$ <u>6,181</u>	\$ <u>114</u>
<u>PERMANENT SCHOOL FUND</u>				
Assets:				
Cash and investments	\$ <u>163,455</u>	\$ <u>618,707</u>	\$ <u>543,964</u>	\$ <u>238,198</u>
Liabilities:				
Due to others	\$ <u>163,455</u>	\$ <u>618,707</u>	\$ <u>543,964</u>	\$ <u>238,198</u>

BEE COUNTY, TEXAS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - ALL AGENCY FUNDS**

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>D.A. PRE-FORFEITURE FUND</u>				
Assets:				
Cash and investments	\$ <u>128,056</u>	\$ <u>29,105</u>	\$ <u>139,886</u>	\$ <u>17,275</u>
Liabilities:				
Due to others	\$ <u>128,056</u>	\$ <u>29,105</u>	\$ <u>139,886</u>	\$ <u>17,275</u>
<u>PAYROLL</u>				
Assets:				
Cash and investments	\$ <u>91,264</u>	\$ <u>8,159,336</u>	\$ <u>8,250,600</u>	\$ <u>-</u>
Liabilities:				
Due to others	\$ <u>91,264</u>	\$ <u>8,159,336</u>	\$ <u>8,250,600</u>	\$ <u>-</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets:				
Cash and investments	\$ <u>1,489,480</u>	\$ <u>36,119,993</u>	\$ <u>36,172,994</u>	\$ <u>1,436,479</u>
Liabilities:				
Due to others	\$ <u>1,489,480</u>	\$ <u>36,119,993</u>	\$ <u>36,172,994</u>	\$ <u>1,436,479</u>

**STATISTICAL SECTION
(UNAUDITED)**

BEE COUNTY, TEXAS
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental Activities					
Invested in Capital Assets Net of Related Debt	\$ 7,587,027	\$ 11,652,967	\$ 18,475,004	\$ 20,169,638	\$ 22,085,406
Restricted	10,433,762	5,682,048	4,094,324	3,429,213	4,297,151
Unrestricted	2,808,030	2,700,174	2,360,871	1,801,310	1,806,465
Total Net Assets	<u>\$ 20,828,819</u>	<u>\$ 20,035,189</u>	<u>\$ 24,930,199</u>	<u>\$ 25,400,161</u>	<u>\$ 28,189,022</u>

Source: Comprehensive Annual Financial Report

Accrual-basis financial information for the County as a whole is available back to 2004 only, the year GASB 34 was implemented.

TABLE 2

BEE COUNTY, TEXAS
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS

	Fiscal Year				
	2004	2005	2006	2007	2008
Expenses					
Governmental Activities:					
General Government	\$ 875,536	\$ 896,599	\$ 802,103	\$ 1,199,880	\$ 792,131
Judicial	1,159,097	1,753,340	1,497,515	1,917,754	956,717
Elections	11,963	1,047	12,469	15,730	31,454
Financial Administration	2,604,623	3,510,642	428,288	540,282	770,413
Public Facilities	257,164	155,891	88,389	111,502	224,226
Legal	138,850	417,315	361,128	455,560	453,787
Public Safety	1,836,857	2,222,083	2,684,142	2,682,681	3,300,359
Public Works	-	-	-	703,341	543,298
Highways and Streets	1,379,753	2,252,473	3,418,844	4,217,505	1,480,245
Health and Welfare	618,005	4,591,563	4,425,735	5,583,025	6,326,222
Culture and Recreation	70,000	70,000	50,000	70,000	70,085
Conservation and Development	210,920	242,845	267,490	337,436	230,571
Bond Interest/Agent Fees	386,836	421,200	382,222	353,893	336,511
Total Governmental Activities Expenses	9,549,604	16,534,998	14,418,325	18,188,589	15,516,019
Program Revenues					
Governmental Activities:					
Changes for Services:					
General Government	787,231	-	870,629	-	326,517
Judicial	-	-	-	-	146,726
Financial Administration	-	1,835,497	-	-	228,787
Public Facilities	-	-	-	-	38,435
Legal	-	-	-	-	35,032
Public Safety	-	-	-	-	392,184
Public Works	-	-	-	385,625	-
Highways and Streets	-	-	-	385,625	748,553
Health and Welfare	-	-	-	915,573	-
Operating Grants and Contributions	2,287,362	3,201,338	7,048,277	2,388,136	5,817,562
Capital Grants and Contributions	-	-	-	-	-
Total Primary Government Revenues	3,074,593	5,036,835	7,918,906	4,074,959	7,733,796
Net (Expense) Revenue					
Governmental Activities	(6,475,011)	(11,498,163)	(6,499,419)	(14,113,630)	(7,782,223)
Total Net (Expense) Revenue	(6,475,011)	(11,498,163)	(6,499,419)	(14,113,630)	(7,782,223)
General Revenues and Other Changes in Net Assets					
General Revenues					
Property Taxes	3,513,978	3,850,798	4,401,082	4,248,938	5,550,390
Other Taxes	809,234	869,384	964,612	1,119,503	20,792
Unrestricted Investment Earnings	109,851	308,697	299,870	295,228	217,272
Miscellaneous	1,843,827	5,705,376	5,678,450	6,537,029	2,981,340
Total Primary Government General Revenues	6,276,890	10,734,255	11,344,014	12,200,698	8,769,794
Changes in Net Assets					
Changes in Net Assets	(198,121)	(763,908)	4,844,595	(1,912,932)	987,571
Total Changes in Net Assets	\$ (198,121)	\$ (763,908)	\$ 4,844,595	\$ (1,912,932)	\$ 987,571

Source: Comprehensive Annual Financial Report

BEE COUNTY, TEXAS
FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year				
	1999	2000	2001	2002	2003
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,792,204	2,679,666	3,032,663	3,182,641	2,888,826
Total General Fund	<u>\$ 2,792,204</u>	<u>\$ 2,679,666</u>	<u>\$ 3,032,663</u>	<u>\$ 3,182,641</u>	<u>\$ 2,888,826</u>
All Other Governmental Funds					
Special revenue funds	\$ 7,694,014	\$ 7,706,326	\$ 7,849,104	\$ 5,339,858	\$ 2,743,109
Capital project funds	656,731	730,921	723,050	659,465	7,595,887
Debt service funds	35,021	44,195	27,630	30,381	39,187
Road and bridge	573,078	642,067	527,623	615,273	666,803
Total All Other Governmental Funds	<u>\$ 8,958,844</u>	<u>\$ 9,123,509</u>	<u>\$ 9,127,407</u>	<u>\$ 6,644,977</u>	<u>\$ 11,044,986</u>

Source: Comprehensive Annual Financial Report

TABLE 3

Fiscal Year				
2004	2005	2006	2007	2008
\$ -	\$ -	\$ -	\$ -	\$ -
2,808,030	2,700,174	2,360,872	1,801,310	1,258,374
<u>\$ 2,808,030</u>	<u>\$ 2,700,174</u>	<u>\$ 2,360,872</u>	<u>\$ 1,801,310</u>	<u>\$ 1,258,374</u>
\$ 2,960,823	\$ 3,233,039	\$ 5,408,321	\$ 4,265,925	\$ 3,493,616
6,791,770	2,054,522	280,196	(102,962)	386,154
43,248	61,177	32,543	53,832	100,145
534,438	333,311	300,291	429,831	317,236
<u>\$ 10,330,279</u>	<u>\$ 5,682,049</u>	<u>\$ 6,021,351</u>	<u>\$ 4,646,626</u>	<u>\$ 4,297,151</u>

BEE COUNTY, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year				
	1999	2000	2001	2002	2003
Revenues					
Property Taxes	\$ 2,177,348	\$ 2,170,161	\$ 2,498,616	\$ 2,646,635	\$ 2,682,482
General Sales and Use Taxes	726,995	755,721	804,234	830,271	787,915
Penalty and Interest on Taxes	62,360	69,380	-	71,783	54,959
Licenses, Fees and Permits	624,684	627,840	628,991	665,337	644,639
Intergovernmental Revenues	3,544,276	3,996,182	4,205,771	4,786,553	342,579
Charges for Services	622,115	637,580	712,160	687,298	833,992
Fines	274,417	363,464	401,874	355,955	372,694
Investment Revenue	990,594	1,064,564	999,124	731,216	216,039
Miscellaneous Revenue	3,302,254	2,246,159	2,584,209	2,395,638	2,065,094
Total Revenues	<u>12,325,043</u>	<u>11,931,051</u>	<u>12,834,979</u>	<u>13,170,686</u>	<u>8,000,393</u>
Expenditures					
General Government	708,927	644,326	863,163	1,203,800	754,771
Judicial	675,600	723,389	777,968	839,158	767,934
Elections	516,841	532,149	589,286	13,953	22,253
Financial Administration	216,271	257,968	272,666	619,523	626,123
Public Facilities	468,599	177,644	214,491	158,383	182,809
Legal	17,898	11,575	17,511	287,597	145,949
Public Safety	2,181,426	2,203,487	2,604,699	2,249,577	3,784,579
Public Transportation	1,274,315	1,276,317	1,459,550	1,316,788	4,200
Highways and Streets	-	-	-	-	-
Health and Welfare	4,578,961	4,814,848	5,212,828	8,105,689	3,773,157
Culture and Recreation	50,000	60,000	70,000	70,000	70,000
Conservation and Development	181,492	154,018	199,289	203,459	210,727
Debt Service:					
Principal	200,000	205,000	200,000	269,918	250,000
Interest	148,045	140,245	132,045	123,430	133,618
Agent Fees	750	750	750	750	-
Total Expenditures	<u>11,219,125</u>	<u>11,201,716</u>	<u>12,614,246</u>	<u>15,462,025</u>	<u>10,726,120</u>
Excess of Revenues Over (Under) Expenditures	<u>1,105,918</u>	<u>729,335</u>	<u>220,733</u>	<u>(2,291,339)</u>	<u>(2,725,727)</u>
Other Financing Sources (Uses)					
Bond Issued	-	-	-	-	7,085,000
Transfers In	1,264,427	2,293,383	1,284,425	813,908	876,193
Transfers Out	(1,264,427)	(2,293,383)	(1,284,425)	(813,908)	(876,193)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,085,000</u>
Net Changes in Fund Balances	<u>\$ 1,105,918</u>	<u>\$ 729,335</u>	<u>\$ 220,733</u>	<u>\$ (2,291,339)</u>	<u>\$ 4,359,273</u>
Debt Service as a Percentage of Noncapital Expenditures Over (Under) Expenditures.					
	<u>1.82%</u>	<u>1.86%</u>	<u>1.61%</u>	<u>1.78%</u>	<u>2.39%</u>

Source: Comprehensive Annual Financial Report

TABLE 4

		Fiscal Year							
		2004	2005	2006	2007	2008			
\$	3,254,838	\$	3,271,267	\$	3,868,222	\$	3,855,922	\$	4,308,642
	809,324		869,384		964,612		1,037,831		1,191,141
	70,377		67,903		82,073		81,672		105,559
	716,834		781,372		759,110		829,528		643,091
	672,976		3,201,338		7,068,277		2,433,397		7,037,496
	787,231		794,470		870,629		1,686,823		963,987
	381,507		259,655		307,812		275,533		309,156
	109,851		308,697		299,870		295,228		215,996
	2,287,362		7,472,970		4,509,455		5,386,707		1,761,406
	9,090,300		17,027,056		18,730,060		15,882,641		16,536,474
	734,997		901,950		1,130,148		1,052,628		1,129,180
	1,153,333		1,947,500		1,904,163		1,723,140		955,553
	10,606		26,047		22,662		31,535		31,416
	2,447,360		8,277,043		678,288		780,951		769,476
	228,003		239,938		238,389		250,948		223,953
	123,005		119,844		361,128		450,583		453,235
	2,310,902		2,448,746		3,050,501		3,353,078		3,296,343
	-		834,694		4,967,048		658,882		610,954
	1,379,753		1,417,779		707,547		1,878,176		1,478,444
	618,005		4,590,197		6,621,929		5,984,758		6,407,513
	70,000		70,000		70,000		70,000		70,000
	210,920		242,845		317,490		248,882		230,290
	265,000		250,000		260,000		295,000		295,000
	380,709		384,486		352,686		344,361		334,661
	-		2,350		26,500		1,500		1,850
	9,932,593		21,753,419		20,708,479		17,124,422		16,287,868
	(842,293)		(4,726,363)		(1,978,419)		(1,241,781)		248,606
	-		-		-		-		-
	1,013,807		1,116,736		6,927,567		1,866,833		1,283,540
	(1,013,807)		(1,116,736)		(6,925,844)		(1,866,833)		(1,283,540)
	-		-		1,723		-		-
\$	(842,293)	\$	(4,726,363)	\$	(1,976,696)	\$	(1,241,781)	\$	248,606
	2.74%		1.16%		1.27%		1.75%		1.84%

TABLE 5

BEE COUNTY, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated	Taxable Assessed Value as a Percentage of Actual Taxable Value
							Actual Taxable Value	
1999	\$ 529,680,005	Note - 1	Note - 1	Note - 2	\$ 529,680,005	0.377	\$ 1,996,894	100%
2000	899,201,160	Note - 1	Note - 1	337,214,290	561,986,870	0.389	2,184,078	100%
2001	984,718,220	Note - 1	Note - 1	330,395,860	654,313,472	0.367	2,401,546	100%
2002	1,074,938,330	Note - 1	Note - 1	341,470,330	739,732,148	0.329	2,430,641	100%
2003	1,060,415,880	Note - 1	Note - 1	338,433,890	726,127,551	0.391	2,841,061	100%
2004	1,300,429,995	Note - 1	Note - 1	520,474,120	790,953,200	0.369	2,920,634	100%
2005	1,372,867,190	Note - 1	Note - 1	517,172,795	858,025,495	0.447	3,838,634	100%
2006	1,540,154,870	Note - 1	Note - 1	615,748,520	928,469,572	0.423	3,928,633	100%
2007	1,783,329,570	Note - 1	Note - 1	821,844,324	930,098,930	0.423	3,935,528	100%
2008	1,962,721,770	Note - 1	Note - 1	1,000,109,465	962,612,305	0.446	4,290,267	100%

Source: Tax Assessor Collector's office

Note 1 - Reflects total values. Commercial and industrial was not able to be broken out.

Note 2 - Reflects net amounts.

BEE COUNTY, TEXAS
COMPUTATION OF NET DIRECT AND OVERLAPPING DEBT
(CONSOLIDATED DEBT STATEMENT)
LAST TEN FISCAL YEARS

Name of Governmental Unit	Fiscal Year				
	1999	2000	2001	2002	2003
Bee County	\$ 3,054,979	\$ 2,867,823	\$ 2,685,000	\$ 2,470,000	\$ 9,385,000
Cities:					
Beeville	2,321,288	2,321,288	2,880,000	2,880,000	4,085,000
School Districts:					
Beeville ISD	9,899,652	9,899,652	11,810,187	11,810,187	10,513,078
County-Line School Districts:					
Mathis ISD	-	-	-	6,400,000	6,225,000
Pawnee ISD	45,000	39,051	97,280	-	-
Pettus ISD	-	-	-	-	-
Skidmore-Tynan ISD	-	-	-	-	2,270,189
Three Rivers ISD	-	-	2,935,000	2,196,862	2,196,862
Refugio ISD	-	-	-	-	-
Special Districts:					
Pettus MUD	45,000	45,000	15,322	15,322	-
Coastal Bend College	-	-	-	-	4,500,000
Beeville Water District	6,635,368	6,635,368	5,095,368	5,095,368	4,576,599
Bee County Fire:					
District No. 70	-	-	-	-	-
District No. 71	-	-	-	-	-
District No. 72	-	-	-	-	-
District No. 73	-	-	-	-	-
TOTAL OVERLAPPING	18,946,308	18,940,359	22,833,157	28,397,739	34,366,728
GRAND TOTALS	\$ 22,001,287	\$ 21,808,182	\$ 25,518,157	\$ 30,867,739	\$ 43,751,728

Note: The above information was obtained from each entity's finance office.

TABLE 6

Fiscal Year				
2004	2005	2006	2007	2008
\$ 9,145,000	\$ 8,895,000	\$ 8,635,000	\$ 8,340,000	\$ 8,045,000
2,585,000	2,155,000	3,370,057	2,720,855	1,710,000
22,559,909	19,275,000	20,386,539	17,904,686	17,904,686
6,225,000	5,620,000	5,519,930	12,444,690	12,407,727
-	-	-	-	-
-	-	-	-	-
2,125,000	2,065,000	2,065,000	5,809,999	5,877,244
2,935,000	2,935,000	2,935,000	2,749,998	3,893,448
-	-	-	5,168,000	5,994,169
-	-	-	-	-
4,500,000	4,500,000	4,000,000	4,000,000	4,505,000
4,347,982	4,347,982	3,080,905	3,080,905	1,925,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
45,277,891	40,897,982	41,357,431	53,879,133	54,217,274
\$ 54,422,891	\$ 49,792,982	\$ 49,992,431	\$ 62,219,133	\$ 62,262,274

BEE COUNTY, TEXAS
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUE
LAST TEN YEARS

Governmental Subdivisions	Percent Applicable To Bee County	Fiscal Year			
		1999	2000	2001	2002
Bee County	100.00%	0.39233	0.37700	0.38859	0.36700
BC GEN & Sprd.		0.38520	0.04000	0.05000	0.04550
BC FM		0.00192	0.00200	0.00200	0.00210
<u>Cities</u>					
Beeville	100.00%	0.58800	0.53243	0.54740	0.54740
<u>School Districts</u>					
Beeville ISD	100.00%	1.48000	1.48000	1.48000	1.48000
Pawnee ISD	86.78%	1.48000	1.48000	1.48000	1.48000
Skidmore-Tynan ISD	83.89%	1.26063	1.38000	1.44000	1.44000
County Education District No. 19	96.77%	1.30000	1.38355	1.38355	1.38355
<u>Colleges</u>					
Coastal Bend College	100.00%	0.14724	0.14160	0.13921	0.13921
<u>Water Districts</u>					
Pettus MUD	100.00%	0.16047	0.14071	-	-
Beeville Water Supply District	100.00%	0.29970	0.24703	0.24116	0.24116
Bee Groundwater Cons. District	100.00%	-	-	-	-
<u>Fire Districts</u>					
Fire District No. 70	100.00%	0.01925	0.01925	0.01925	0.01925
Fire District No. 71	100.00%	0.02895	0.03000	0.02943	0.02943
Fire District No. 72	100.00%	0.02762	0.03000	0.03000	0.03000
Fire District No. 73	100.00%	0.00468	0.00500	0.01000	0.01000

Note: The information above was obtained from each entity's financial office and the Texas Municipal Reports compiled and published by the Municipal Advisory Council of Texas. Complete information was not available for all entries.

TABLE 7

Fiscal Year					
2003	2004	2005	2006	2007	2008
0.27864	0.39126	0.36926	0.39088	0.36663	0.38465
0.04073	0.05300	0.05001	0.05650	0.05650	0.58950
0.00182	0.00200	0.00188	0.02000	0.00200	0.00209
0.54740	0.61575	0.61575	0.64309	0.64309	0.58048
1.48000	0.15900	0.15900	0.15900	1.51429	1.18167
1.48000	1.20937	1.20937	1.20937	1.19584	1.18103
1.44000	1.19700	1.19700	1.19700	1.37000	1.37284
1.38355	1.58500	1.58500	1.58500	1.37000	1.04005
0.13921	0.17200	0.17200	0.16189	0.15369	0.16301
-	-	-	-	-	0.20000
0.24116	0.23207	0.23207	0.20499	0.20499	0.18364
-	-	-	-	-	0.01450
0.01925	0.01700	0.01700	0.01700	0.02000	0.01411
0.02943	0.03000	0.03000	0.03000	0.03000	0.03000
0.03000	0.03000	0.03000	0.03000	0.01582	0.03000
0.01000	0.00500	0.00500	0.00500	0.00500	0.02000

BEE COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND LAST NINE YEARS

Name of Taxpayer	1999			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pioneer Natural Resources	\$ -	0	0.00%	\$ 22,390,950	1	4.23%
Dan A Hughes Company	-	0	0.00%	-	0	0.00%
AEP Texas Central Company	-	0	0.00%	-	0	0.00%
Flint Hills Resources LP	-	0	0.00%	-	0	0.00%
Beeville Investment Partners	-	0	0.00%	-	0	0.00%
Legend Natural Gas II LP	-	0	0.00%	-	0	0.00%
West Tuleta Operating Co	-	0	0.00%	-	0	0.00%
Southwestern Bell Telephone Co	-	0	0.00%	9,172,950	2	1.73%
Pennzoil Exploration & Production	-	0	0.00%	6,834,810	3	1.29%
Welder Exploration & Prod Inc	-	0	0.00%	-	0	0.00%
Koch Petroleum Group LP	-	0	0.00%	5,649,610	5	1.07%
Devon Energy Production Co.	-	0	0.00%	-	0	0.00%
C&E Operating Inc.	-	0	0.00%	6,520,040	4	1.23%
H. E. Butt Grocery Co.	5,903,350	1	1.11%	3,582,160	10	0.68%
Helmerich & Payne Inc	-	0	0.00%	-	0	0.00%
Kinder Morgan Texas Pipeline	-	0	0.00%	-	0	0.00%
Koch Petroleum Group LP	-	0	0.00%	5,317,290	6	1.00%
Prime Operating Company	-	0	0.00%	-	0	0.00%
May Fabrication Co. Inc.	4,616,510	2	0.87%	4,201,350	9	0.79%
Walmart Stores Texas LP	3,708,250	4	0.70%	-	0	0.00%
Oak Hill Beeville, Ltd.	3,740,790	3	0.71%	-	0	0.00%
First National Bank of Beeville	2,442,670	5	0.46%	-	0	0.00%
Dunn Howard L. Estate	2,326,140	6	0.44%	-	0	0.00%
Commercial State Bank	2,298,270	7	0.43%	-	0	0.00%
Central Power and Light	-	0	0.00%	4,991,480	7	0.94%
Burke Hollow Corp.	1,436,990	8	0.27%	-	0	0.00%
O'Brien John Morgan	1,244,770	9	0.24%	-	0	0.00%
Dougherty Mary Patricia	1,036,720	10	0.20%	-	0	0.00%
FNR Usa, Inc.	-	0	0.00%	-	0	0.00%
Midcom Texas Pipeline Corp.	-	0	0.00%	4,913,960	8	0.93%
Totals	\$ 28,754,460		5.43%	\$ 73,574,600		13.89%

Source: Bee County Tax Assessor/Collector

TABLE 8

2001			2002			2003		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
\$ 48,592,580	1	8.70%	\$ 48,592,580	1	6.57%	\$ 66,461,650	1	9.15%
7,507,240	6	1.34%	7,507,240	6	1.01%	18,863,250	3	2.60%
11,423,690	5	2.05%	11,423,690	5	1.54%	12,474,900	6	1.72%
-	0	0.00%	-	0	0.00%	14,182,460	4	1.95%
6,300,000	7	1.13%	6,300,000	7	0.85%	6,300,000	8	0.87%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
12,241,660	4	2.19%	12,241,660	4	1.65%	12,995,790	5	1.79%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
13,890,220	3	2.49%	-	0	0.00%	-	0	0.00%
20,058,740	2	3.59%	20,058,740	2	2.71%	34,134,180	2	4.70%
-	0	0.00%	-	0	0.00%	12,246,950	7	1.69%
5,830,410	0	1.04%	5,830,410	8	79.00%	5,688,590	9	0.78%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	5,225,990	10	0.72%
-	0	0.00%	13,890,220	3	1.88%	-	0	0.00%
5,550,990	9	0.99%	5,550,990	9	0.75%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
-	0	0.00%	-	0	0.00%	-	0	0.00%
\$ 131,395,530		23.52%	\$ 131,395,530		17.76%	\$ 188,573,760		25.97%

BEE COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND LAST NINE YEARS

Name of Taxpayer	2004			2005		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed	Rank	Percentage of Total Taxable Assessed Value
	Value			Value		
Pioneer Natural Resources	\$ 93,988,820	1	12.81%	\$ 93,988,820	1	11.88%
Dan A Hughes Company	29,390,260	2	4.01%	29,390,260	2	3.72%
AEP Texas Central Company	19,086,550	4	2.60%	19,086,550	4	2.41%
Flint Hills Resources LP	13,012,710	5	1.77%	13,012,710	5	1.65%
Beeville Investment Partners	7,475,920	7	1.02%	7,475,920	7	0.95%
Legend Natural Gas II LP	-	0	0.00%	-	0	0.00%
West Tuleta Operating Co	-	0	0.00%	-	0	0.00%
Southwestern Bell Telephone Co	9,756,200	6	1.33%	9,756,200	6	1.23%
Pennzoil Exploration & Production	-	0	0.00%	-	0	0.00%
Welder Exploration & Prod Inc	-	0	0.00%	-	0	0.00%
Koch Petroleum Group LP	-	0	0.00%	-	0	0.00%
Devon Energy Production Co.	21,301,350	3	2.90%	21,301,350	3	2.69%
C&E Operating Inc.	5,333,420	8	0.73%	5,333,420	8	0.67%
H. E. Butt Grocery Co.	5,263,800	9	0.72%	5,263,800	9	0.67%
Helmerich & Payne Inc	4,880,210	10	0.67%	4,880,210	10	0.62%
Kinder Morgan Texas Pipeline	-	0	0.00%	-	0	0.00%
Koch Petroleum Group LP	-	0	0.00%	-	0	0.00%
Prime Operating Company	-	0	0.00%	-	0	0.00%
May Fabrication Co. Inc.	-	0	0.00%	-	0	0.00%
Walmart Stores Texas LP	-	0	0.00%	-	0	0.00%
Oak Hill Beeville, Ltd.	-	0	0.00%	-	0	0.00%
First National Bank of Beeville	-	0	0.00%	-	0	0.00%
Dunn Howard L. Estate	-	0	0.00%	-	0	0.00%
Commercial State Bank	-	0	0.00%	-	0	0.00%
Central Power and Light	-	0	0.00%	-	0	0.00%
Burke Hollow Corp.	-	0	0.00%	-	0	0.00%
O'Brien John Morgan	-	0	0.00%	-	0	0.00%
Dougherty Mary Patricia	-	0	0.00%	-	0	0.00%
FNR Usa, Inc.	-	0	0.00%	-	0	0.00%
Midcom Texas Pipeline Corp.	-	0	0.00%	-	0	0.00%
Totals	\$ 209,489,240		28.56%	\$ 209,489,240		26.49%

Source: Bee County Tax Assessor/Collector

TABLE 8

2006			2007			2008		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
\$ 127,481,760	1	14.89%	\$ 78,628,870	1	8.45%	\$ 100,100,560	1	10.51%
29,891,050	2	3.49%	28,492,170	4	3.06%	31,243,370	2	3.28%
19,165,890	3	2.24%	15,881,530	6	1.71%	15,520,600	7	1.63%
14,784,320	4	1.73%	29,564,820	3	3.18%	26,180,290	5	2.75%
14,241,410	5	1.66%	7,690,640	9	0.83%	15,511,880	8	1.63%
11,146,290	6	1.30%	18,147,230	5	1.95%	27,375,450	4	2.87%
11,122,060	7	1.30%	-	0	0.00%	-		0.00%
9,349,550	8	1.09%	10,512,760	7	1.13%	8,779,980	9	0.92%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	15,685,480	6	1.65%
-	0	0.00%	-	0	0.00%	-		0.00%
5,626,500	9	0.66%	-	0	0.00%	-		0.00%
5,329,680	10	0.62%	-	0	0.00%	-		0.00%
-	0	0.00%	6,733,520	10	0.72%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	8,443,200	8	0.91%	8,764,810	10	0.92%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	-	0	0.00%	-		0.00%
-	0	0.00%	30,195,980	2	3.25%	30,783,840	3	3.23%
-	0	0.00%	-	0	0.00%	-		0.00%
\$ 248,138,510		28.98%	\$ 234,290,720		25.19%	\$ 279,946,260		29.40%

BEE COUNTY, TEXAS
PROPERTY TAX LEVIES
LAST TEN FISCAL YEARS

	Fiscal Year				
	1999	2000	2001	2002	2003
Levy for Maintenance and Operations (M&O):					
General Fund	\$ 1,665,403	\$ 1,659,182	\$ 1,850,948	\$ 2,008,899	\$ 2,026,451
Road Fund	216,525	213,970	292,216	311,410	312,124
Total M & O Levy	<u>\$ 1,881,928</u>	<u>\$ 1,873,152</u>	<u>\$ 2,143,164</u>	<u>\$ 2,320,309</u>	<u>\$ 2,338,575</u>
 Levy for Debt Service (I & S):					
Debt service funds	\$ 348,795	\$ 345,995	\$ 332,795	\$ 392,098	\$ 383,618
Total I & S Levy	<u>348,795</u>	<u>345,995</u>	<u>332,795</u>	<u>392,098</u>	<u>383,618</u>
 Total County Levy	<u>\$ 2,230,723</u>	<u>\$ 2,219,147</u>	<u>\$ 2,475,959</u>	<u>\$ 2,712,407</u>	<u>\$ 2,722,193</u>

TABLE 9

Fiscal Year				
2004	2005	2006	2007	2008
\$ 2,195,376	\$ 1,923,902	\$ 2,714,489	\$ 2,763,040	\$ 3,064,452
<u>399,331</u>	<u>359,896</u>	<u>501,919</u>	<u>543,131</u>	<u>561,361</u>
<u>\$ 2,594,707</u>	<u>\$ 2,283,798</u>	<u>\$ 3,216,408</u>	<u>\$ 3,306,171</u>	<u>\$ 3,625,813</u>
<u>\$ 645,709</u>	<u>\$ 636,836</u>	<u>\$ 639,186</u>	<u>\$ 640,861</u>	<u>\$ 658,138</u>
<u>645,709</u>	<u>636,836</u>	<u>639,186</u>	<u>640,861</u>	<u>658,138</u>
<u>\$ 3,240,416</u>	<u>\$ 2,920,634</u>	<u>\$ 3,855,594</u>	<u>\$ 3,947,032</u>	<u>\$ 4,283,951</u>

TABLE 10

BEE COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
GENERAL AND DEBT SERVICE FUNDS
LAST TEN FISCAL YEARS

Fiscal Year Ended	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Total Delinquent Collections and Cancellations	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1999	\$2,022,440	\$1,902,727	94.08%	\$ 141,481	\$ 2,044,208	101.08%	\$ 423,949	20.96%
2000	1,996,700	1,877,114	94.01%	156,596	2,033,710	101.85%	386,938	19.38%
2001	2,183,755	2,101,082	96.21%	105,950	2,207,032	101.07%	363,661	16.65%
2002	2,400,996	2,316,764	96.49%	95,450	2,412,214	100.47%	352,442	14.68%
2003	2,410,094	2,318,553	96.20%	104,140	2,422,693	100.52%	339,842	14.10%
2004	2,490,900	2,366,387	95.00%	152,102	2,518,489	101.11%	312,254	12.54%
2005	2,560,783	2,492,576	97.34%	89,683	2,582,260	100.84%	290,777	11.35%
2006	3,353,673	3,272,937	97.59%	79,768	3,352,705	99.97%	291,745	8.70%
2007	3,403,920	3,312,860	97.32%	102,990	3,415,850	100.35%	277,386	8.15%
2008	3,722,590	3,639,845	97.78%	78,572	3,718,417	99.89%	217,114	5.83%

Note: The above figures do not include penalties and interest collected on delinquent taxes. Also, all year end taxes receivable are delinquent.

BEE COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
ROAD AND BRIDGE FUND
LAST TEN FISCAL YEARS

Fiscal Year Ended	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Total Delinquent Collections and Cancellations	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1999	\$ 208,283	\$ 195,954	94.08%	\$ 14,570	\$ 210,524	101.08%	\$ 35,161	16.88%
2000	222,447	209,125	94.01%	17,446	226,571	101.85%	31,038	13.95%
2001	292,214	281,151	96.21%	13,792	294,943	100.93%	28,309	9.69%
2002	311,411	300,487	96.49%	12,380	312,867	100.47%	26,854	8.62%
2003	312,099	300,245	96.20%	13,486	313,731	100.52%	25,222	8.08%
2004	350,161	332,657	95.00%	21,382	354,039	101.11%	21,344	6.10%
2005	359,851	350,267	97.34%	12,603	362,869	100.84%	18,326	5.09%
2006	501,921	489,838	97.59%	11,938	501,776	99.97%	18,471	3.68%
2007	543,112	528,582	97.32%	16,432	545,015	100.35%	16,297	3.00%
2008	561,361	554,816	98.83%	17,878	572,694	102.02%	40,178	7.16%

Note: The above figures do not include penalties and interest collected on delinquent taxes. Also, all year end taxes are delinquent.

BEE COUNTY, TEXAS

RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED
DEBT TO TOTAL GOVERNMENTAL EXPENDITURES

LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Fiscal Fees	Total Debt	Total General Government	Ratio of Debt Service to General Total General Government
1999	\$ 200,000	\$ 148,045	\$ 750	\$ 348,045	\$ 11,219,125	3.10%
2000	205,000	140,245	750	345,245	11,201,716	3.08%
2001	200,000	132,045	750	332,045	12,614,246	2.63%
2002	269,918	123,430	750	393,348	15,460,025	2.54%
2003	250,000	133,618	-	383,618	10,726,120	3.58%
2004	265,000	380,709	-	645,709	9,750,661	6.62%
2005	250,000	284,486	2,350	534,486	21,753,419	2.46%
2006	260,000	352,686	26,500	612,686	20,708,479	2.96%
2007	295,000	344,361	1,500	639,361	17,124,422	3.73%
2008	295,000	334,661	350	629,661	16,287,868	3.87%

(1) Includes principal, interest and fiscal agent fees.

(2) Includes all general, special revenue, and debt service governmental fund types.

BEE COUNTY, TEXAS

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS

Fiscal Year Ended	Population	Assessed Valuation	Net Bonded Debt	Less Debt Service Funds	Debt Payable From Enterprise Revenues	Net Bonded Debt	Ratio Net General Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1999	25,135	\$ 515,541,850	\$ 3,090,000	\$ 35,021	-	\$ 3,054,979	0.0059	\$ 121.54
2000	25,135	529,478,010	2,885,000	44,195	-	2,840,805	0.0054	113.02
2001	32,359	558,346,510	2,685,000	27,630	-	2,657,370	0.0048	82.12
2002	32,359	653,292,410	2,470,000	30,381	-	2,439,619	0.0037	75.39
2003	32,359	733,468,000	2,470,000	30,381	-	2,439,619	0.0033	75.39
2004	32,359	726,127,551	9,145,000	43,248	-	9,101,752	0.0125	281.27
2005	33,018	790,953,200	8,895,000	61,177	-	8,833,823	0.0112	267.55
2006	33,018	855,871,535	8,635,000	32,543	-	8,602,457	0.0101	260.54
2007	33,018	928,469,572	8,340,000	53,832	-	8,286,168	0.0089	250.96
2008	33,415	962,612,305	8,045,000	100,145	-	7,944,855	0.0083	237.76

The figures above were obtained by the County Tax Office and the Texas Almanacs published by the Dallas Morning News, Dallas, Texas.

Note: The ratios above are applicable only to total tax supported debt; therefore, only general obligations debt which being paid through property taxes is included in the ratio above.

The assessed values reported are after all exemptions.

BEE COUNTY, TEXAS

COMPUTATION OF NET DIRECT AND OVERLAPPING DEBT
(CONSOLIDATED DEBT STATEMENT)

SEPTEMBER 30, 2008

<u>Name of Governmental Unit</u>	<u>Date</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Bee County	09/30/08	\$ 8,045,000	100.00%	\$ 8,045,000
Cities				
Beeville	09/30/08	1,710,000	100.00%	1,710,000
School Districts				
Beeville ISD	08/31/08	17,904,686	46.06%	8,246,898
County-Line School Districts				
Mathis ISD	08/31/08	12,407,727	46.06%	5,714,999
Pawnee ISD	08/31/08	-	86.78%	-
Pettus ISD	08/31/08	-	83.89%	-
Skidmore-Tynan ISD	08/31/08	5,877,244	100.00%	5,877,244
Three Rivers ISD	08/31/08	3,893,448	1.06%	41,271
Refugio ISD	08/31/08	5,994,169	0.62%	37,164
Special Districts				
Pettus MUD	07/31/08	-	100.00%	-
Coastal Bend College	08/31/08	4,505,000	100.00%	4,505,000
Beeville Water District	09/30/08	1,925,000	100.00%	1,925,000
Bee County Fire				
District No. 70	09/30/08	-	100.00%	-
District No. 71	09/30/08	-	100.00%	-
District No. 72	09/30/08	-	100.00%	-
District No. 73	09/30/08	-	100.00%	-
TOTAL OVERLAPPING		<u>54,217,274</u>		<u>28,057,576</u>
GRAND TOTALS		<u>\$ 62,262,274</u>		<u>\$ 36,102,576</u>

Note: The above information was obtained from each entity's finance office.

BEE COUNTY, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
BONDS ISSUED UNDER TEXAS GENERAL LAWS
SEPTEMBER 30, 2008

Assessed Value of Real Property	\$ 962,612,305
Debt Limited to 25% of Assessed Value of Real Property (Article 3, Section 52, Constitution of the State of Texas)	240,653,076
Amount of Debt Applicable to Debt Limit	<u>7,944,855</u>
Legal Debt Margin	<u>\$ 248,597,931</u>
Total net debt applicable to the limit as a percentage of debt limit	3.30%

(government may present either (1) the legal debt margin as a percentage of the debt limit
or (2) the net debt applicable to the debt limit as a percentage of the debt limit)

* This constitutional limit applies only to the County's tax road bonds under Article IV, Section 52.

TABLE 16

BEE COUNTY, TEXAS
PLEDGES REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Solid Waste Fees	Total Revenues Available	Debt Service Requirments		Total
			Interest	Principal	
1999	\$ -	\$ -	\$ 148,045	\$ 200,000	\$ 348,045
2000	-	-	140,245	205,000	345,245
2001	-	-	132,045	200,000	332,045
2002	-	-	123,430	215,000	338,430
2003	-	-	114,078	225,000	339,078
2004	-	-	378,359	240,000	618,359
2005	-	-	359,486	250,000	609,486
2006	-	-	351,836	260,000	611,836
2007	-	-	343,511	295,000	638,511
2008	-	-	334,661	295,000	629,661

Note: No debt is pledged to the solid waste fees.

TABLE 17

BEE COUNTY, TEXAS
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	% Of Taxable Assessed Valuation	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Education Levels in Years of Schooling	School Enrollment	Unemployment Rate (%)
1999	3.07%	25,135	24	-	-	-	5,371	6.1
2000	3.04%	25,135	24	10,625	-	-	5,375	5.9
2001	1.69%	25,135	24	10,625	-	-	5,377	5.0
2002	1.53%	32,359	24	15,520	-	-	5,214	7.2
2003	1.42%	32,359	24	15,695	-	-	5,013	8.1
2004	1.06%	32,359	28	16,715	-	-	4,969	7.7
2005	0.72%	33,018	28	17,564	-	-	4,969	7.1
2006	0.68%	33,018	28	18,755	-	-	4,954	6.4
2007	0.67%	33,018	28	18,755	-	-	4,954	6.0
2008	0.67%	33,415	28	15,257	-	-	4,804	6.3

Sources: This information above was obtained from the U.S. Census Bureau and the business offices of the school districts located in Bee County, Texas

TABLE 18

BEE COUNTY, TEXAS
PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2008

2008				2007			
Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank	Percentage of Total City Employment
TDCJ - McConnel/Garza	1635	1	-	TDCJ - McConnel/Garza	1628	1	-
Beeville ISD	550	2	-	Beeville ISD	550	2	-
U.S. Army Aviation	300	3	-	Christus Spohn Hospital	290	3	-
Christus Spohn Hospital	290	4	-	Coastal Bend College	244	4	-
Coastal Bend College	250	5	-	H.E.B. Grocery	180	5	-
H.E.B. Grocery	185	6	-	Wal-Mart	140	6	-
Wal-Mart	140	7	-	City of Beeville	125	7	-
City of Beeville	125	8	-	Skidmore-Tynan ISD	110	8	-
Skidmore-Tynan ISD	110	9	-	County of Bee	94	9	-
County of Bee	94	10	-	Waste Equip/May	94	10	-
Total	<u>3,679</u>				<u>3,455</u>		

BEE COUNTY, TEXAS
CONSTRUCTION AND PROPERTY VALUES
LAST TEN FISCAL YEARS

NEW CONSTRUCTION 2008

Fiscal Year	Residential			Commercial		
	Dwelling Units	Permits	Valuation	Dwelling Units	Permits	Valuation
1999	-	1	\$ 115,000	-	12	\$ 1,220,400
2000	-	4	144,600	-	7	2,753,400
2001	-	5	544,700	-	4	2,468,647
2002	103	5	162,450	103	8	3,720,540
2003	292	4	278,581	292	6	11,790,332
2004	505	16	839,450	505	7	2,556,000
2005	547	11	513,075	547	13	2,744,593
2006	577	17	1,112,168	577	27	17,455,645
2007	521	7	580,675	521	18	6,178,388
2008	184	6	425,000	184	-	5,468,624

Fiscal Year	Property Value		
	Actual Value	Exempt	Assessed Valuation
1999	\$ 899,201,160	\$ 369,521,155	\$529,680,005
2000	899,201,160	340,854,650	558,346,510
2001	984,718,220	331,425,810	653,292,410
2002	1,074,938,330	341,470,330	733,468,000
2003	1,060,415,880	334,288,329	726,127,551
2004	1,300,429,995	509,476,795	790,953,200
2005	1,372,867,170	516,995,655	855,871,515
2006	1,540,154,870	611,685,298	928,469,572
2007	1,783,329,570	853,230,640	930,098,930
2008	1,962,721,770	1,000,109,465	962,612,305

BEE COUNTY, TEXAS
FULL-TIME EQUIVALENT COUNTY
GOVERNMENT EMPLOYEES BY FUNCTION/ PROGRAM
LAST TEN FISCAL YEARS

Full-time Equivalent Employees as of September 30	Fiscal Year				
	1999	2000	2001	2002	2003
Function/Program:					
General Administration	12	12	12	13	13
Judicial/Legislative	15	16	16	15	15
Legal	4	4	3	3	3
Elections	0	0	0	0	0
Financial Administration	13	12	17	16	17
Public Facilities	4	2	3	3	3
Environmental Protection	0	0	0	0	0
Public Safety	60	60	65	65	56
Public Transportation/Works	23	22	23	25	23
Health and Welfare	99	94	99	96	98
Culture and Recreation	3	4	4	7	5
Conservation - Agriculture	2	2	2	3	3
Total	235	228	244	246	236

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

Sources: Various county departments

TABLE 20

Fiscal Year				
2004	2005	2006	2007	2008
13	16	15	15	15
13	13	11	14	15
4	5	6	8	8
0	0	0	0	0
16	14	14	14	13
3	4	4	4	4
0	0	0	0	0
53	53	53	52	49
25	24	22	22	19
103	93	89	82	97
7	7	11	9	6
2	3	3	3	3
239	232	228	223	229

BEE COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FIVE FISCAL YEARS
SEPTEMBER 30, 2008

	Fiscal Year				
	2004	2005	2006	2007	2008
Administration of Justice					
JP Courts:					
Cases Filed	6501	4928	3407	3307	5184
Cases Disposed	5505	4503	2620	2922	2004
Cases Appealed	11	15	5	4	2
County Courts at Law:					
Civil:					
Cases Filed	-	-	-	-	-
Cases Disposed	-	-	-	-	-
Criminal:					
Cases Filed	-	-	-	-	-
Cases Disposed	-	-	-	-	-
District Courts:					
Civil:					
Cases Filed	-	-	-	-	-
Cases Disposed	-	-	-	-	-
Criminal:					
Cases Filed	-	-	-	-	-
Cases Disposed	-	-	-	-	-
Juvenile:					
Cases Filed	-	-	-	-	-
Cases Disposed	-	-	-	-	-
General Government:					
County Clerk Filing	-	-	-	-	-
Registered Vehicles	-	-	-	-	-
Vehicle Renewals	-	-	-	-	-

BEE COUNTY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
SEPTEMBER 30, 2008

<u>Department</u>	<u>2008</u>		
	<u>Vehicles Authorized</u>	<u>Vehicles Inventory</u>	<u>Radios</u>
<u>Law Enforcement</u>			
Sheriff	33	33	37
Constable 1	0	0	0
Constable 2	0	0	0
Constable 3	0	0	0
Constable 4	0	0	0
Constable 5	0	0	0
Road & Bridge	6	6	1
General Government	3	3	3
Social Services	0	0	0
Health, Safety, and Sanitation	3	3	0
Agriculture & Consumer Science	1	1	0

(1) Information required for GASB Statement No. 44 not previously tracked before this fiscal year.

BEE COUNTY, TEXAS
SALARIES AND SURETY BONDS OF ELECTED OFFICIALS
SEPTEMBER 30, 2008

<u>Official Title</u>	<u>Incumbent</u>	<u>Budget Salary</u>	<u>Surety Bond</u>	<u>Term Ending Dates</u>
<u>District Court</u>				
Judge, 365th Judicial County	Michael E. Welborn	\$ -	\$ -	12/31/2010
Judge, 156th Judicial County	Joel B. Johnson	-	-	12/31/2010
Judge, 343rd Judicial County	Janna Whatley	-	-	12/31/2012
District Attorney	Martha Warner	-	-	12/31/2012
District Clerk	Anna Marie Silvas	39,938	5,000	12/31/2010
<u>Commissioner's Court</u>				
County Judge	David Silva	61,000	1,000	12/31/2010
Commissioner, Precinct No. 1	Carlos Salazar	39,788	3,000	12/31/2012
Commissioner, Precinct No. 2	Susan C. Stasny	39,788	3,000	12/31/2010
Commissioner, Precinct No. 3	Eloy Rodriguez	39,788	3,000	12/31/2008
Commissioner, Precinct No. 4	Ronnie Olivares	39,788	3,000	12/31/2010
<u>Other County Officials</u>				
Sheriff	Carlos Cerrizales, Jr.	39,938	10,000	12/31/2012
County Clerk	Mirella E. Davis	39,938	28,088	12/31/2010
Tax Assessor-Collector	Andrea Gibbud	39,938	28,088	12/31/2008
County Attorney	Mike Knight	62,160	2,500	12/31/2012
<u>Justice of the Peace</u>				
Precinct No. 1	Raul Casarez	24,822	1,000	12/31/2012
Precinct No. 2	Ted Staples	24,822	1,000	12/31/2010
Precinct No. 3	David Garza	24,822	1,000	12/31/2012
Precinct No. 4	Joseph Lyvers	24,822	1,000	12/31/2010
<u>Constables</u>				
Precinct No. 1	Alejandro Delgado	5,645	2,000	12/31/2008
Precinct No. 2	Clifford Bagwell	5,645	2,000	12/31/2008
Precinct No. 3	Abel Suniga	5,645	2,000	12/31/2008
Precinct No. 4	Young T. Brown	5,645	2,000	12/31/2008

BEE COUNTY, TEXAS
SUMMARY OF INSURANCE COVERAGE
SEPTEMBER 30, 2008

<u>Type of Coverage</u>	<u>Expiration Date</u>	<u>Agency</u>	<u>Coverage Limits</u>	<u>Deductible</u>	<u>Premiums Paid FY 2006</u>	<u>Premiums Paid FY 2007</u>	<u>Premiums Paid FY 2008</u>
<u>County Buildings</u>							
Property	1/1/2009	St. Paul Travelers	\$30,318,205	-	\$ 58,543	\$ 58,543	\$ 60,753
Auto	1/1/2009	St. Paul Travelers	1,000,000	-	121,714	121,714	119,961
General Liability	1/1/2009	St. Paul Travelers	2,000,000	-	35,553	35,553	36,775
Public Officials	1/1/2009	St. Paul Travelers	2,000,000	-	24,759	24,759	22,718
Law Enforcement	1/1/2009	St. Paul Travelers	1,000,000	-	44,393	44,393	43,340
Equipment	1/1/2009	St. Paul Travelers	1,678,034	-	27,509	27,509	11,923

BEE COUNTY, TEXAS
GENERAL INFORMATION
SEPTEMBER 30, 2008

Organized in 1858, Bee County, Texas was created from Karnes, Live Oak, Goliad, Refugio, and San Patricio Counties. The County was named after General Bernard Bee. Situated close to the Gulf of Mexico, Bee County is sea level to rolling, containing black, sandy, and loam soils, with mesquite and live oak trees. The County is a recreational paradise having many hunting, camping, and historical sites.

Bee County contains 842 square miles with an estimated population of 33,415. The County has an average annual rainfall of 28.9 inches and a growing season of 285 days. There is a considerable amount of oil and gas production in the County. Beeville, the County Seat and main city, has a County Hospital leased to Christus Spohn, and is an agribusiness center. As one enters the City, the Statue of Miss Justice can be seen standing majestically on top of the clock over the courthouse dome, giving the County an added air of dignity and stateliness.

Source: Texas Almanac published by Dallas Morning News, Dallas, Texas.

COMPLIANCE SECTION



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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bee County, Texas (the "County") as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 26, 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 the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

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

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

Compliance and Other Matters

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

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

Pattillo, Brown & Hill, LLP

February 26, 2009



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

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

Compliance

We have audited the compliance of Bee County, Texas, (the "County") with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2008. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2008.

Internal Control Over Compliance

The management of Bee County, Texas is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

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

Pattillo, Brown & Hill, LLP

February 26, 2009

BEE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantors' Identifying Number	Federal Expenditures
<u>FEDERAL AWARDS</u>			
U.S.DEPARTMENT OF AGRICULTURE			
<i>Passed Through from Texas Health and Human Services Commission:</i>			
Child and Adult Care Food Program	10.558	75G7002	\$ 227,899
U.S.DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through from Office of Rural Community Affairs:</i>			
Community Development Block Grant	14.228	724045	122,930
Community Development Block Grant	14.228	726135	312,225
Community Development Block Grant	14.228	727015	82,667
Community Development Block Grant	14.228	727015	74,227
Home Program	14.239	1000558	186,105
Total Department of Housing and Urban Development			<u>778,154</u>
U.S.DEPARTMENT OF LABOR			
<i>Passed Through from Coastal Bend Workforce Development Board:</i>			
Coastal Bend Workforce Development Board	17.255	07-TRANS-01	519
Coastal Bend SERCO	17.259	07-TRANS-01	2,354
Total Department of Labor			<u>2,873</u>
U.S.DEPARTMENT OF TRANSPORTATION			
<i>Pass Through From Texas Department of Transportation:</i>			
Vehicle Capital Replacement Program	20.500	51716F7197	68,004
Rural Transportation Section 53 I 1	20.509	51716F7229	233,843
Rural Transportation Section 53 I 1	20.509	51816F7083	63,110
Rural Transportation Section 53 I 1	20.509	51816F7244	1,257
RPT Purchase of Service - Refugio/Live Oak	20.513	51716F7119	59,140
Total U.S. Department of Transportation			<u>425,354</u>
U.S.DEPARTMENT OF ENERGY			
<i>Direct Programs:</i>			
Weatherization Assistance for Low Income Persons	81.042	567005 & 568005	27,564
Weatherization Assistance for Low Income Persons	93.568	817005 & 818005	34,983
Total U.S. Department of Energy			<u>62,547</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through From Texas Department of Aging and Disability:</i>			
<i>Passed Through From Coastal Bend Council of Governments:</i>			
Special Programs for the Aging -Title III-CI Congregate	93.045	AA-3-0848-2	38,752
Special Programs for the Aging -Title III-CII Home Del. Meals	93.045	AA-3-0848-2	40,356
Special Programs for the Aging -Title III-B Transportation	93.044	AA-3-0848-2	9,861

BEE COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

Federal/State Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantors' Identifying Number	Federal Expenditures
<u>FEDERAL AWARDS</u> (Continued)			
<i>Passed Through From Texas Department of Community Affairs:</i>			
C.E.A.P.	93.568	587005	14,312
C.E.A.P.	93.568	58080000142	168,188
Community Services Block Grant	93.569	616005	47,705
Community Services Block Grant	93.569	61080000192	215,993
<i>Direct Programs:</i>			
Headstart	93.600	06CHO 175/27	2,660,565
Headstart	93.600	06CHO 175/28	504,845
<i>Passed Through From Texas Department of Aging and Disability:</i>			
Social Services	93.667	IIKI960	<u>64,686</u>
Total U.S. Department of Health and Human Services			<u>3,765,263</u>
U.S.DEPARTMENT OF HOMELAND SECURITY			
<i>Passed Through From United Way of America:</i>			
Emergency Food and Shelter National Board Program	97.024	23-7880-00	<u>16,421</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>5,278,511</u>
<u>STATE AWARDS</u>			
TEXAS DEPARTMENT OF TRANSPORTATION			
<i>Direct Award:</i>			
Rural Transportation Section 5311 Nla	-	51816F7004	<u>289,365</u>
OFFICE OF THE ATTORNEY GENERAL			
<i>Direct Award:</i>			
Victim Coordinator and Liaison Grant	-	07-00104	30,980
Texas Vine	-	801407	<u>17,925</u>
Total Office of the Attorney General			<u>48,905</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>338,270</u>
TOTAL EXPENDITURES OF FEDERAL, AND STATE AWARDS			<u>\$ 5,616,781</u>

BEE COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SEPTEMBER 30, 2008

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local governments, and Nonprofit Organizations* and *the State of Texas Uniform Grant Management Standards*. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

BEE COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

Summary of Auditors' Results

Type of report on financial statement	Unqualified
Internal control over financial reporting	
Material weakness(es) identified:	No
Significant deficiencies identified that are no considered to be material weakness(es):	None reported
Internal control over major programs	
Material weakness(es) identified:	No
Significant deficiencies identified that are no considered to be material weakness(es):	None reported
Noncompliance which is material to the basic financial statements:	None
Type of report on compliance with major programs	Unqualified
Findings and questioned costs for federal and state awards as defined in Section 501(a), OMB Circular A-133	None
Dollar threshold considered between Type A and Type B federal programs:	\$300,000
Low risk auditee statements	The County was not classified as a low-risk auditee in the context of OMB Circular A-133
Major federal programs	Headstart, CFDA #93.600

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

None

Findings and Questioned Costs for Federal Awards

None

BEE COUNTY, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

Finding No. 2007-01: During the fiscal year, we noted that the fixed asset sub-ledgers were not reconciled on a timely basis. This resulted in a large adjustment to the capital fixed assets.

Recommendation No. 2007-01: For internal control purposes, it is recommended annual physical counts and reconciliations of the capital assets be performed.

Current Year Status: The item has been corrected.

BEE COUNTY, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Not Applicable