

**MIDLAND COUNTY, TEXAS
MIDLAND, TEXAS**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

SEPTEMBER 30, 2007

**Prepared by the Department of County Auditor
Veronica Morales - County Auditor**

**MIDLAND COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2007**

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FINANCIAL SECTION



ELMS, FARIS & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Honorable County Judge and
Commissioners Court of Midland County
Midland County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Midland County, Texas as of and for the year ended September 30, 2007, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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 Midland County, Texas, as of September 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2008 on our consideration of the County's internal control over financial reporting and 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 Audit Standards* and should be considered in assessing the results of our audit.

The "Management's Discussion and Analysis and Budgetary Comparison Information" on pages 3 through 9 and 42 through 44 are not a required part of the basic financial statements but are supplementary information required by the 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 Midland County, Texas' basic financial statements. The individual and combining fund financial statements, listed in the Table of Contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying statistical section, as listed in the Table of Contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Elms, Faris & Company, LLP

Midland, Texas
June 20, 2008

MIDLAND COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Midland County, Texas (County) is intended to be an easily readable analysis of the County's financial activities based on currently known facts, decisions or conditions for the fiscal year ended September 30, 2007. The MD&A should be read in conjunction with the accompanying basic financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$88,127,223 (net assets). Of this amount, \$46,236,268 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the County's fund designation and fiscal policies. The County's total net assets increased by \$30,327,043.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$38,946,380. Of this total amount, \$37,819,525 or 97% is unreserved and available for use within the County's designation and fiscal policies.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$32,137,292 or 95% of the total general fund expenditures.
- The County's total debt decreased by \$420,380. The key factor in this decrease was the principal payment of \$665,000 on the Certificates of Obligation for the Midland County Multi-Purpose Facility and Culver Detention Facility.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the 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, as well as all liabilities, including long-term debt. Additionally, certain eliminations have occurred in regards to interfund activity, payables, and receivables.

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. Increases or decreases in net assets contrasted with budgetary decisions should serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how net assets changed during the most recent fiscal year using full accrual basis of accounting. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the

(Continued)

Government-wide Financial Statements (Continued)

timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, e.g., earned but unused vacation/holiday leave and accounts receivable.

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues, governmental activities, from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general administration, judicial, financial administration, elections, public safety and corrections, health and welfare, culture and recreation, conservation and natural resources, highways and roads, and interest on long-term debt.

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. Unlike the government-wide financial statements, however, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County'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 the comparison between governmental funds and governmental activities.

The County maintains and reports 66 individual governmental funds of which 63 are special revenue funds, 1 capital projects fund, 1 debt service fund, and the general fund. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, the Road and Bridge Fund, the Debt Service Fund, and the Capital Projects Fund, which are classified as major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds – Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund, a component of proprietary funds, is used to report activities that provide supplies and services for other programs and activities – such as the County's self-funded liability insurance fund, self-funded health insurance fund and vehicle maintenance fund. Because these services benefit governmental functions, the Internal Service Fund is reported with governmental activities in the government-wide financial statements.

Notes to the Basic 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.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the general fund and other major fund budgetary schedules and also includes notes to the supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as useful indicators of the County's financial position. In the case of the County, assets exceeded liabilities by \$88,127,223 at the close of this fiscal year.

Statement of Net Assets
Governmental Activities

	<u>2006</u>	<u>2007</u>
Current and other assets	\$ 44,310,736	\$ 52,270,572
Capital assets, net of accumulated depreciation	<u>29,836,143</u>	<u>52,050,943</u>
 Total Assets	 74,146,879	 104,321,515
Current and other liabilities	3,441,409	3,709,380
Noncurrent liabilities	<u>12,905,292</u>	<u>12,484,912</u>
 Total Liabilities	 16,346,701	 16,194,292
Net Assets:		
Invested in capital assets, net of related debt	18,721,143	41,600,943
Restricted net assets	225,630	290,012
Unrestricted net assets	<u>38,853,407</u>	<u>46,236,268</u>
 Total Net Assets	 <u>\$ 57,800,180</u>	 <u>\$ 88,127,223</u>

The largest portion of the County's current fiscal year net assets is unrestricted net assets. The unrestricted portion of the County's net assets, 52.5%, represents those assets which may be used to meet the ongoing obligations to the County's citizens or creditors.

An additional portion of the County's net assets, 47.2%, reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of the County's net assets, .3%, represents Debt Service Fund assets which are restricted resources to repay future debt.

At the end of the fiscal year, the County reported positive net assets in all three categories of net assets. The net assets increased from the prior fiscal year by \$30,327,042. Of that, 18,317,509 was due to the retroactive infrastructure implementation. The following table provides a summary of the County's operations for years ended September 30, 2006 and 2007.

Statement of Activities
For the Years Ended September 30, 2006 and 2007

	2006		2007	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Revenues:				
Program Revenues:				
Charges for services	\$ 9,378,146	20.2%	\$10,415,645	20.4%
Operating grants and contributions	2,123,384	4.6%	1,712,774	3.4%
Capital grants and contributions	131,996	0.3%	-	0.0%
General Revenues				
Property taxes	19,413,568	41.8%	19,974,748	39.1%
Sales tax	13,036,196	28.0%	16,075,863	31.5%
Bingo tax	61,508	0.1%	59,877	0.1%
Mixed beverage tax	286,278	0.6%	246,808	0.5%
Hotel-Motel tax	-	0.0%	57,708	0.1%
Unrestricted investment earnings	1,695,942	3.6%	2,237,413	4.4%
Gain on sale of assets	116,742	0.3%	-	0.0%
Miscellaneous	250,911	0.5%	307,846	0.6%
Total Revenues	46,494,671	100.0%	51,088,682	100.0%
Expenses:				
General administration	4,598,481	12.8%	5,018,395	12.8%
Judicial	8,839,459	24.5%	9,404,107	24.1%
Financial administration	1,746,971	4.8%	1,983,328	5.1%
Elections	486,447	1.4%	361,518	0.9%
Public safety and corrections	14,653,714	40.7%	16,129,867	41.3%
Health and welfare	328,326	0.9%	305,340	0.8%
Cultural and recreation	2,286,966	6.3%	2,811,288	7.2%
Conservation and natural resources	193,120	0.5%	228,454	0.6%
Highways and roads	2,345,030	6.5%	2,325,364	6.0%
Interest on long-term debt	541,794	1.5%	511,488	1.3%
Total Expenses	36,020,308	100.0%	39,079,149	100.0%
Change in Net Assets	10,474,363		12,009,533	
Net Assets - Beginning of the Year	47,325,818		57,800,180	
Retroactive Infrastructure Implementation			18,317,509	
Net Assets - End of the Year	\$57,800,181		\$88,127,222	

Governmental Funds – The increase in net assets of the governmental activities is primarily due to the retroactive infrastructure implementation. It is also due to an increase of 23% in sales tax, an 11% increase in charges for services and an increase of 31% in unrestricted investment earnings from the previous year. Sales tax increased due to a more prosperous economy and the unrestricted investment earnings increased due to the increase in cash to invest and higher interest rates. Charges for services has increased both because of legislative changes having to do with motor vehicle fees and overall increase in judicial fees and an increase in current year case load.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and budget controls has been the framework of the County's fiscal management and accountability.

Governmental Funds – The general government functions are reported in the General, Road and Bridge, Debt Service, Capital Project, and Nonmajor Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's annual financing and budgeting requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$38,946,380. The unreserved fund balances of \$37,819,525, used as a management and budgetary tool, are available for spending at the County's discretion. The remainder of the fund balances is reserved to indicate that it is not available for new spending because it has already been committed to pay debt service, \$290,012, and to pay prior period encumbrances, \$836,843.

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 \$32,137,292 as compared to \$27,835,459 in the prior year. As a measure of the general fund's liquidity, we compared both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 96% of total fund expenditures, while total fund balance represents 97% of total fund expenditures.

The Road and Bridge Fund reflects a fund balance of \$2,522,174, which represents an increase of \$498,904 as compared with the prior year.

The Debt Service Fund has a total fund balance of \$290,012 as compared to \$225,630 in the prior year. The increase of \$64,382 is minimal. All of the Debt Service Fund fund balance is reserved for the payment of debt service.

The Capital Projects Fund accounts for receipts and disbursements relating to the acquisition and construction of major capital projects. At the end of the fiscal year, the fund balance is \$872,683, an increase of \$639,459. The increase resulted from the expenses associated with the purchase of the new courthouse building, also known as the Heritage Building.

GENERAL FUND BUDGETARY HIGHLIGHTS

A deficit budget was adopted for fiscal year 2007 in the amount of \$6,134,176. The deficit was to be appropriated from the unreserved fund balance.

However, the actual revenues exceeded the final budget by \$4,363,576. Included in this amount are \$5,175,863 in unanticipated sales tax revenue and an increase in charges for services for \$1,094,843 due to a better economic situation in the Permian Basin and an increase of \$1,170,976 in depository interest due to increasing interest rates.

The original budgeted expenditures differ from the final budgeted expenditures by \$467,174 which is attributable to the encumbrances coming forward to the current year. The favorable variance of \$1,859,031 between actual and budgeted expenditures is mainly due to the county departments being conservative, holding expenditures to a minimum to support the overall County budget.

DEBT ADMINISTRATION AND CAPITAL ASSETS

Long-term Debt – At September 30, 2007, the County had a total long-term debt outstanding in the amount of \$12,484,912. According to the Texas statutes, the County has a debt limit of \$1,574,871,583.

The County's total debt decreased by \$420,380. The key factor in this decrease was the principal payment on Certificates of Obligation for the Midland County Multi-Purpose Facility.

The County's bond rating is "AA" from Standard & Poor's and "Aa" from Moody's for general obligation debt.

The following represents the activity of the long-term debt of the County for FY2007:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Activities:				
Certificates of obligation	\$ 2,905,000	\$ -	\$ 520,000	\$ 2,385,000
General obligation bond	8,210,000	-	145,000	8,065,000
Compensated absences	<u>1,790,292</u>	<u>244,620</u>	<u>-</u>	<u>2,034,912</u>
Total	<u><u>\$ 12,905,292</u></u>	<u><u>\$ 244,620</u></u>	<u><u>\$ 665,000</u></u>	<u><u>\$ 12,484,912</u></u>

Capital Assets – The capital assets of the County are those assets (land, buildings and improvements, roads, machinery and equipment and construction in progress), which are used in the performance of the County's functions including infrastructure assets. At September 30, 2007, net capital assets of the governmental activities totaled \$52,050,942, reflecting a net increase of \$22,214,799 in asset additions less retirements and adjustments. The increase is due to the current year retroactive addition of infrastructure of \$18,317,509. Depreciation on capital assets is recognized in the government-wide financial statements. Annual depreciation for buildings and improvements, infrastructure and machinery and equipment totaled \$17,719,045.

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Capital Assets (Continued)

The County elected to delay retroactive infrastructure reporting as defined by GASB 34 paragraph 148, and is reporting these numbers in the current 2007 fiscal year.

	County's Capital Assets (net of depreciation)	
	2006	2007
Governmental Activities:		
Land	\$ 2,336,249	\$ 2,644,512
Buildings and improvements	20,864,068	20,240,515
Infrastructure	1,345,448	19,288,047
Machinery and equipment	5,102,938	5,450,358
Construction in progress	187,440	4,427,510
Total	<u>\$ 29,836,143</u>	<u>\$ 52,050,942</u>

Additional information on the County's capital assets and debt can be found in Notes 6 and 11 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The annual budget is developed to provide efficient, effective and controlled use of the County's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities.

The final FY2008 budget was adopted on August 27, 2007 with total general fund expenditures of \$50,718,491 a 24% increase from the FY2007 budgeted expenditures. The increase was primarily attributable to a transfer out of \$12,602,000 to for the building purchase and the remodeling costs. The County maintained the combined tax rate of .230505 for FY2008. However, the Commissioners Court adopted a deficit budget of \$12,003,741 with the deficit to be appropriated from the unreserved fund balance.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the County Auditor at 2110 N. 'A' Street, Midland, Texas 79705, 432-688-4860, or visit the County's web site at www.co.midland.tx.us.

BASIC FINANCIAL STATEMENTS

**MIDLAND COUNTY, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2007**

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 100,492
Certificates of Deposit	5,396,088
Investments	36,780,310
Receivables (Net of Allowance for Uncollectibles)	6,063,303
Prepaid Expenses	236,017
Due from Other Governments	3,595,170
Deferred Charge	99,192
Capital Assets (Net of Accumulated Depreciation):	
Land	2,644,512
Buildings and Improvements	20,240,515
Construction in Progress	4,427,510
Infrastructure	19,288,047
Machinery and Equipment	5,450,359
TOTAL ASSETS	<u>104,321,515</u>
LIABILITIES	
Accounts Payable and Other Current Liabilities	2,997,469
Accrued Interest Payable	49,797
Due to Other Governments	374,511
Other Liabilities	287,603
Noncurrent Liabilities:	
Due Within One Year	2,729,912
Due in More Than One Year	9,755,000
TOTAL LIABILITIES	<u>16,194,292</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	41,600,943
Restricted for:	
Debt Service	290,012
Unrestricted	46,236,268
TOTAL NET ASSETS	<u>\$ 88,127,223</u>

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

**MIDLAND COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Functions/Programs

Primary Government:

Certificates of Deposit

Governmental Activities:

General Administration

Judicial

Financial Administration

Elections

Public Safety and Corrections

Health and Welfare

Culture and Recreation

Conservation and Natural Resources

Highways and Roads

Interest on Long-term Debt

TOTAL GOVERNMENTAL ACTIVITIES

TOTAL PRIMARY GOVERNMENT

Expenses	Program Revenues			Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total
\$ 5,018,395	\$ 852,800	\$ 104,702	\$ -	\$ (4,060,893)
9,404,107	5,610,758	341,651	-	(3,451,698)
1,983,328	-	-	-	(1,983,328)
361,518	29,581	28,170	-	(303,767)
16,129,867	1,158,026	1,171,511	-	(13,800,330)
305,340	23,225	-	-	(282,115)
2,811,288	184,077	66,740	-	(2,560,471)
228,454	-	-	-	(228,454)
2,325,364	2,557,178	-	-	231,814
511,488	-	-	-	(511,488)
<u>39,079,149</u>	<u>10,415,645</u>	<u>1,712,774</u>	<u>-</u>	<u>(26,950,730)</u>
<u>\$ 39,079,149</u>	<u>\$ 10,415,645</u>	<u>\$ 1,712,774</u>	<u>\$ -</u>	<u>(26,950,730)</u>

General Revenues:

Property Taxes	19,974,748
Sales Tax	16,075,863
Bingo Tax	59,877
Mixed Beverage Tax	246,808
Hotel-Motel Tax	57,708
Unrestricted Investment Earnings	2,237,413
Miscellaneous	307,846
TOTAL GENERAL REVENUES	<u>38,960,263</u>
CHANGE IN NET ASSETS	12,009,534
NET ASSETS - BEGINNING OF THE YEAR	57,800,180
Retroactive Infrastructure Implementation	<u>18,317,509</u>
NET ASSETS - END OF THE YEAR	<u>\$ 88,127,223</u>

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

**MIDLAND COUNTY, TEXAS
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2007**

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 165,921
Certificates of Deposit	5,396,088
Investments	27,617,530
Property Taxes Receivable	956,413
Accounts Receivable	145,624
Due from Other Funds	112,103
Due from Other Governmental Agencies	3,284,345
Prepaid Expenses	115,400
TOTAL ASSETS	<u>\$ 37,793,424</u>
 LIABILITIES AND FUND BALANCES	
LIABILITIES:	
Due to Pooled Cash	\$ 2,131,342
Accounts Payable	1,440,086
Benefits Payable	363,820
Due to Other Funds	1,883
Due to Other Governmental Agencies	374,511
Deferred Tax Revenue	874,108
Deferred Grant Revenue	-
Other Liabilities	99,132
TOTAL LIABILITIES	<u>5,284,882</u>
 FUND BALANCES:	
Reserved for Encumbrances	371,250
Reserved for Debt Service	-
Unreserved	
Designated for Subsequent Year's Expenditures	12,003,741
Undesignated	20,133,551
TOTAL FUND BALANCES	<u>32,508,542</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 37,793,424</u>

Road and Bridge Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 6,631	\$ 920,443	\$ 657,896	\$ 1,750,891
-	-	-	-	5,396,088
2,683,087	326,369	188,002	2,211,163	33,026,151
-	76,844	-	-	1,033,257
-	-	-	3,650	149,274
26,694	-	-	21,348	160,145
-	-	-	310,825	3,595,170
-	-	-	-	115,400
<u>\$ 2,709,781</u>	<u>\$ 409,844</u>	<u>\$ 1,108,445</u>	<u>\$ 3,204,881</u>	<u>\$ 45,226,375</u>

\$ 17,803	\$ 1	\$ -	\$ 180,234	\$ 2,329,380
158,522	-	235,762	121,078	1,955,448
11,282	-	-	10,106	385,208
-	300	-	-	2,183
-	-	-	-	374,511
-	71,553	-	-	945,661
-	-	-	140,493	140,493
-	47,978	-	-	147,110
<u>187,607</u>	<u>119,832</u>	<u>235,762</u>	<u>451,912</u>	<u>6,279,995</u>
25	-	465,568	-	836,843
-	290,012	-	-	290,012
1,367,100	-	186,381	812,781	14,370,003
1,155,049	-	220,734	1,940,188	23,449,522
<u>2,522,174</u>	<u>290,012</u>	<u>872,683</u>	<u>2,752,969</u>	<u>38,946,380</u>
<u>\$ 2,709,781</u>	<u>\$ 409,844</u>	<u>\$ 1,108,445</u>	<u>\$ 3,204,881</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	52,050,943
Other long-term assets, are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	5,641,675
Internal service funds, are used by management to charge the costs of fleet management and self-insurance costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	3,923,742
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(12,435,517)
Net Assets of Governmental Activities	<u>\$ 88,127,223</u>

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

**MIDLAND COUNTY, TEXAS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2007**

REVENUES

Property Tax, Penalties and Interest
Sales Tax
Fines and Forfeitures
Licenses and Permits
Intergovernmental Charges
Charges for Current Services
Investment Income
Other Revenue
TOTAL REVENUES

EXPENDITURES

Current
General Administration
Judicial
Financial Administration
Elections
Public Safety and Corrections
Health and Welfare
Culture and Recreation
Conservation and Natural Resources
Highways and Roads
Capital Outlay
Debt Service
TOTAL EXPENDITURES

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES

OTHER FINANCING SOURCES (USES)

Transfers In
Transfers (Out)
TOTAL OTHER FINANCING SOURCES (USES)

NET CHANGE IN FUND BALANCE

FUND BALANCES, BEGINNING OF YEAR

FUND BALANCES, END OF YEAR

General Fund	Road and Bridge Fund	Debt Service Fund	Capital Projects Fund	Non Major Governmental Funds	Total Governmental Funds
\$ 18,673,890	\$ -	\$ 1,198,439	\$ -	\$ -	\$ 19,872,329
16,075,863	-	-	-	-	16,075,863
2,010,319	-	-	-	257,798	2,268,117
246,808	2,555,578	-	-	-	2,802,386
557,506	24,849	-	-	1,293,635	1,875,990
3,794,493	-	-	-	812,074	4,606,567
1,770,976	134,398	40,463	9,620	104,401	2,059,858
622,706	32,742	-	-	132,592	788,040
<u>43,752,561</u>	<u>2,747,567</u>	<u>1,238,902</u>	<u>9,620</u>	<u>2,600,500</u>	<u>50,349,150</u>
4,302,199	-	-	-	20,056	4,322,255
8,568,178	-	-	-	707,448	9,275,626
1,933,456	-	-	-	12,066	1,945,522
266,537	-	-	-	39,018	305,555
14,544,692	-	-	-	1,220,261	15,764,953
293,795	-	-	-	418	294,213
2,309,595	-	-	-	18,005	2,327,600
212,250	-	-	-	-	212,250
-	2,053,548	-	-	-	2,053,548
1,219,321	195,115	-	4,469,972	248,422	6,132,830
-	-	1,174,520	-	-	1,174,520
<u>33,650,023</u>	<u>2,248,663</u>	<u>1,174,520</u>	<u>4,469,972</u>	<u>2,265,694</u>	<u>43,808,872</u>
<u>10,102,538</u>	<u>498,904</u>	<u>64,382</u>	<u>(4,460,352)</u>	<u>334,806</u>	<u>6,540,278</u>
-	-	-	5,099,810	105,402	5,205,212
(5,738,962)	-	-	-	(16,250)	(5,755,212)
<u>(5,738,962)</u>	<u>-</u>	<u>-</u>	<u>5,099,810</u>	<u>89,152</u>	<u>(550,000)</u>
4,363,576	498,904	64,382	639,458	423,958	5,990,278
28,144,966	2,023,270	225,630	233,225	2,329,011	32,956,102
<u>\$ 32,508,542</u>	<u>\$ 2,522,174</u>	<u>\$ 290,012</u>	<u>\$ 872,683</u>	<u>\$ 2,752,969</u>	<u>\$ 38,946,380</u>

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

**MIDLAND 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, 2007**

Amounts reported for governmental activities in the statement of activities (page 11) are different because:

Net change in fund balances-total governmental funds (page 13)	\$ 5,990,278
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	3,981,237
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	(83,946)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	645,925
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. 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.	659,136
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.	(240,724)
Internal service funds are used by management to charge the costs of the garage, warehouse and self-insurance funds to individual funds. The net income of certain activities of internal service funds is reported with governmental activities	<u>1,057,629</u>
Change in net assets of governmental activities (page 11)	<u>\$ 12,009,534</u>

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

**MIDLAND COUNTY, TEXAS
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2007**

	<u>Governmental Activities Internal Service Funds</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 678,982
Investments	3,754,159
Accounts Receivable	26,796
Prepaid Assets	<u>120,617</u>
TOTAL CURRENT ASSETS	<u>4,580,554</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	<u>656,812</u>
TOTAL CURRENT LIABILITIES	<u>656,812</u>
NET ASSETS	
Unrestricted	<u>3,923,742</u>
TOTAL NET ASSETS	<u><u>\$ 3,923,742</u></u>

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

**MIDLAND COUNTY, TEXAS
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 YEAR ENDED SEPTEMBER 30, 2007**

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Charges for Current Services	\$ 5,032,779
Investment Income	177,555
	5,210,334
TOTAL OPERATING REVENUES	5,210,334
OPERATING EXPENSES	
Fleet Maintenance	374,565
Claims Expense	3,106,353
Administration Costs	250,055
Premium Costs	971,388
Professional Services	345
	4,702,705
TOTAL OPERATING EXPENSES	4,702,705
OPERATING INCOME	507,629
OTHER FINANCING SOURCES (USES)	
Operating Transfers In	550,000
	1,057,629
CHANGES IN NET ASSETS	1,057,629
NET ASSETS, BEGINNING OF YEAR	2,866,113
NET ASSETS, END OF YEAR	\$ 3,923,742

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

**MIDLAND COUNTY, TEXAS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED SEPTEMBER 30, 2007
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Charges for Services	\$ 5,034,371
Cash Received from Investment Income	177,555
Cash Paid for Services	(4,799,142)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>412,784</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer In	550,000
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>550,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	(335,956)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(335,956)</u>
NET INCREASE (DECREASE) IN CASH	626,828
CASH AT BEGINNING OF YEAR	<u>52,154</u>
CASH AT END OF YEAR	<u><u>\$ 678,982</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income	\$ 507,629
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities	
(Increase) Decrease in Accounts Receivable	1,592
Decrease (Increase) in Prepaid Assets	33,794
Increase (Decrease) in Accounts Payable	(121,346)
(Decrease) Increase in Due to Pooled Cash	(8,885)
TOTAL ADJUSTMENTS	<u>(94,845)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 412,784</u></u>

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

**MIDLAND COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
SEPTEMBER 30, 2007**

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 3,458,163
Accounts Receivable	26,042
Due from Other Funds	14,581
Investments	<u>3,118,716</u>
TOTAL ASSETS	<u>\$ 6,617,502</u>
 LIABILITIES	
Accounts Payable	\$ 247,008
Due to Other Funds	172,543
Due to Other Governmental Agencies	586,450
Other Liabilities	62,283
Funds Held for Others	<u>5,549,218</u>
TOTAL LIABILITIES	<u>\$ 6,617,502</u>

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

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

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**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Midland County, Texas (the "County") is a body, corporate and political, created under Article IX, Section 1, of the Constitution of the State of Texas. The County operates under the State of Texas statutes, and provides such services as are authorized by state law to advance the welfare, health, morals, comfort, safety and convenience of the County and its inhabitants. The Commissioners' Court, consisting of four County Commissioners and the County Judge, as elected, is the policy making body of the County.

The financial statements of the County are prepared in accordance with generally accepted accounting principles applicable to governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative literature. The following is a summary of the more significant policies:

GASB Statement 34, as amended by Statement 37, requires that the basic financial statements and required supplementary information (RSI) for general purpose governments should consist of:

- Management's Discussion and Analysis (MD&A) – MD&A is RSI presented before the basic financial statements, which introduces the basic financial statements and provides an analytical overview of the government's financial activities.
- Basic Financial Statements – The basic financial statements, including notes to the financial statements that are essential to a user's understanding of the statements, are presented on two basic levels:
 1. The government-wide level where all statements are prepared using the economic resources measurement focus and the accrual basis of accounting. These statements present all assets, liabilities, revenues, expenses and gains and losses of the County and distinguish between governmental and business-type activities of the County.
 2. The fund level, where governmental fund statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting, and proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting. These statements focus on information about the County's major governmental funds. Information presented about the County's funds at this level is similar to prior financial statements, with some modification to financial statement format as prescribed by GASB Statement No. 34.
- Required Supplementary Information - RSI, other than MD&A, includes budgetary comparison schedules for the General Fund and any major special revenue funds and other data, such as pension related data, required by other GASB statements. The budgetary comparison schedules for General Fund and Road and Bridge Fund have been reported as part of the required supplementary information. Pension related data and trend information is disclosed in Note 7.

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prior to the adoption of GASB Statement No. 34, the primary focus of the financial statements was on the fund type. The implementation of this statement, with its focus on government-wide and major fund financial statements, required the reclassification of certain financial statement items. With the implementation of GASB Statement No. 34, Midland County also implemented related GASB Statement No. 37 – Management, Discussion and Analysis, No. 38 – Note Disclosures and No. 41 – Budgetary Comparison Schedules.

A. REPORTING ENTITY

Generally accepted accounting principles require that these financial statements present the County (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria; the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government.

In addition, Governmental Accounting Standards Board Statement No. 39, states that certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government or its other component units.

If these certain organizations were excluded, they would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met:

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
- The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
- The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition, other organizations should be evaluated as potential component units if they are closely related to, or financially integrated with, the primary government. It is a matter of professional judgement to determine whether the nature and the significance of a potential component unit's relationship with the primary government warrant inclusion in the reporting entity.

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

The component units discussed in this note are included in the County's reporting entity because of the nature and significance of their operational or financial relationships with the County.

- Blended Component Units: There are no blended component units.
- Discrete Component Units: The Midland County Housing Finance Corporation ("the Finance Corporation") is a nonprofit corporation created pursuant to the Development Corporation Act of 1979, as amended, to issue bonds and offer below market rates to qualifying individuals. A majority of the Finance Corporation's board is appointed by the County's Commissioners Court, and the Court can impose will. The financial information for the discretely presented component unit is included in Note 9 to the financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

As previously discussed, the basic financial statements of the County are presented at two basic levels, the government-wide level and the fund level. These statements focus on the County as a whole at the government-wide level and on major funds at the fund level whereas financial statements prior to GASB No. 34 focused on reporting by fund type. 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 for the financial reporting entity of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The government-wide statement of net assets reports all financial and capital resources of the County and is presented in an "assets minus liabilities equal net assets" format with net assets reported in the order of relative liquidity. Also, assets and liabilities are presented in relative order of liquidity with liabilities which have an average maturity of more than one year separated into the amount due within one year and the amount due in more than one year.

The government-wide statement of activities identifies the relative financial burden of each of the County's functions (General Administration, Judicial, Financial Administration, Elections, Public Safety and Corrections, Health and Welfare, Cultural and Recreation, Conservation of Natural Resources, and Highways and Roads). Direct expenses are clearly identifiable expenses that can be specifically associated with a function or segment. Program revenues are revenues derived directly from the function or segment or from other sources which reduce the net cost of the function to be financed from general government revenues.

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Program revenues are: 1) charges to customers who purchase, use, or directly benefit from services provided by a function or segment and which are generated by that function, 2) grants and contributions restricted to operating requirements of a function or segment and, 3) grants and contributions restricted to capital requirements of a function or segment. Items such as taxes, investment earnings and non-specific grants are not included as program revenues but are instead reported as general revenues which normally cover the net cost of a function or segment.

The effect of internal service fund activities in the government-wide statements is eliminated to the extent possible to avoid the effect of "doubling up" internal service fund activity. Internal service funds report activities which provide goods or services to the financial reporting entity on a cost reimbursement basis. Any net profit or loss from these activities is allocated back to the function or segment that benefited from the goods or services provided based upon their proportionate benefit to the extent possible. Any residual assets of internal service funds are reported with governmental activities at the entity-wide level.

Fund level financial statements are presented for governmental funds and proprietary funds with a focus on major funds, and fiduciary funds, which are excluded from the government-wide financial statements because they do not represent assets which can be used to support the County's programs. A major fund is defined by GASB Statement No. 34, paragraph 76, as amended by GASB Statement No. 37, paragraph 15, as a fund meeting certain specific asset, liability, revenue, or expenditure/expense criteria relative to all funds of that type and relative to the total for all governmental and enterprise funds combined. Additionally, any fund deemed particularly important by the County may be reported as a major fund. The financial information for each major fund is presented in a separate column, with nonmajor funds aggregated and displayed in a single column, on either the governmental or proprietary fund financial statements. The fund level statements for proprietary funds also contain combined totals for all internal service funds. This information is presented in a separate column immediately to the right of the total column for all enterprise fund activity.

The focus of fiduciary funds is on net assets and changes in net assets. These funds report assets held in a trustee or agency capacity by the County for the benefit of others and cannot be used to support County activities.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide statements and proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Exchange and exchange-like transactions, transactions in which the County gives or receives value and receives or gives equal value, that create revenues, expenses, gains, losses, assets or liabilities are recognized when the exchange occurs.

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Nonexchange transactions, transactions in which the County gives or receives value without receiving or giving equal value in exchange, that result in revenues, expenses, gains, losses, assets or liabilities are recognized in accordance with GASB No. 33, as amended by GASB Statement Nos. 34 and 36. The treatment of nonexchange transactions is grouped in four classes based upon the principal characteristics of the transaction and reported according to those characteristics. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Capital assets are reported as historical cost and depreciated, except for inexhaustible assets such as land, in accordance with the County's depreciation policy.

Governmental fund financial statements are reported using a current financial resources measurement focus and modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. In the case of property taxes, available means due within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Grant revenues are considered to be available if they are to be received within one year. Expenditures are generally recorded when a liability is incurred. However, expenditures related to general long term debt, compensated absences, and claims and judgments are recorded only when payment is due. Property taxes, fines, licenses, and interest associated with the current 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 government.

Governmental fund level revenues which have been accrued based upon the susceptible to accrual concept are:

- General Fund – ad valorem taxes, interest and federal and state grant proceeds, except where such grants are expenditure driven and other requirements related to the grant have not been met.
- Special Revenue Funds – federal and state grant proceeds and interest, except where such grants are expenditure driven and other requirements related to the grant have not been met.
- Debt Service Fund – ad valorem taxes and interest.
- Capital Projects Fund – interest.

Proprietary fund activities are accounted for using the economic resources measurement focus and the accrual basis of accounting. This measurement focus includes all assets and liabilities on the balance sheet. Operating statements using this focus present a net total assets view of increases (revenues) and decreases (expenses) in the fund.

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

These funds apply all applicable GASB pronouncements as well as all FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Proprietary fund operating statements distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses generally are the result of providing or delivering goods or services in association with the fund's principal on going operations.

Transactions resulting in nonoperating revenues and expenses are normally created by such items as cash flows from capital and related financing activities, noncapital financing activities, investing activities, and include most nonexchange and exchange-like revenues.

GOVERNMENTAL FUNDS

The following major funds are used by the County:

General Fund - the General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund – this fund is used to account for funds restricted for use in improving county highways and lateral streets and roadways.

Debt Service Fund - the Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Financing is provided by property tax levies.

Capital Projects Fund - the Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type activities).

Other Governmental Funds – the non major governmental funds include:

Special Revenue Funds - the Special Revenue Funds account for revenues derived from earmarked revenue sources that are legally restricted to expenditures for a specific purpose.

OTHER FUND TYPES

Internal Service Funds account for the fleet management services and insurance provided to other departments or agencies of the County or to other governments, on a cost reimbursement basis.

Agency Funds are used to report assets which cannot be used to support County activities and are held in an agency capacity by the County for the benefit of others.

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. INVESTMENTS

The County's investments are stated at fair value, except for external pools. Fair value is based on quoted market prices as of the valuation date. Management's intent is to hold all investments to maturity and thereby recover the full value of the various investments made. The gain/loss resulting from valuation will be reported within the "Investment Income" account on the Statement of Revenues, Expenditures and Changes in Fund Balance (Equity).

The portfolio did hold investments in external pools that are not SEC-registered. The external investment pools are:

TEXPOOL – The State Comptroller of Public Accounts oversees TexPool (the Texas Local Government Investment Pool), but Leman Brothers and Federated Investors manage the daily operations of the pool under a contract with the Comptroller. TexPool operates in a manner consistent with the SEC's 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

MBIA – MBIA is a provider of financial guarantees and investment management services in the public sector. MBIA offers full-service investment management designed to provide safe investments while providing competitive rates. MBIA maintains AAA ratings from Standard & Poor's, Moody's and Fitch, and is traded publicly on the New York Stock Exchange. MBIA invests public-sector funds only in securities allowed by the Texas Funds Investment Act and carries a letter of credit that assures the integrity of the fund. Investments must also be permitted by SEC Rule 2a-7.

TexStar - TexStar is administered by First Southwest Asset Management, Inc. and JPMorgan Chase. TexStar is a local government investment pool created under the Interlocal Cooperation Act and is rated AAAM by Standard and Poor's. The fund seeks to maintain a constant dollar objective and fulfills all requirements of the Texas Public Fund Investment Act.

E. RECEIVABLES, PAYABLES AND INTERFUND TRANSACTIONS

Short-term loans between funds are reported as interfund receivables in the fund making the loan and as interfund payables in the fund receiving the loan. Arms length transactions between funds for goods and services are reported as revenues in the selling fund and as expenses/expenditures in the acquiring fund. Any unpaid amounts are appropriately recorded as interfund receivables/payables. Flows or assets from one fund to another with no requirement for repayment or without an equivalent flow of assets in return are accounted for as transfers.

F. CAPITAL ASSETS

Capital Assets are defined as a purchase, construction or other acquisition of any equipment, facilities or other similar assets, the cost of which is in excess of \$5,000 and has a useful life of more than one year. These assets include property, plant, equipment, infrastructure, and all other tangible and intangible assets purchased or acquired. Purchased or constructed assets are carried at historical cost or estimated historical cost. Infrastructure assets, which include streets and associated drainage, sidewalks, bridges, drainage systems, water and sewer systems, lighting systems and other similar type assets, have been recorded at historical or estimated historical cost. Donated assets are recorded at estimated fair market value at the time of donation.

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. CAPITAL ASSETS (Continued)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital has not been significant and, therefore, not capitalized.

Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 - 30 Years	Machinery and Equipment	3 - 20 Years
Improvements	20 - 30 Years	Infrastructure	20 Years

G. FEDERAL AND STATE GRANTS AND ENTITLEMENTS

Grants, entitlements and shared revenues may be accounted for within any of the fund types. The purpose and requirements of each grant or entitlement are carefully analyzed to determine the proper fund type in which to record the related transactions. Grants or entitlements received for purposes normally financed through a particular fund type may be accounted for in that type provided that applicable legal restrictions can be appropriately satisfied. Such revenues received for purposes normally financed through the governmental general fund are accounted for within the Special Revenue Funds.

Capital grants restricted for capital acquisitions or construction, other than those associated with proprietary type funds, are accounted for in the applicable Capital Projects Fund.

H. ACCRUED EMPLOYEE BENEFITS PAYABLE

All regular full-time employees are eligible to accrue paid vacation leave by a prescribed formula based on the number of years of service. The maximum amount of vacation leave which may be carried forward by an employee from one year to the next is equal to the amount of leave accrued in the prior twelve month period. Upon leaving employment of the County, the employee is eligible to be paid for accrued unused vacation leave.

Eligible employees also accrue sick leave at an average rate of eight hours per month. Sick leave accumulates up to a maximum of 120 days and upon termination may be eligible for payment based upon a formula that is based on the number of years of service.

All employees of the County who are entitled to accrue sick leave and have completed twelve months of continuous service with the County are eligible to use and to be compensated for personal leave from a sick leave pool for catastrophic illnesses or injuries by the employee or a member of the employees' immediate family. Employees may use pool leave after exhausting all personal sick, vacation, and compensatory leave. An employee may receive up to 90 days or one-third of the balance of the hours in the sick leave pool, whichever is less. The sick leave pool consists of hours of sick leave contributed by County employees. Employees are not required to contribute sick leave to the pool and are not required to reimburse the pool for pool leave used.

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. ACCRUED EMPLOYEE BENEFITS PAYABLE (Continued)

Compensatory time is also accrued for eligible employees up to a maximum of 240 hours, and 480 hours for public safety employees. The employee is eligible to be paid for accrued compensatory time upon termination of employment.

I. LONG-TERM OBLIGATIONS

General Obligation Bonds and Certificates of Obligation which have been issued to fund purchases and capital projects of the general government that are to be repaid from tax revenues of the County are reported in the government-wide statement of net assets.

The government-wide level statements defer bond premiums, discounts and issuance costs and amortize these items over the life of the issue using the effective interest rate method. In the fund level statements, governmental fund types recognize these items in the current period.

J. FUND EQUITY

In the fund financial statements, the County records reserves to indicate that a portion of the fund equity is legally segregated for a specific future use. Designations of fund balance set aside portions of fund balance for possible future uses.

The following is a list of all reserved and designated fund equity balances used by the County in their fund financial statements and a description of each:

Fund Balance

Reserve for Encumbrances - represents encumbrances outstanding at the end of the year based on purchase orders and contracts signed by the County but not completed as of the close of the fiscal year.

Reserve for Debt Service - represents assets in excess of legally required minimums to be used for long-term debt principal and interest payments.

Designated for Subsequent Years Expenditures - funds designated by the County Commissioners Court for use in the budget for the year ending September 30, 2008.

K. REVENUE RECOGNITION – PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable at that time unless the half payment option is elected, in which case one-half of the assessed tax is due November 30th and the balance is due on the following June 30th. All unpaid taxes levied October 1 become delinquent February 1 of the following year.

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. REVENUE RECOGNITION - PROPERTY TAXES (Continued)

For fund financial statements, property tax revenues are recognized when they become available. Available means then due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. This is no longer than sixty days after year-end.

For fund financial statements, property taxes are reserved as uncollectible if not received within sixty days after the end of the fiscal year. For government-wide financial statements, an allowance equal to 4% of the outstanding taxes at September 30, 2007 has been reported. The tax is levied based on the estimated market values as determined by the Midland County Appraisal District.

L. USE OF ESTIMATES

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

NOTE 2: 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 as reconciliation between fund balance – total government funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(12,435,517) difference are as follows:

Bonds and Certifications of Obligations Payable	\$(10,450,000)
Deferred Charge for Issuance Costs	99,192
Accrued Interest Payable	(49,797)
Compensated Absences	<u>(2,034,912)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$(12,435,517)</u>

Another element of that reconciliation states that “other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred funds.”

The details of this \$5,641,675 difference are as follows:

Property Taxes Receivable	\$ 904,331
Court Fines Receivable	<u>4,737,344</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 5,641,675</u>

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 2: 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.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation *between net changes in fund balances – total governmental funds and changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$3,981,237 difference are as follows:

Capital Outlay	\$ 6,132,830
Depreciation Expense	<u>(2,151,593)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 3,981,237</u>

Another element of that reconciliation states that, “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.” The details of this \$(83,946) difference are as follows:

The statement of activities reports gains/losses arising from the trade-in of capital assets. Conversely, governmental funds do not report any gain or loss on trade-ins	\$ (94,046)
Donation of Capital Assets	<u>10,100</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (83,946)</u>

Another element of that reconciliation states that the, “Issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.”

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. The details of this \$659,136 difference are as follows:

Principal Repayments:	
General Obligation Refunding Bonds	\$ 665,000
Amortization	<u>(5,864)</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>\$ 659,136</u>

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 2: 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)

Another element of that reconciliation states that "Some expenses reported in the statement of activities did not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$(240,724) difference are as follows:

Reversal of Prior Year Interest Accrual	\$ 3,896
Compensated Absences	<u>(244,620)</u>
<i>Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities</i>	<u><u>\$(240,724)</u></u>

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

DEFICIT FUND EQUITY

The Donation SO Bullet Proof Vest Fund had a deficit balance at September 30, 2007 of \$805. The deficit arose due to a decrease in anticipated donations in the current year. Donations went from \$19,485 in FY2005 to \$5,665 in FY2006 to \$2,700 in FY2007.

NOTE 4: CASH AND INVESTMENTS

For purposes of the statements of cash flows, the County considers highly liquid debt instruments which have an original maturity of less than three months to be cash equivalents.

Deposits – 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 market value of not less than the principal amount of the deposits. The County's deposits were fully insured or collateralized as required by the state statutes at September 30, 2007. At year-end, the carrying amount of the County's deposits was \$3,558,655 in cash and cash equivalents; (\$100,492 in pooled cash and \$3,458,163 in agency funds cash). Certificates of Deposits of \$5,396,088 are not considered cash and cash equivalents as their maturity date is greater than three months and the intent is to hold to maturity. The respective bank balances totaled \$9,278,997. Of the total bank balance, the Federal Depository Insurance Corporation (FDIC) covered \$200,000 and \$9,078,997 was covered by collateral held by the pledging bank's agent for the County in the County's name. The County also held \$2,916,105 of Certificates of Deposit and Money Market accounts, in trust, that are covered under separate individual's collateralization.

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 4: CASH AND INVESTMENTS (Continued)

Investments – State statutes and county policies authorize the County’s investments. The County is authorized to invest in U.S. Government obligations and its agencies or instrumentalities, direct obligations of this state or its agencies and instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States with ten years or less stated final maturity (cannot be an inverse floater, a principal only or interest only), obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent rating, no-load, SEC registered mutual funds with a weighted average stated maturity of less than two years that are invested in allowable securities, obligations or Texas and its agencies, fully collateralized repurchase agreements and reverse repurchase agreements, prime domestic commercial paper, prime domestic banker’s acceptances, insured or collateralized certificates of deposit, government pools and no-load SEC registered money market funds consisting of any of these securities listed.

	<u>Fair Value</u>	<u>Effective Duration</u>	<u>Credit Risk</u>
Investments:			
U. S. Treasury Note	\$ 1,500,000	24 Months	
U. S. Treasury Bills	11,868,695	6 Months	
Investment Pools:			
TexPool	11,446,294		AAAm - S & P
TexStar	2,215,340		AAAm - S & P
MBIA Municipal Investors	<u>9,952,592</u>		AAAm - S & P
 Total Fair Value:	 <u><u>\$36,982,921</u></u>		
 Portfolio Duration:		 <u><u>6 to 24 Months</u></u>	

Of the \$36,982,921 in total investments, \$202,611 is TexPool monies held by the Agency funds, leaving \$36,780,310 in government-wide investments.

Interest Rate Risk – In compliance with the County’s investment policy, as of September 30, 2007, the County minimized the interest rate risk, related to the decline in market value of securities due to rising interest rates in the portfolio by: 1) limiting the effective duration of security types not to exceed three years with the exception of securities purchases related to reserve funds, 2) structuring the investment portfolio so that securities matured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity, 3) monitoring credit rating of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act, and 4) investing operating funds primarily in shorter-term securities and government investment pools.

Credit Risk – In compliance with the County’s investment policy, as of September 30, 2007, the County minimized credit risk losses due to default of a security issuer or backer, by: 1) limiting investments to the safest types of securities by purchasing investments in US Treasury Notes and Bills that were rated AAA, AAA, and Aaa by Standard & Poor’s, Fitch and Moody’s, respectively, 2) pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the County will do business, and 3) diversifying the investment portfolio so that potential losses on individual securities were minimized.

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 5: RECEIVABLES

Receivables as of September 30, 2007 for the County's individual major funds and non-major funds in the aggregate, including applicable allowances for uncollectible amounts, are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:				
Property Taxes	\$ 956,413	\$ 76,844	\$ -	\$ 1,033,257
Accounts Receivable	<u>19,252,960</u>	<u>-</u>	<u>30,446</u>	<u>19,283,406</u>
Gross Receivables	20,209,373	76,844	30,446	20,316,663
Less: Allowance for Uncollectibles	<u>(14,250,286)</u>	<u>(3,074)</u>	<u>-</u>	<u>(14,253,360)</u>
Net Total Receivables	<u>\$ 5,959,087</u>	<u>\$ 73,770</u>	<u>\$ 30,446</u>	<u>\$ 6,063,303</u>

NOTE 6: CAPITAL ASSETS

Capital asset acquisition and disposal of the reporting entity was restricted to activities of the primary government only. During the fiscal year, the County implemented the recognition of retroactive infrastructure adding \$34,044,941 in assets and \$16,035,695 in accumulated depreciation. Capital asset activity for the year ended September 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,336,249	\$ 308,263	\$ -	\$ 2,644,512
Construction in Progress	<u>187,440</u>	<u>4,358,042</u>	<u>(117,972)</u>	<u>4,427,510</u>
Total Capital Assets, Not Being Depreciated	<u>2,523,689</u>	<u>4,666,305</u>	<u>(117,972)</u>	<u>7,072,022</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	40,602,614	196,045	-	40,798,659
Infrastructure	1,423,767	34,044,941	-	35,468,708
Machinery and Equipment	<u>13,133,605</u>	<u>1,706,815</u>	<u>(562,290)</u>	<u>14,278,130</u>
Total Assets Being Depreciated	<u>55,159,986</u>	<u>35,947,801</u>	<u>(562,290)</u>	<u>90,545,497</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(19,738,546)	(819,598)	-	(20,558,144)
Infrastructure	(78,319)	(16,102,342)	-	(16,180,661)
Machinery and Equipment	<u>(8,030,667)</u>	<u>(1,265,348)</u>	<u>468,243</u>	<u>(8,827,772)</u>
Total Accumulated Depreciation	<u>(27,847,532)</u>	<u>(18,187,288)</u>	<u>468,243</u>	<u>(45,566,577)</u>
Total Capital Assets, Being Depreciated, Net	<u>27,312,454</u>	<u>17,760,513</u>	<u>(94,047)</u>	<u>44,978,920</u>
Governmental Activities Capital Assets, Net	<u>\$29,836,143</u>	<u>\$22,426,818</u>	<u>\$ (212,019)</u>	<u>\$ 52,050,942</u>

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 6: CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General Administration	\$ 697,862
Judicial	123,618
Financial Administration	24,768
Elections	53,909
Public Safety and Corrections	426,240
Health and Welfare	12,302
Cultural and Recreation	487,692
Highways and Roads	310,418
Conservation and Natural Resources	<u>14,784</u>
Total Depreciation Expense – Governmental Activities	<u>\$2,151,593</u>

NOTE 7: EMPLOYEE RETIREMENT BENEFITS

Plan Description - Midland County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 575 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 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.

Benefit amounts are determined by the sum of the employee's deposits 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.

The employer contribution rates for 2006 and 2007 were determined considering the commitment by the Midland County Hospital District to assume the obligation within the Midland County plan attributable to services performed by certain hospital district employees while they were County employees. This commitment is being carried out by an annual transfer from the hospital district's plan in TCDRS to the County's plan determined each year according to a written agreement.

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 7: EMPLOYEE RETIREMENT BENEFITS (Continued)

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

The employer contributed using the actuarially determined rate of 9.82% for the months of the fiscal year in 2007, and 8.91% for the months of the fiscal year in 2006.

The deposit rate payable by the employee members for calendar year 2007 is the rate of 7.0% as adopted by the governing body of the employer. The employee deposit 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 Cost - For the employer's accounting year ended September 30, 2007 the annual pension cost for the TCDRS plan for its employees was \$1,755,568 and the actual contributions were \$1,755,568.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2003 and December 31, 2004, the basis for determining the contribution rates for calendar years 2006 and 2007. The December 31, 2006 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial Valuation Date	12/31/04	12/31/05	12/31/06
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, closed
Amortization Period	20	20	15
Asset Valuation Method	long-term appreciation with adjustments	long-term appreciation with adjustments	SAF: 10-yr smoothed value ESF: Fund value
Actuarial Assumptions:			
Investment Return ¹	8.0%	8.0%	8.0%
Projected Salary Increases ¹	5.5%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living Adjustments	0.0%	0.0%	0.0%

¹Includes Inflation at the Stated Rate

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 7: EMPLOYEE RETIREMENT BENEFITS (Continued)

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

Accounting Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
September 30, 2005	\$1,386,702	100%	\$ -0-
September 30, 2006	1,455,856	100	-0-
September 30, 2007	1,755,568	100	-0-

**Schedule of Funding Progress for the Retirement Plan
for the Employees of Midland County**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Annual Covered Payroll ¹ (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
12/31/00	\$31,384,802	\$38,719,556	\$7,334,754	81.05%	\$14,548,036	50.42%
12/31/01	34,292,589	41,899,282	7,606,693	81.85	15,369,589	49.49
12/31/02	37,084,091	45,271,503	8,187,412	81.91	16,123,517	50.78
12/31/03	40,573,770	47,954,663	7,380,894	84.60	16,470,262	44.81
12/31/04	43,979,666	52,243,547	8,263,881	84.18	16,818,753	49.13
12/31/05	47,492,310	56,471,030	8,978,720	84.10	17,590,412	51.04
12/31/06	53,880,626	61,138,951	7,258,325	88.13	19,028,497	38.14

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

NOTE 8: POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits (described in Note 7), the County provides certain post-employment health care benefits. Substantially all of the County's employees may become eligible for those benefits if they are considered retired under TCDRS rules and requirements. Currently, 84 retirees meet those eligibility requirements and participate in the plan. Participants are obligated to pay for dependent coverage only, if applicable, and a portion of the retiree contribution of approximately \$145 per month. Currently there are 68 retirees eligible to receive the post-employment health care benefits. During the year, the County contributed approximately \$233,352 to the health care fund for post-retirement health care. Additionally, a medical supplement for 16 employees was paid by the County in approximate amount of \$34,465.

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 9: DISCRETE COMPONENT UNIT

As discussed in Note 1A, the Midland Housing Finance Corporation is a component unit of the County. The Finance Corporation issued several bond issues. As of September 30, 2007, one issue was still outstanding. Even though the bonds are outstanding, there is no liability to either the Finance Corporation or the County (conduit debt), as all liability transfers to the trustee of the bond issue. There are no other material assets or liabilities of the Finance Corporation that do not follow the debt.

In 1994, a refunding bond issue was offered to refinance the outstanding debt at a lower interest rate. This refinancing yielded net proceeds to the Finance Corporation of approximately \$300,000. The proceeds have been invested along with funds of the City of Midland's Housing Corporation, into a Midland Housing Trust Fund that is administered by a local area foundation.

At September 30, 2007 the bond issue still outstanding had an approximate principal balance of \$430,000, at an effective interest rate of 6.388%.

NOTE 10: INTERFUND TRANSACTIONS

During the course of normal operations, the County has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental and proprietary-type funds financial statements generally reflect such transactions as transfers. The internal service funds record charges for service to County departments as operating revenue.

All County funds record these payments to the internal service funds as operating expenses. The proprietary funds record operating subsidies as other income whereas the fund paying the subsidy records it as either an expenditure or transfer.

Individual fund interfund receivable and payable balances at September 30, 2007, arising from these transactions were as follows:

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 112,103	\$ 1,883
Special Revenue Funds		
Road and Bridge	26,694	-
District Attorney Hot Check Fund	8,384	-
Law Library	1,855	-
County Clerk Records Management Fund	2,395	-
Records Preservation Fund	1,529	-
District Clerk Records Management	293	-
Courthouse Security Fund	1,139	-
Tax Collector Dealer Inventory Fund	2,142	-
Justice Court Building Security Fund	66	-
Juvenile Case Management	330	-
Appellate Justice System	234	-

(Continued)

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 10: INTERFUND TRANSACTIONS (Continued)

	Interfund	
	Receivable	Payable
Child Abuse Prevention Fund	\$ 59	\$ -
Justice Court Technology	267	-
County Clerk Records Archive Fund	2,284	-
County Clerk Vital Stat Preservation	371	-
Debt Service Fund	-	300
Agency Funds		
District Clerk	-	40,878
County Clerk	-	48,248
District Attorney	-	9,494
Sheriff	-	955
Justice of the Peace Precinct #1	385	5,777
Justice of the Peace Precinct #2	-	2,463
Justice of the Peace Precinct #3	-	4,745
Justice of the Peace Precinct #4	-	1,092
Tax Collector Assessor	-	43,104
Horseshoe Operations Funds	-	1,591
CS & CD Residential Treatment Center	13,013	-
CS & CD Community Corrections	1,183	-
CS & CD Supervision	-	14,196
	<u>\$ 174,726</u>	<u>\$ 174,726</u>
TOTAL		

Interfund transfers for the year ended September 30, 2007 are as follows:

	Interfund	
	Transfers In	Transfers Out
General Fund	\$ -	\$5,738,962
Special Revenue Funds		
Juvenile Case Management	-	15,500
Juvenile Accountability Incentive Block Grants	48,719	-
Donation – Constable Pct 4	750	-
Donation - Constable	-	750
Mental Health Deputies	11,180	-
Auto Theft Task Force Grant	31,797	-
LLEB Grants	9,470	-
Foster Care Maintenance/Child Welfare	3,486	-
Internal Service Fund		
Health Care	550,000	-
Capital Projects Fund	5,099,810	-
	<u>\$5,755,212</u>	<u>\$5,755,212</u>

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 11: LONG-TERM DEBT

GOVERNMENTAL ACTIVITIES:

The following is a summary of debt transactions for governmental activities of the County for the year ended September 30, 2007:

	Balance October 1, 2006	Additions	Reductions	Balance September 30, 2007	Due Within One Year
Certificates of Obligation - Series 1996	\$ 2,905,000	\$ -	\$ 520,000	\$ 2,385,000	\$ 550,000
General Obligation Bonds - Series 2004	8,210,000	-	145,000	8,065,000	145,000
Compensated Absences	1,790,292	244,620	-	2,034,912	2,034,912
	<u>\$ 12,905,292</u>	<u>\$ 244,620</u>	<u>\$ 665,000</u>	<u>\$ 12,484,912</u>	<u>\$ 2,729,912</u>

Certificates of Obligation and Refunding Bonds at September 30, 2007 consist of the following:

\$3,400,000 Certificates of Obligation, Series 1996, annual installments beginning 2006 with final installment in 2011, interest at 5.10% to 5.65%	\$ 2,385,000
\$8,920,000 General Obligation Bonds, Series 2004, annual installments beginning 2005 through 2024, interest at 3.50% to 4.65%	<u>8,065,000</u>
TOTAL	<u>\$10,450,000</u>

Principal payments are due annually for Certificates of Obligation and Refunding Bonds on February 15 and interest payments are due semiannually on February 15 and August 15. The annual requirements to amortize all bonded debt outstanding as of September 30, 2007 follows:

<u>Certificates of Obligation, Series 1996</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30,			
2008	\$ 550,000	\$ 131,332	\$ 681,332
2009	580,000	101,908	681,908
2010	610,000	70,297	680,297
2011	<u>645,000</u>	<u>36,443</u>	<u>681,443</u>
	<u>\$ 2,385,000</u>	<u>\$ 339,980</u>	<u>\$ 2,724,980</u>
 <u>General Obligation Bonds, Series 2004</u>	 <u>Principal</u>	 <u>Interest</u>	 <u>Total</u>
Year Ending September 30,			
2008	\$ 145,000	\$ 345,558	\$ 490,558
2009	150,000	340,482	490,482
2010	155,000	335,233	490,233
2011	160,000	329,808	489,808
2012	440,000	324,208	764,208
2013-2017	2,500,000	1,337,238	3,837,238
2018-2022	3,080,000	756,958	3,836,958
2023-2024	<u>1,435,000</u>	<u>100,555</u>	<u>1,535,555</u>
	<u>\$ 8,065,000</u>	<u>\$ 3,870,040</u>	<u>\$11,935,040</u>

There are a number of limitations and restrictions contained in the bond and note indentures. The County is in compliance with all significant limitations and restrictions.

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 12: DEFERRED COMPENSATION PLAN

The County offers its officials and employees three deferred compensation plans established in accordance with Internal Revenue Code Section 457. Federal law requires all assets and income of Internal Revenue Code Section 457 deferred compensation plans to be held in trust, custodial accounts, or annuity contracts for the exclusive benefit of the participants and their beneficiaries.

Assets of the County's plan are administered by a private corporation under contract with the County. The private administrator amended the plan as of January 1, 1997, to comply with the new federal law. Consequently, the plan's assets and liabilities are not included in the County's financial statements.

NOTE 13: HEALTH CARE

For several years the County has maintained a Medical/Dental Self-Insurance Fund. The purpose of this fund is to pay medical and dental claims for the County officials, employees, retirees and their covered dependents and to minimize the cost of medical and dental insurance for the employees and the County. Medical claims exceeding \$75,000 per covered individual and approximately \$3,565,701 in aggregate for all covered individuals are covered through a private insurance carrier. The County does accrue liabilities for claims which are foreseeable and probable.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments is reported in each of the internal service funds. Changes in the balances of claims liabilities during the past two years are as follows:

Unpaid Claims, September 30, 2005	\$ 504,061
Insured Claims (including IBNRs)	2,881,850
Claims Payments	<u>(2,915,768)</u>
Unpaid Claims, September 30, 2006	470,143
Insured Claims (including IBNRs)	2,750,056
Claims Payments	<u>(2,820,792)</u>
Unpaid Claims, September 30, 2007	<u>\$ 399,407</u>

**MIDLAND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 14: CONTINGENCIES

Federally Assisted Programs - Compliance Audits

The County participates in numerous state and federally assisted programs, on both a direct and state pass-through basis. In connection with these grants, the County is required to comply with specific terms and agreements, as well as applicable federal and state laws and regulations. Such compliance is subject to review and audit by grantors and their representatives, including audits under the "single audit" concept and compliance examinations which build upon such audits.

In the opinion of management, the County has complied with all requirements. However, since such programs are subject to future audit or review, the possibility of disallowed expenditures exist. In the event of such disallowance of claimed expenditures, the County expects the resulting liability not to have a material adverse effect to its financial position.

Litigation

The County is party to several legal actions arising in the ordinary course of its business. In the opinion of the County's management, upon advice of the County Attorney, and the County's outside legal counsel, the County has adequate legal defense and/or insurance coverage regarding most of these actions and does not believe that they will materially affect the County's financial position. The potential losses of these lawsuits that are determinable at this time have been accrued.

NOTE 15: NEW PRONOUNCEMENTS

- In June 2004, the GASB Issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pension," which establishes standards of accounting and financial reporting for post-employment health care and other benefits. The effective date for Statement No. 45 relates to phases as did Statement No. 34. For the County, this statement will be effective for fiscal year ending September 30, 2009.
- In June 2005, the GASB issued Statement No. 47, "Accounting for Termination Benefits," which establishes standards of accounting and financial reporting for terminated benefits. The County will implement this statement for termination benefits that effect its obligation for defined benefit OPEB simultaneously with GASB 45.
- In September 2006, the GASB issued Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues." This statement establishes consistent measurement, recognition, and disclosure requirements that apply to both governmental and business-type activities with certain types of transactions involving collection of specific receivables or specific future revenues for immediate cash payments – generally a lump sum. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2006.
- In November 2006, the GASB issued Statement No. 49 "Accounting and Financial Reporting for Pollution Remediation Obligations," which provides guidance on how to calculate and report the costs and obligations associated with pollution clean up efforts. The requirements of the new standard become effective for fiscal periods beginning after December 15, 2007.

Midland County's management is reviewing the implementation process of these standards by gathering required information.

REQUIRED SUPPLEMENTARY INFORMATION

**MIDLAND COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2007**

REVENUES

- Property Tax, Penalties and Interest
- Sales Tax
- Fines and Forfeitures
- Licenses and Permits
- Intergovernmental Charges
- Charges for Current Services
- Investment Income
- Other
- TOTAL REVENUES

EXPENDITURES

- Current
 - General Administration
 - Judicial
 - Financial Administration
 - Elections
 - Public Safety and Corrections
 - Health and Welfare
 - Culture and Recreation
 - Conservation and Natural Resources
- Capital Outlay
- TOTAL EXPENDITURES

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES

OTHER FINANCING SOURCES (USES)

- Transfers In
- Transfers (Out)
- TOTAL OTHER FINANCING SOURCES (USES)

NET CHANGE IN FUND BALANCE

FUND BALANCE, BEGINNING OF YEAR

FUND BALANCE, END OF YEAR

Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
\$ 18,250,000	\$ 18,250,000	\$ 18,673,890	\$ 423,890
10,900,000	10,900,000	16,075,863	5,175,863
1,500,000	1,500,000	2,010,319	510,319
316,000	190,000	246,808	56,808
292,500	332,795	557,506	224,711
2,635,650	2,699,650	3,794,493	1,094,843
600,000	600,000	1,770,976	1,170,976
227,600	290,815	622,706	331,891
<u>34,721,750</u>	<u>34,763,260</u>	<u>43,752,561</u>	<u>8,989,301</u>
5,727,526	5,211,344	4,302,199	909,145
8,769,627	8,958,836	8,568,178	390,658
2,001,907	2,002,882	1,933,456	69,426
321,671	333,014	266,537	66,477
14,356,624	14,986,068	14,544,692	441,376
372,327	336,230	293,795	42,435
2,142,250	2,407,699	2,309,595	98,104
190,175	216,575	212,250	4,325
1,626,947	1,523,580	1,219,321	304,259
<u>35,509,054</u>	<u>35,976,228</u>	<u>33,650,023</u>	<u>2,326,205</u>
(787,304)	(1,212,968)	10,102,538	11,315,506
(5,346,872)	(7,055,881)	(5,738,962)	1,316,919
<u>(5,346,872)</u>	<u>(7,055,881)</u>	<u>(5,738,962)</u>	<u>1,316,919</u>
(6,134,176)	(8,268,849)	4,363,576	12,632,425
<u>28,372,754</u>	<u>28,372,754</u>	<u>28,144,966</u>	<u>(227,788)</u>
<u>\$ 22,238,578</u>	<u>\$ 20,103,905</u>	<u>\$ 32,508,542</u>	<u>\$ 12,404,637</u>

The notes to the required supplementary information are an integral part of these financial statements.

**MIDLAND COUNTY, TEXAS
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2007**

REVENUES

Licenses
Intergovernmental Charges
Investment Income
Other Revenues

TOTAL REVENUES

EXPENDITURES

Highways and Roads
Salaries
Employee Benefits
Departmental Supplies and Expenses
Maintenance and Repair
Contract Services
Utilities
Road Maintenance and Materials
Capital Outlay

TOTAL EXPENDITURES

NET CHANGE IN FUND BALANCE

FUND BALANCE, BEGINNING OF YEAR

FUND BALANCE, END OF YEAR

Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
\$ 2,102,200	\$ 2,102,200	\$ 2,555,578	\$ 453,378
24,000	24,000	24,849	849
15,000	15,000	134,398	119,398
21,600	21,600	32,742	11,142
<u>2,162,800</u>	<u>2,162,800</u>	<u>2,747,567</u>	<u>584,767</u>
771,100	751,100	728,771	22,329
439,400	439,400	412,395	27,005
171,700	192,128	150,816	41,312
195,700	199,705	193,305	6,400
268,500	278,515	229,830	48,685
5,000	5,000	4,271	729
950,000	956,997	334,160	622,837
205,550	216,250	195,115	21,135
<u>3,006,950</u>	<u>3,039,095</u>	<u>2,248,663</u>	<u>790,432</u>
(844,150)	(876,295)	498,904	1,375,199
<u>1,958,347</u>	<u>1,958,347</u>	<u>2,023,270</u>	<u>64,923</u>
<u>\$ 1,114,197</u>	<u>\$ 1,082,052</u>	<u>\$ 2,522,174</u>	<u>\$ 1,440,122</u>

The notes to the required supplementary information are an integral part of these financial statements.

MIDLAND COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
SEPTEMBER 30, 2007

A. BUDGETARY INFORMATION

The County follows these procedures in establishing the budgets reflected in the financial statements:

- (1) Prior to the beginning of each fiscal year, the County Judge submits to the Commissioners' Court a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted at which all interested persons' comments concerning the budget are heard.
- (3) The budget for the next fiscal year is legally enacted by the Commissioners' Court through the passage of a court order.
- (4) The Commissioners' Court has the authority to transfer appropriation balances and encumbrance appropriation balances, or portions thereof, from one expenditure account to another within a single office, department or agency of the County. During the year, several supplementary appropriations were necessary. These changes are reflected in the budget amounts presented.
- (5) The level at which expenditures may not legally exceed appropriations is the legally adopted annual operating budget for each fund in total.
- (6) Annual budgets are legally adopted for all governmental funds. These budgets are adopted on a cash basis which management believes to be not materially different than if the budgets were adopted on a generally accepted accounting principle (GAAP) basis.
- (7) At the close of each fiscal year, all appropriations lapse.

**MAJOR FUNDS
DEBT SERVICE FUND AND CAPITAL PROJECTS FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds account for revenues derived from earmarked revenue sources that are legally restricted to expenditures for a specific purpose. The following are the County's Special Revenue Funds:

District Attorney Hot Check	Sheriff Abell Hanger
County Attorney Hot Check	Sheriff Local Drug Forfeiture
Law Library	Sheriff Federal Forfeiture
County Clerk Records Management	Paving Projects
Records Preservation	Juvenile Accountability Incentive Block Grants
District Clerk Records Management	Indigent Defense Improvement Grant
Juvenile Probation Fees	Office of Court Administration Grant
Courthouse Security	Crisis Intervention Grants
County Clerk Records Archive	Other Victims Assistance Grant
County Clerk Vital Statistics	Mental Health Deputies
Voter Registration Chapter 19	Auto Theft Task Force Grant
Employee Activity	Texas Vine Grant
Dealer Inventory	Local Law Enforcement Block Grants
Justice Court Building Security	Crime Victim Services Grant
Juvenile Case Management	2005 Byrne Justice Assistance Grant
County Attorney State Supplement	Donation SO Bulletproof Vest
Graffiti Eradication	Donation Dare Lioness Club
Election Contracts	Donation CIU Volunteer Support
Child Abuse	Donation Teen Leadership Account
Appellate Justice System	Donation Constable
Abandoned Motor Vehicles	Donation Fire Marshall
Rabies Control	Title IV-E Federal Foster Care
Justice Court Technology	Juvenile Probation State Grants
Local Emergency Planning Commission	State Homeland Security Grant
Donations SO Mounted Patrol	Helping America Vote Act Grant
Donations Constable 4 Bullet Proof Vest	JAG 2006 Justice Assistance Grant
Donation Horseshoe Proctor	Gates Public Access Comp HUG
Donations Sheriff's Office	Donation Cemetery Care
Donations Constable 4	Donation Library
L.E.O.S.E. Funds	Lone Star Libraries Grant
District Attorney Abell Hanger	
District Attorney Drug Forfeiture	

SUPPLEMENTARY INFORMATION

**MIDLAND COUNTY, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2007**

REVENUES

Property Tax, Penalties and Interest
Investment Income

TOTAL REVENUES

EXPENDITURES

Debt Service
1996 Certificates of Obligation - Principal
1996 Certificates of Obligation - Interest and Fiscal Charges
2004 Certificates of Obligation - Principal
2004 Certificates of Obligation - Interest and Fiscal Charges

TOTAL EXPENDITURES

NET CHANGE IN FUND BALANCE

FUND BALANCE, BEGINNING OF YEAR

FUND BALANCE, END OF YEAR

Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
\$ 1,169,000	\$ 1,169,000	\$ 1,198,439	\$ 29,439
11,000	11,000	40,463	29,463
<u>1,180,000</u>	<u>1,180,000</u>	<u>1,238,902</u>	<u>58,902</u>
520,000	520,000	520,000	-
160,000	160,000	158,568	1,432
145,000	145,000	145,000	-
355,000	355,000	350,952	4,048
<u>1,180,000</u>	<u>1,180,000</u>	<u>1,174,520</u>	<u>5,480</u>
-	-	64,382	64,382
<u>227,298</u>	<u>227,298</u>	<u>225,630</u>	<u>1,668</u>
<u>\$ 227,298</u>	<u>\$ 227,298</u>	<u>\$ 290,012</u>	<u>\$ 62,714</u>

**MIDLAND COUNTY, TEXAS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2007**

REVENUES

Investment Income

TOTAL REVENUES

EXPENDITURES

Capital Outlay

TOTAL EXPENDITURES

EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES

OTHER FINANCING SOURCES (USES)

Transfers In

NET CHANGE IN FUND BALANCE

FUND BALANCE, BEGINNING OF YEAR

FUND BALANCE, END OF YEAR

Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
\$ -	\$ 10,000	\$ 9,620	\$ (380)
-	10,000	9,620	(380)
-	6,142,994	4,469,972	1,673,022
-	6,142,994	4,469,972	1,673,022
-	(6,132,994)	(4,460,352)	1,672,642
-	5,081,720	5,099,810	18,090
-	(1,051,274)	639,458	1,690,732
-	233,225	233,225	-
<u>\$ -</u>	<u>\$ (818,049)</u>	<u>\$ 872,683</u>	<u>\$ 1,690,732</u>

**MIDLAND COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS -
COMBINING BALANCE SHEET
SEPTEMBER 30, 2007**

	<u>District Attorney Hot Check</u>	<u>County Attorney Hot Check</u>	<u>Law Library</u>
ASSETS			
Cash	\$ -	\$ -	\$ 886
Investments	299,586	8,296	114,470
Accounts Receivable	-	-	-
Due from Other Governmental Agencies	-	-	-
Due from Other Funds	8,384	-	1,855
	<u>8,384</u>	<u>-</u>	<u>1,855</u>
TOTAL ASSETS	<u>\$ 307,970</u>	<u>\$ 8,296</u>	<u>\$ 117,211</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to Pooled Cash	\$ 20,578	\$ -	\$ -
Accounts Payable	-	-	6,770
Salaries Payable	-	-	-
Benefits Payable	1,168	-	606
Due to Other Funds	-	-	-
Due to Other Governmental Agencies	-	-	-
Deferred Grant Revenue	-	-	-
	<u>21,746</u>	<u>-</u>	<u>7,376</u>
TOTAL LIABILITIES	<u>21,746</u>	<u>-</u>	<u>7,376</u>
FUND BALANCES			
Unreserved			
Designated for Subsequent Year's Expenditures	195,120	-	5,555
Undesignated	91,104	8,296	104,280
	<u>286,224</u>	<u>8,296</u>	<u>109,835</u>
TOTAL FUND BALANCES	<u>286,224</u>	<u>8,296</u>	<u>109,835</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 307,970</u>	<u>\$ 8,296</u>	<u>\$ 117,211</u>

<u>County Clerk Records Management</u>	<u>Records Preservation</u>	<u>District Clerk Records Management</u>	<u>Juvenile Probation Fees</u>	<u>Courthouse Security</u>	<u>County Clerk Records Archive</u>	<u>County Clerk Vital Statistics</u>
\$ 2,846	\$ 523	\$ 46,861	\$ 470	\$ -	\$ 2,147	\$ -
244,112	277,869	-	40,521	169,421	285,282	65,663
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,395	1,530	293	-	1,139	2,284	371
<u>\$ 249,353</u>	<u>\$ 279,922</u>	<u>\$ 47,154</u>	<u>\$ 40,991</u>	<u>\$ 170,560</u>	<u>\$ 289,713</u>	<u>\$ 66,034</u>

\$ -	\$ -	\$ -	\$ -	\$ 732	\$ -	\$ 50
5,354	9,887	-	-	743	-	-
237	-	-	-	-	285	-
997	-	-	-	786	131	21
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,588	9,887	-	-	2,261	416	71

71,930	270,035	24,000	-	105,600	-	25
170,835	-	23,154	40,991	62,699	289,297	65,938
242,765	270,035	47,154	40,991	168,299	289,297	65,963
<u>\$ 249,353</u>	<u>\$ 279,922</u>	<u>\$ 47,154</u>	<u>\$ 40,991</u>	<u>\$ 170,560</u>	<u>\$ 289,713</u>	<u>\$ 66,034</u>

(Continued)

**MIDLAND COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS -
COMBINING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2007**

	Voter Registration Chapter 19	Employee Activity	Dealer Inventory
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments	-	12,617	45,925
Accounts Receivable	-	1,200	-
Due from Other Governmental Agencies	884	-	-
Due from Other Funds	-	-	2,142
	-	-	2,142
TOTAL ASSETS	\$ 884	\$ 13,817	\$ 48,067
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to Pooled Cash	\$ 884	\$ -	\$ 807
Accounts Payable	-	1	-
Salaries Payable	-	-	-
Benefits Payable	-	-	51
Due to Other Funds	-	-	-
Due to Other Governmental Agencies	-	-	-
Deferred Grant Revenue	-	-	-
	-	-	-
TOTAL LIABILITIES	884	1	858
FUND BALANCES			
Unreserved			
Designated for Subsequent Year's Expenditures	-	1,200	-
Undesignated	-	12,616	47,209
	-	12,616	47,209
TOTAL FUND BALANCES	-	13,816	47,209
TOTAL LIABILITIES AND FUND BALANCES	\$ 884	\$ 13,817	\$ 48,067

<u>Justice Court Building Security</u>	<u>Juvenile Case Management</u>	<u>County Attorney State Supplement</u>	<u>Graffiti Eradication</u>	<u>Election Contracts</u>	<u>Child Abuse</u>	<u>Appellate Justice System</u>
\$ 13,720	\$ 50,609	\$ 33,635	\$ 40	\$ 32,987	\$ -	\$ 1,050
-	-	-	-	-	-	-
-	-	-	-	-	-	-
66	330	-	-	-	59	234
<u>\$ 13,786</u>	<u>\$ 50,939</u>	<u>\$ 33,635</u>	<u>\$ 40</u>	<u>\$ 32,987</u>	<u>\$ 59</u>	<u>\$ 1,284</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	801	-	-	-	1,284
-	-	18	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	819	-	-	-	1,284
-	8,000	8,366	-	3,400	-	-
13,786	42,939	24,450	40	29,587	59	-
13,786	50,939	32,816	40	32,987	59	-
<u>\$ 13,786</u>	<u>\$ 50,939</u>	<u>\$ 33,635</u>	<u>\$ 40</u>	<u>\$ 32,987</u>	<u>\$ 59</u>	<u>\$ 1,284</u>

(Continued)

**MIDLAND COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS -
COMBINING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2007**

	<u>Abandoned Motor Vehicles</u>	<u>Rabies Control</u>	<u>Justice Court Technology</u>
ASSETS			
Cash	\$ 9,766	\$ 7,421	\$ 148,891
Investments	-	-	-
Accounts Receivable	-	-	-
Due from Other Governmental Agencies	-	-	-
Due from Other Funds	-	-	267
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 9,766</u>	<u>\$ 7,421</u>	<u>\$ 149,158</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to Pooled Cash	\$ -	\$ -	\$ -
Accounts Payable	-	69	1,534
Salaries Payable	-	-	-
Benefits Payable	-	-	-
Due to Other Funds	-	-	-
Due to Other Governmental Agencies	-	-	-
Deferred Grant Revenue	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>-</u>	<u>69</u>	<u>1,534</u>
FUND BALANCES			
Unreserved			
Designated for Subsequent Year's Expenditures	-	-	-
Undesignated	<u>9,766</u>	<u>7,352</u>	<u>147,624</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>9,766</u>	<u>7,352</u>	<u>147,624</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,766</u>	<u>\$ 7,421</u>	<u>\$ 149,158</u>

<u>Local Emergency Planning Commission</u>	<u>Donations SO Mounted Patrol</u>	<u>Donations Const 4 Bullet Proof Vest</u>	<u>Donation Horseshoe Proctor</u>	<u>Donations Sheriff's Office</u>	<u>Donations Constable 4</u>	<u>L.E.O.S.E. Funds</u>
\$ 424	\$ 2,095	\$ 500	\$ 107,159	\$ 25,011	\$ 968	\$ 9,157
-	-	-	-	-	-	-
-	-	-	-	-	-	90
-	-	-	-	-	-	-
<u>\$ 424</u>	<u>\$ 2,095</u>	<u>\$ 500</u>	<u>\$ 107,159</u>	<u>\$ 25,011</u>	<u>\$ 968</u>	<u>\$ 9,247</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	4,870	4,503	-	2
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4,870	4,503	-	2
-	-	-	-	20,508	-	-
<u>424</u>	<u>2,095</u>	<u>500</u>	<u>102,289</u>	<u>-</u>	<u>968</u>	<u>9,245</u>
<u>424</u>	<u>2,095</u>	<u>500</u>	<u>102,289</u>	<u>20,508</u>	<u>968</u>	<u>9,245</u>
<u>\$ 424</u>	<u>\$ 2,095</u>	<u>\$ 500</u>	<u>\$ 107,159</u>	<u>\$ 25,011</u>	<u>\$ 968</u>	<u>\$ 9,247</u>

(Continued)

**MIDLAND COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS -
COMBINING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2007**

	District Attorney Abell Hanger	District Attorney Drug Forfeiture	Sheriff Abell Hanger
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments	6,229	58,845	5,788
Accounts Receivable	-	-	-
Due from Other Governmental Agencies	-	-	-
Due from Other Funds	-	-	-
	<u>6,229</u>	<u>58,845</u>	<u>5,788</u>
TOTAL ASSETS	<u>\$ 6,229</u>	<u>\$ 58,845</u>	<u>\$ 5,788</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to Pooled Cash	\$ 1,366	\$ -	\$ -
Accounts Payable	-	6,113	46
Salaries Payable	-	-	-
Benefits Payable	-	-	-
Due to Other Funds	-	-	-
Due to Other Governmental Agencies	-	-	-
Deferred Grant Revenue	-	-	-
	<u>1,366</u>	<u>6,113</u>	<u>46</u>
TOTAL LIABILITIES	<u>1,366</u>	<u>6,113</u>	<u>46</u>
FUND BALANCES			
Unreserved			
Designated for Subsequent Year's Expenditures	-	19,500	-
Undesignated	4,863	33,232	5,742
	<u>4,863</u>	<u>52,732</u>	<u>5,742</u>
TOTAL FUND BALANCES	<u>4,863</u>	<u>52,732</u>	<u>5,742</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,229</u>	<u>\$ 58,845</u>	<u>\$ 5,788</u>

<u>Sheriff Local Drug Forfeiture</u>	<u>Sheriff Federal Forfeiture</u>	<u>Paving Projects</u>	<u>Juvenile Accountability Incentive Block Grants</u>	<u>Indigent Defense Improvement Grant</u>	<u>Office of Court Administration Grant</u>	<u>Crisis Intervention Grant</u>
\$ 2,388	\$ -	\$ 19,500	\$ 2,846	\$ 13,282	\$ -	\$ 19
-	95,670	-	-	-	-	-
-	-	-	229	-	1,764	-
-	-	-	24,725	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,388</u>	<u>\$ 95,670</u>	<u>\$ 19,500</u>	<u>\$ 27,800</u>	<u>\$ 13,282</u>	<u>\$ 1,764</u>	<u>\$ 19</u>
\$ -	\$ -	\$ -	\$ 22,566	\$ -	\$ 1,605	\$ -
-	21,037	-	3,217	6,525	-	11
-	-	-	-	-	-	-
-	-	-	2,017	-	159	8
-	-	-	-	-	-	-
-	-	-	-	6,757	-	-
-	21,037	-	27,800	13,282	1,764	19
-	74,633	-	-	-	-	-
2,388	-	19,500	-	-	-	-
2,388	74,633	19,500	-	-	-	-
<u>\$ 2,388</u>	<u>\$ 95,670</u>	<u>\$ 19,500</u>	<u>\$ 27,800</u>	<u>\$ 13,282</u>	<u>\$ 1,764</u>	<u>\$ 19</u>

(Continued)

**MIDLAND COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS -
COMBINING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2007**

	<u>Other Victims Assistance Grant</u>	<u>Mental Health Deputies</u>	<u>Auto Theft Task Force Grant</u>
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Accounts Receivable	-	-	-
Due from Other Governmental Agencies	5,211	18,143	7,521
Due from Other Funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 5,211</u>	<u>\$ 18,143</u>	<u>\$ 7,521</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to Pooled Cash	\$ 4,713	\$ 16,602	\$ 5,969
Accounts Payable	-	-	638
Salaries Payable	-	-	-
Benefits Payable	498	1,541	914
Due to Other Funds	-	-	-
Due to Other Governmental Agencies	-	-	-
Deferred Grant Revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>5,211</u>	<u>18,143</u>	<u>7,521</u>
FUND BALANCES			
Unreserved			
Designated for Subsequent Year's Expenditures	-	-	-
Undesignated	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,211</u>	<u>\$ 18,143</u>	<u>\$ 7,521</u>

<u>Texas VINE Grant</u>	<u>Local Law Enforcement Block Grants</u>	<u>Crime Victim Services Grant</u>	<u>2005 Byrne Justice Asst Grant</u>	<u>Donation SO Bullet Proof Vest</u>	<u>Donation Dare Lioness Club</u>	<u>Donation CIU Volunteer Support</u>
\$ -	\$ 5,169	\$ -	\$ 4,153	\$ 752	\$ 100	\$ 605
-	-	-	-	-	-	-
-	-	6,282	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 5,169</u>	<u>\$ 6,282</u>	<u>\$ 4,153</u>	<u>\$ 752</u>	<u>\$ 100</u>	<u>\$ 605</u>
\$ -	\$ -	\$ 5,803	\$ -	\$ -	\$ -	\$ -
-	5,169	-	-	1,557	-	-
-	-	-	-	-	-	-
-	-	479	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,169	6,282	-	1,557	-	-
-	-	-	-	-	-	-
-	-	-	4,153	(805)	100	605
-	-	-	4,153	(805)	100	605
<u>\$ -</u>	<u>\$ 5,169</u>	<u>\$ 6,282</u>	<u>\$ 4,153</u>	<u>\$ 752</u>	<u>\$ 100</u>	<u>\$ 605</u>

(Continued)

**MIDLAND COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS -
COMBINING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2007**

	<u>Donation Teen Leadership Account</u>	<u>Donation Constable</u>	<u>Donation Fire Marshall</u>
ASSETS			
Cash	\$ 18,419	\$ 750	\$ 70
Investments	-	-	-
Accounts Receivable	-	-	-
Due from Other Governmental Agencies	-	-	-
Due from Other Funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 18,419</u>	<u>\$ 750</u>	<u>\$ 70</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to Pooled Cash	\$ -	\$ -	\$ -
Accounts Payable	-	-	-
Salaries Payable	-	-	-
Benefits Payable	-	-	-
Due to Other Funds	-	-	-
Due to Other Governmental Agencies	-	-	-
Deferred Grant Revenue	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Unreserved			
Designated for Subsequent Year's Expenditures	-	750	-
Undesignated	18,419	-	70
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>18,419</u>	<u>750</u>	<u>70</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 18,419</u>	<u>\$ 750</u>	<u>\$ 70</u>

<u>Title IV-E Federal Foster Care</u>	<u>Juvenile Probation State Grants</u>	<u>Foster Care Maintenance/ Child Welfare</u>	<u>State Homeland Security Grant</u>	<u>Helping America Vote Act Grant</u>	<u>JAG 2006 Justice Assist Grant</u>	<u>Gates Public Access Comp HUG</u>
\$ -	\$ 76,474	\$ -	\$ -	\$ -	\$ 1,455	\$ 1,281
480,868	-	-	-	-	-	-
-	367	-	-	-	-	-
140,547	9,206	3,286	95,020	-	-	-
-	-	-	-	-	-	-
<u>\$ 621,415</u>	<u>\$ 86,047</u>	<u>\$ 3,286</u>	<u>\$ 95,020</u>	<u>\$ -</u>	<u>\$ 1,455</u>	<u>\$ 1,281</u>
\$ 254	\$ -	\$ 3,286	\$ 95,020	\$ -	\$ -	\$ -
1,946	30,452	-	-	-	-	-
-	-	-	-	-	-	-
190	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
79,735	51,265	-	-	-	1,455	1,281
<u>82,125</u>	<u>81,717</u>	<u>3,286</u>	<u>95,020</u>	<u>-</u>	<u>1,455</u>	<u>1,281</u>
-	-	-	-	-	-	-
539,290	4,330	-	-	-	-	-
<u>539,290</u>	<u>4,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 621,415</u>	<u>\$ 86,047</u>	<u>\$ 3,286</u>	<u>\$ 95,020</u>	<u>\$ -</u>	<u>\$ 1,455</u>	<u>\$ 1,281</u>

(Continued)

**MIDLAND COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS -
COMBINING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2007**

	Donation Cemetery Care	Donation Library	Lone Star Libraries Grant	Totals
ASSETS				
Cash	\$ 658	\$ 12,685	\$ 125	\$ 657,896
Investments	-	-	-	2,211,163
Accounts Receivable	-	-	-	3,650
Due from Other Governmental Agencies	-	-	-	310,825
Due from Other Funds	-	-	-	21,348
TOTAL ASSETS	<u>\$ 658</u>	<u>\$ 12,685</u>	<u>\$ 125</u>	<u>\$ 3,204,881</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to Pooled Cash	\$ -	\$ -	\$ -	\$ 180,234
Accounts Payable	-	8,526	25	121,078
Salaries Payable	-	-	-	522
Benefits Payable	-	-	-	9,584
Due to Other Funds	-	-	-	-
Due to Other Governmental Agencies	-	-	-	-
Deferred Grant Revenue	-	-	-	140,493
TOTAL LIABILITIES	<u>-</u>	<u>8,526</u>	<u>25</u>	<u>451,912</u>
FUND BALANCES				
Unreserved				
Designated for Subsequent Year's Expenditures	-	4,159	-	812,781
Undesignated	658	-	100	1,940,188
TOTAL FUND BALANCES	<u>658</u>	<u>4,159</u>	<u>100</u>	<u>2,752,969</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 658</u>	<u>\$ 12,685</u>	<u>\$ 125</u>	<u>\$ 3,204,881</u>

**MIDLAND COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS - COMBINING STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2007**

	District Attorney Hot Check	County Attorney Hot Check	Law Library
REVENUES			
Charges for Services	\$ 132,436	\$ -	\$ 107,626
Investment Income	8	-	115
Fines and Forfeitures	-	-	-
Intergovernmental	33,630	-	-
Miscellaneous	-	-	-
TOTAL REVENUES	166,074	-	107,741
EXPENDITURES			
Current			
General Administration	-	-	-
Judicial	174,857	1	83,202
Financial Administration	-	-	-
Elections	-	-	-
Public Safety and Corrections	-	-	-
Health and Welfare	-	-	-
Culture and Recreation	-	-	-
Highways and Roads	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
TOTAL EXPENDITURES	174,857	1	83,202
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,783)	(1)	24,539
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(8,783)	(1)	24,539
FUND BALANCE - BEGINNING OF YEAR	295,007	8,297	85,296
FUND BALANCE - END OF YEAR	\$ 286,224	\$ 8,296	\$ 109,835

County Clerk Records Management	Records Preservation	District Clerk Records Management	Juvenile Probation Fees	Courthouse Security	County Clerk Records Archive	County Clerk Vital Statistics
\$ 157,235	\$ 78,120	\$ 14,241	\$ 13,420	\$ 86,595	\$ 152,119	\$ 19,279
11,332	12,927	-	45	8,967	10,550	2,882
-	-	-	-	-	-	-
3,923	-	-	-	-	-	-
<u>172,490</u>	<u>91,047</u>	<u>14,241</u>	<u>13,465</u>	<u>95,562</u>	<u>162,669</u>	<u>22,161</u>
-	-	-	-	-	-	-
113,243	22,446	-	2,986	-	17,233	2,492
-	-	-	-	-	-	-
-	-	-	-	92,953	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
26,316	16,251	-	-	-	-	-
-	-	-	-	-	-	-
<u>139,559</u>	<u>38,697</u>	<u>-</u>	<u>2,986</u>	<u>92,953</u>	<u>17,233</u>	<u>2,492</u>
-	-	-	-	-	-	-
<u>32,931</u>	<u>52,350</u>	<u>14,241</u>	<u>10,479</u>	<u>2,609</u>	<u>145,436</u>	<u>19,669</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
32,931	52,350	14,241	10,479	2,609	145,436	19,669
<u>209,834</u>	<u>217,685</u>	<u>32,913</u>	<u>30,512</u>	<u>165,690</u>	<u>143,861</u>	<u>46,294</u>
<u>\$ 242,765</u>	<u>\$ 270,035</u>	<u>\$ 47,154</u>	<u>\$ 40,991</u>	<u>\$ 168,299</u>	<u>\$ 289,297</u>	<u>\$ 65,963</u>

MIDLAND COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS - COMBINING STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2007

	Voter Registration Chapter 19	Employee Activity	Dealer Inventory
REVENUES			
Charges for Other Services	\$ 3,340	\$ 14,389	\$ 1,707
Investment Income	-	-	27,452
Fines and Forfeitures	-	-	-
Intergovernmental	-	-	-
Miscellaneous	-	-	-
TOTAL REVENUES	3,340	14,389	29,159
EXPENDITURES			
Current			
General Administration	-	14,986	-
Judicial	-	-	-
Financial Administration	-	-	12,066
Elections	3,340	-	-
Public Safety and Corrections	-	-	-
Health and Welfare	-	-	-
Culture and Recreation	-	-	-
Highways and Roads	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
TOTAL EXPENDITURES	3,340	14,986	12,066
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(597)	17,093
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	(597)	17,093
FUND BALANCE - BEGINNING OF YEAR	-	14,413	30,116
FUND BALANCE - END OF YEAR	\$ -	\$ 13,816	\$ 47,209

<u>Justice Court Building Security</u>	<u>Juvenile Case Management</u>	<u>County Attorney State Supplement</u>	<u>Graffiti Eradication</u>	<u>Election Contracts</u>	<u>Child Abuse</u>	<u>Appellate Justice System</u>
\$ -	\$ -	\$ -	\$ 7	\$ 29,581	\$ 59	\$ -
-	-	-	-	-	-	-
8,962	43,872	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>8,962</u>	<u>43,872</u>	<u>-</u>	<u>7</u>	<u>29,581</u>	<u>59</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	49,068	-	-	-	-
-	-	-	-	10,848	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	49,068	-	10,848	-	-
<u>8,962</u>	<u>43,872</u>	<u>(49,068)</u>	<u>7</u>	<u>18,733</u>	<u>59</u>	<u>-</u>
-	-	-	-	-	-	-
-	(15,500)	-	-	-	-	-
-	(15,500)	-	-	-	-	-
8,962	28,373	(49,068)	7	18,733	59	-
4,824	22,567	81,884	33	14,254	-	-
<u>\$ 13,786</u>	<u>\$ 50,939</u>	<u>\$ 32,816</u>	<u>\$ 40</u>	<u>\$ 32,987</u>	<u>\$ 59</u>	<u>\$ -</u>

**MIDLAND COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS - COMBINING STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2007**

	<u>Abandoned Motor Vehicles</u>	<u>Rabies Control</u>	<u>Justice Court Technology</u>
REVENUES			
Charges for Other Services	\$ -	\$ 1,920	\$ -
Investment Income	-	-	-
Fines and Forfeitures	-	-	38,819
Intergovernmental	-	-	-
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	-	1,920	38,819
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
General Administration	-	-	-
Judicial	-	-	2,211
Financial Administration	-	-	-
Elections	-	-	-
Public Safety and Corrections	-	-	-
Health and Welfare	-	418	-
Culture and Recreation	-	-	-
Highways and Roads	-	-	-
Capital Outlay	-	-	8,350
Debt Service	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	-	418	10,561
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	1,502	28,258
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	1,502	28,258
	<hr/>	<hr/>	<hr/>
FUND BALANCE - BEGINNING OF YEAR	9,766	5,850	119,366
	<hr/>	<hr/>	<hr/>
FUND BALANCE - END OF YEAR	<u>\$ 9,766</u>	<u>\$ 7,352</u>	<u>\$ 147,624</u>

<u>Local Emergency Planning Commission</u>	<u>Donations SO Mounted Patrol</u>	<u>Donations Const 4 Bullet Proof Vest</u>	<u>Donation Horseshoe Proctor</u>	<u>Donations Sheriff's Office</u>	<u>Donations Constable 4</u>	<u>L.E.O.S.E. Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	93
-	-	-	-	-	-	-
-	380	-	50,000	25,610	1,100	14,709
-	380	-	50,000	25,610	1,100	-
-	380	-	50,000	25,610	1,100	14,802
-	-	-	5,070	-	-	-
-	-	-	-	21,102	882	-
-	-	-	-	-	-	-
-	1,652	-	-	-	-	17,169
-	-	-	-	-	-	-
-	-	-	42,641	-	-	-
-	-	-	-	-	-	-
-	1,652	-	47,711	21,102	882	17,169
-	(1,272)	-	2,289	4,508	218	(2,367)
-	-	-	-	-	750	-
-	-	-	-	-	-	-
-	-	-	-	-	750	-
-	(1,272)	-	2,289	4,508	968	(2,367)
424	3,367	500	100,000	16,000	-	11,612
<u>\$ 424</u>	<u>\$ 2,095</u>	<u>\$ 500</u>	<u>\$ 102,289</u>	<u>\$ 20,508</u>	<u>\$ 968</u>	<u>\$ 9,245</u>

MIDLAND COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS - COMBINING STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2007

	District Attorney Abell Hanger	District Attorney Drug Forfeiture	Sheriff Abell Hanger
REVENUES			
Charges for Other Services	\$ -	\$ -	\$ -
Investment Income	-	52	-
Fines and Forfeitures	-	22,440	-
Intergovernmental	-	-	-
Miscellaneous	-	-	-
TOTAL REVENUES	-	22,492	-
EXPENDITURES			
Current			
General Administration	-	-	-
Judicial	1,367	9,068	-
Financial Administration	-	-	-
Elections	-	-	-
Public Safety and Corrections	-	-	3,365
Health and Welfare	-	-	-
Culture and Recreation	-	-	-
Highways and Roads	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
TOTAL EXPENDITURES	1,367	9,068	3,365
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,367)	13,424	(3,365)
OTHER FINANCING SOURCES			
Operating Transfer In	-	-	-
Operating Transfer (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(1,367)	13,424	(3,365)
FUND BALANCE - BEGINNING OF YEAR	6,230	39,308	9,107
FUND BALANCE - END OF YEAR	\$ 4,863	\$ 52,732	\$ 5,742

<u>Sheriff Local Drug Forfeiture</u>	<u>Sheriff Federal Forfeiture</u>	<u>Paving Projects</u>	<u>Juvenile Accountability Incentive Block Grants</u>	<u>Indigent Defense Improvement Grant</u>	<u>Office of Court Administration Grant</u>	<u>Crisis Intervention Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,649	-	-	-	-	-
-	142,387	-	-	-	-	-
-	-	-	95,643	6,525	19,025	61,368
-	424	-	-	-	944	6,320
-	<u>147,460</u>	-	<u>95,643</u>	<u>6,525</u>	<u>19,969</u>	<u>67,688</u>
-	-	-	-	-	-	-
-	-	-	144,362	1,100	19,969	-
-	-	-	-	-	-	-
-	68,934	-	-	-	-	67,688
-	-	-	-	-	-	-
-	54,421	-	-	5,425	-	-
-	-	-	-	-	-	-
-	<u>123,355</u>	-	<u>144,362</u>	<u>6,525</u>	<u>19,969</u>	<u>67,688</u>
-	24,105	-	(48,719)	-	-	-
-	-	-	48,719	-	-	-
-	-	-	-	-	-	-
-	-	-	48,719	-	-	-
-	24,105	-	-	-	-	-
<u>2,388</u>	<u>50,528</u>	<u>19,500</u>	-	-	-	-
<u>\$ 2,388</u>	<u>\$ 74,633</u>	<u>\$ 19,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

MIDLAND COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS - COMBINING STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2007

	Other Victims Assistance Grant	Mental Health Deputies	Auto Theft Task Force Grant
REVENUES			
Charges for Other Services	\$ -	\$ -	\$ -
Investment Income	-	-	-
Fines and Forfeitures	-	-	-
Intergovernmental	37,283	84,810	27,962
Miscellaneous	-	-	12,211
TOTAL REVENUES	37,283	84,810	40,173
EXPENDITURES			
Current			
General Administration	-	-	-
Judicial	-	-	-
Financial Administration	-	-	-
Elections	-	-	-
Public Safety and Corrections	37,283	95,990	71,970
Health and Welfare	-	-	-
Culture and Recreation	-	-	-
Highways and Roads	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
TOTAL EXPENDITURES	37,283	95,990	71,970
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(11,180)	(31,797)
OTHER FINANCING SOURCES			
Operating Transfers In	-	11,180	31,797
Operating Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES	-	11,180	31,797
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -

<u>Texas VINE Grant</u>	<u>Local Law Enforcement Block Grants</u>	<u>Crime Victim Services Grant</u>	<u>2005 Byrne Justice Asst Grant</u>	<u>Donation SO Bullet Proof Vest</u>	<u>Donation Dare Lioness Club</u>	<u>Donation CIU Volunteer Support</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	209	-	-	-
-	-	-	-	-	-	-
25,817	87	38,053	-	-	-	-
-	-	-	-	2,700	-	350
<u>25,817</u>	<u>87</u>	<u>38,053</u>	<u>209</u>	<u>2,700</u>	<u>-</u>	<u>350</u>
-	-	-	-	-	-	-
-	-	38,053	302	-	-	-
-	-	-	-	-	-	-
25,817	-	-	-	6,952	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>25,817</u>	<u>-</u>	<u>38,053</u>	<u>302</u>	<u>6,952</u>	<u>-</u>	<u>-</u>
-	87	-	(93)	(4,252)	-	350
-	9,469	-	-	-	-	-
-	-	-	-	-	-	-
-	9,469	-	-	-	-	-
-	9,556	-	(93)	(4,252)	-	350
-	(9,556)	-	4,246	3,447	100	255
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,153</u>	<u>\$ (805)</u>	<u>\$ 100</u>	<u>\$ 605</u>

MIDLAND COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS - COMBINING STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2007

	Donation Teen Leadership Account	Donation Constable	Donation Fire Marshall
REVENUES			
Charges for Other Services	\$ -	\$ -	\$ -
Investment Income	-	-	-
Fines and Forfeitures	-	-	-
Intergovernmental	-	-	-
Miscellaneous	20,000	-	-
TOTAL REVENUES	20,000	-	-
EXPENDITURES			
Current			
General Administration	-	-	-
Judicial	3,503	-	-
Financial Administration	-	-	-
Elections	-	-	-
Public Safety and Corrections	-	-	-
Health and Welfare	-	-	-
Culture and Recreation	-	-	-
Highways and Roads	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
TOTAL EXPENDITURES	3,503	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,497	-	-
OTHER FINANCING SOURCES			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	(750)	-
TOTAL OTHER FINANCING SOURCES	-	(750)	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	16,497	(750)	-
FUND BALANCE - BEGINNING OF YEAR	1,922	1,500	70
FUND BALANCE - END OF YEAR	\$ 18,419	\$ 750	\$ 70

<u>Title IV-E Federal Foster Care</u>	<u>Juvenile Probation State Grants</u>	<u>Foster Care Maintenance/ Child Welfare</u>	<u>State Homeland Security Grant</u>	<u>Helping America Vote Act Grant</u>	<u>JAG 2006 Justice Assist Grant</u>	<u>Gates Public Access Comp HUG</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24,746	-	-	-	-	375	-
-	-	-	-	-	-	1,217
114,136	587,919	5,376	95,020	24,831	12,050	-
-	-	-	-	-	-	-
<u>138,882</u>	<u>587,919</u>	<u>5,376</u>	<u>95,020</u>	<u>24,831</u>	<u>12,425</u>	<u>1,217</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	24,831	-	-
103,146	583,589	8,862	-	-	12,425	22,467
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	95,020	-	-	-
-	-	-	-	-	-	-
<u>103,146</u>	<u>583,589</u>	<u>8,862</u>	<u>95,020</u>	<u>24,831</u>	<u>12,425</u>	<u>22,467</u>
<u>35,736</u>	<u>4,330</u>	<u>(3,486)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,250)</u>
-	-	3,486	-	-	-	-
-	-	-	-	-	-	-
-	-	3,486	-	-	-	-
35,736	4,330	-	-	-	-	(21,250)
503,554	-	-	-	-	-	21,250
<u>\$ 539,290</u>	<u>\$ 4,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MIDLAND COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS - COMBINING STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2007

	Donation Cemetery Care	Donation Library	Lone Star Libraries Grant	Totals
REVENUES				
Charges for Other Services	\$ -	\$ -	\$ -	\$ 812,074
Investment Income	-	-	-	104,401
Fines and Forfeitures	-	-	100	257,798
Intergovernmental	-	-	9,391	1,293,635
Miscellaneous	-	8,630	-	132,592
TOTAL REVENUES	-	8,630	9,491	2,600,500
EXPENDITURES				
Current				
General Administration	-	-	-	20,056
Judicial	-	-	-	707,448
Financial Administration	-	-	-	12,066
Elections	-	-	-	39,018
Public Safety and Corrections	-	-	-	1,220,261
Health and Welfare	-	-	-	418
Culture and Recreation	-	8,614	9,391	18,005
Highways and Roads	-	-	-	-
Capital Outlay	-	-	-	248,422
Debt Service	-	-	-	-
TOTAL EXPENDITURES	-	8,614	9,391	2,265,694
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	16	100	334,806
OTHER FINANCING SOURCES				
Operating Transfers In	-	-	-	105,402
Operating Transfers (Out)	-	-	-	(16,250)
TOTAL OTHER FINANCING SOURCES	-	-	-	89,152
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	16	100	423,958
FUND BALANCE - BEGINNING OF YEAR	658	4,143	-	2,329,011
FUND BALANCE - END OF YEAR	\$ 658	\$ 4,159	\$ 100	\$ 2,752,969

INTERNAL SERVICE FUNDS

The Internal Service Funds account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis. The three Internal Service Funds are:

Risk Management
Health Care
Fleet Maintenance

**MIDLAND COUNTY, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
SEPTEMBER 30, 2007**

	<u>Risk Management</u>	<u>Health Care</u>	<u>Fleet Maintenance</u>	<u>Total</u>
ASSETS				
Cash	\$ 2,087	\$ 537,580	\$ 139,315	\$ 678,982
Investments	3,040,047	714,112	-	3,754,159
Accounts Receivable	134	-	26,662	26,796
Prepaid Assets	120,617	-	-	120,617
TOTAL ASSETS	<u>3,162,885</u>	<u>1,251,692</u>	<u>165,977</u>	<u>4,580,554</u>
LIABILITIES				
Accounts Payable	218,901	399,407	38,504	656,812
TOTAL LIABILITIES	<u>218,901</u>	<u>399,407</u>	<u>38,504</u>	<u>656,812</u>
NET ASSETS				
Unrestricted	2,943,984	852,285	127,473	3,923,742
TOTAL NET ASSETS	<u>\$ 2,943,984</u>	<u>\$ 852,285</u>	<u>\$ 127,473</u>	<u>\$ 3,923,742</u>

<u>Risk Management</u>	<u>Health Care</u>	<u>Fleet Maintenance</u>	<u>Totals</u>
\$ 1,103,251	\$ 3,500,428	\$ 429,100	\$ 5,032,779
144,957	32,598	-	177,555
<u>1,248,208</u>	<u>3,533,026</u>	<u>429,100</u>	<u>5,210,334</u>
-	-	374,565	374,565
272,347	2,834,006	-	3,106,353
29,811	220,244	-	250,055
662,102	309,286	-	971,388
-	345	-	345
<u>964,260</u>	<u>3,363,880</u>	<u>374,565</u>	<u>4,702,705</u>
<u>283,948</u>	<u>169,146</u>	<u>54,535</u>	<u>507,629</u>
-	550,000	-	550,000
283,948	719,146	54,535	1,057,629
<u>2,660,036</u>	<u>133,139</u>	<u>72,938</u>	<u>2,866,113</u>
<u>\$ 2,943,984</u>	<u>\$ 852,285</u>	<u>\$ 127,473</u>	<u>\$ 3,923,742</u>

<u>Risk Management</u>	<u>Health Care</u>	<u>Fleet Maintenance</u>	<u>Totals</u>
\$ 1,103,117	\$ 3,502,154	\$ 429,100	\$ 5,034,371
144,957	32,598	-	177,555
<u>(1,054,197)</u>	<u>(3,403,404)</u>	<u>(341,541)</u>	<u>(4,799,142)</u>
193,877	131,348	87,559	412,784
-	550,000	-	550,000
-	550,000	-	550,000
<u>(192,188)</u>	<u>(143,768)</u>	<u>-</u>	<u>(335,956)</u>
<u>(192,188)</u>	<u>(143,768)</u>	<u>-</u>	<u>(335,956)</u>
1,689	537,580	87,559	626,828
398	-	51,756	52,154
<u>\$ 2,087</u>	<u>\$ 537,580</u>	<u>\$ 139,315</u>	<u>\$ 678,982</u>
\$ 283,948	\$ 169,146	\$ 54,535	\$ 507,629
(134)	1,726	-	1,592
(5,325)	39,119	-	33,794
(978)	(7,907)	-	(8,885)
<u>(83,634)</u>	<u>(70,736)</u>	<u>33,024</u>	<u>(121,346)</u>
<u>(90,071)</u>	<u>(37,798)</u>	<u>33,024</u>	<u>(94,845)</u>
<u>\$ 193,877</u>	<u>\$ 131,348</u>	<u>\$ 87,559</u>	<u>\$ 412,784</u>

AGENCY FUNDS

Agency funds are used to account for funds held or collected for the benefit of other funds, governments or individuals. These funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. They are as follows:

District Clerk
County Clerk
District Attorney
Sheriff
Justice of the Peace Precinct #1
Justice of the Peace Precinct #2
Justice of the Peace Precinct #3
Justice of the Peace Precinct #4
Juvenile Probation
Tax Assessor Collector
Constable Precinct 3
Constable Precinct 4
Unclaimed Property Fund
Horseshoe
Justice of the Peace Clearing
CS&CD Supervision
CS&CD Court Residential Treatment Center
CS&CD Community Corrections
CS&CD Treatment Alternative Incarceration Program
Bail Security Fund

Sheriff	Justice of the Peace Precinct #1	Justice of the Peace Precinct #2	Justice of the Peace Precinct #3	Justice of the Peace Precinct #4	Juvenile Probation
\$ 312,459	\$ 22,314	\$ 8,384	\$ 13,371	\$ 3,306	\$ 4,097
-	-	-	-	-	-
-	385	-	-	-	-
-	-	-	-	-	-
<u>\$ 312,459</u>	<u>\$ 22,699</u>	<u>\$ 8,384</u>	<u>\$ 13,371</u>	<u>\$ 3,306</u>	<u>\$ 4,097</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
955	5,777	2,463	4,745	1,092	-
-	-	-	-	-	-
11,651	-	-	-	-	-
299,853	16,922	5,921	8,626	2,214	4,097
<u>\$ 312,459</u>	<u>\$ 22,699</u>	<u>\$ 8,384</u>	<u>\$ 13,371</u>	<u>\$ 3,306</u>	<u>\$ 4,097</u>

<u>Horseshoe</u>	<u>Justice of the Peace Clearing</u>	<u>CS&CD Supervision</u>	<u>CS&CD Court Residential Treatment Center</u>	<u>CS&CD Community Corrections</u>	<u>CS&CD Treatment Alternative Incarceration Program</u>	<u>Bail Security Fund</u>	<u>Totals</u>
\$ 21,043	\$ 41,840	\$ 979	\$ 387	\$ 2,816	\$ 2,833	\$ 143,000	\$ 3,458,163
-	-	1,185	99	-	-	-	26,042
-	-	-	13,013	1,183	-	-	14,581
-	-	154,735	347	165	182	-	3,118,716
<u>\$ 21,043</u>	<u>\$ 41,840</u>	<u>\$ 156,899</u>	<u>\$ 13,846</u>	<u>\$ 4,164</u>	<u>\$ 3,015</u>	<u>\$ 143,000</u>	<u>\$ 6,617,502</u>
\$ -	\$ -	\$ 84,296	\$ 13,846	\$ 4,146	\$ 1,720	\$ 143,000	\$ 247,008
1,591	-	14,196	-	-	-	-	172,543
-	-	135	-	18	1,295	-	586,450
-	-	3,032	-	-	-	-	62,283
19,452	41,840	55,240	-	-	-	-	5,549,218
<u>\$ 21,043</u>	<u>\$ 41,840</u>	<u>\$ 156,899</u>	<u>\$ 13,846</u>	<u>\$ 4,164</u>	<u>\$ 3,015</u>	<u>\$ 143,000</u>	<u>\$ 6,617,502</u>

STATISTICAL DATA

(Unaudited)

MIDLAND COUNTY, TEXAS
NET ASSET INFORMATION^{1, 2}
Last Five Fiscal Years

	Fiscal Year				
	2003 ³	2004	2005	2006	2007
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 9,000,353	\$ 10,868,218	\$ 12,122,531	\$ 18,721,143	\$ 41,600,943
Restricted	102,178	125,457	172,698	225,630	290,012
Unrestricted	<u>22,516,541</u>	<u>26,358,912</u>	<u>35,030,589</u>	<u>38,853,407</u>	<u>46,236,268</u>
Total Governmental Activities Net Assets	<u><u>\$ 31,619,072</u></u>	<u><u>\$ 37,352,587</u></u>	<u><u>\$ 47,325,818</u></u>	<u><u>\$ 57,800,180</u></u>	<u><u>\$ 88,127,223</u></u>

Source: Current and prior years' financial statements

¹ This schedule reports using the modified accrual basis of accounting.

² Reporting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when (1) an external party, such as the state or Federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County, as is the case with several special revenue funds restricted to the purposes of the fund. Public trust net assets are restricted by applicable trust and bond indentures to the purposes of the trust, appropriately reported in separate funds at the fund reporting level.

³ The County implemented GASB 34, the new reporting standard, in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes:					
Property Taxes	14,108,144	16,063,957	17,556,992	19,413,568	19,974,748
Sales Tax	7,940,800	8,987,925	10,442,192	13,036,196	16,075,863
Bingo Tax	45,624	63,751	58,947	61,508	59,877
Mixed Beverage Tax	207,301	242,014	240,484	286,278	246,808
Occupancy Tax	-	-	-	-	57,708 ²
Unrestricted Investment Earnings	309,171	304,431	988,386	1,695,942	2,237,413
Gain on Sale of Assets	-	35,713	42,994	116,742	-
Miscellaneous	311,766	504,673	445,304	250,911	307,846
Total Governmental Activities	<u>22,922,806</u>	<u>26,202,464</u>	<u>29,775,299</u>	<u>34,861,145</u>	<u>38,960,263</u>
Change in Net Assets					
Governmental Activities	1,883,584	5,733,515	8,556,529	10,474,363	12,009,533
Total Primary Government	<u>\$ 1,883,584</u>	<u>\$ 5,733,515</u>	<u>\$ 8,556,529</u>	<u>\$10,474,363</u>	<u>\$12,009,533</u>

Source: Current and prior years' financial statements

¹ The County implemented GASB 34, the new reporting standard, in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.

² Midland County began collecting the Hotel Occupancy tax August 2007.

**MIDLAND COUNTY, TEXAS
GOVERNMENTAL FUND BALANCES
Last Five Fiscal Years¹
(Modified Accrual Basis of Accounting)**

	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund:					
Reserved	\$ 148,335	\$ 285,443	\$ 611,373	\$ 309,507	\$ 371,250
Unreserved	12,050,713	16,268,113	21,427,980	27,835,459	32,137,292
Total General Fund	<u>12,199,048</u>	<u>16,553,556</u>	<u>22,039,353</u>	<u>28,144,966</u>	<u>32,508,542</u>
All Other Governmental Funds:					
Reserved	270,029	206,371	3,230,220	316,825	755,605
Unreserved, Reported in:					
Road and Bridge Fund	1,237,691	1,535,099	1,605,866	2,012,075	2,522,149
Special Revenue	-	-	-	-	-
Capital Projects Fund	2,100,518	10,486,144	1,334,839	153,224	407,115
Nonmajor Governmental Funds	1,484,598	1,828,923	1,859,824	2,329,011	2,752,969
Total All Other Governmental Funds	<u>5,092,836</u>	<u>14,056,537</u>	<u>8,030,749</u>	<u>4,811,135</u>	<u>6,437,838</u>
Total Governmental Funds	<u>\$ 17,291,884</u>	<u>\$ 30,610,093</u>	<u>\$ 30,070,102</u>	<u>\$ 32,956,101</u>	<u>\$ 38,946,380</u>

Source: Current and past years' financial statements

¹ The County implemented GASB 34, the new reporting standard, in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.

MIDLAND COUNTY, TEXAS
GOVERNMENTAL FUNDS - CHANGES IN FUND BALANCES
Last Five Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>Fiscal Year 2005</u>	<u>2006</u>	<u>2007</u>
Revenues					
Property Tax, Penalties and Interest	\$14,111,047	\$16,065,568	\$17,556,696	\$19,339,640	\$19,872,329
Sales Tax	7,940,800	8,987,925	10,442,192	13,036,196	16,075,863
Fines and Forfeitures	1,335,858	1,639,732	1,710,630	1,994,165	2,268,117
Licenses and Permits	2,408,457	2,507,605	2,542,968	2,736,608	2,802,386
Intergovernmental Charges	1,934,682	1,939,937	3,658,269	2,414,811	1,875,990
Charges for Current Services	2,900,009	3,228,839	3,267,007	4,096,699	4,606,567
Investment Income	266,379	268,368	927,672	1,579,069	2,059,858
Other Revenue	472,899	580,849	564,702	691,084	788,040
Total Revenues	<u>31,370,131</u>	<u>35,218,823</u>	<u>40,670,136</u>	<u>45,888,272</u>	<u>50,349,150</u>
Expenditures					
Current					
General Administration	3,292,868	3,202,774	3,886,077	3,928,284	4,322,255
Judicial	7,414,913	7,435,146	7,548,230	8,691,508	9,275,626
Financial Administration	1,696,175	1,742,143	1,853,654	1,742,756	1,945,522
Elections	319,477	333,654	262,943	481,892	305,555
Public Safety and Corrections	11,626,222	11,951,854	12,566,393	14,101,058	15,764,953
Health and Welfare	282,004	292,825	303,097	316,154	294,213
Culture and Recreation	1,265,390	1,266,353	1,312,559	2,010,642	2,327,600
Conservation and Natural Resources	163,734	176,612	170,379	196,706	212,250
Highways and Roads	1,797,055	1,791,842	1,873,173	2,031,230	2,053,548
Capital Outlay	4,181,447	1,347,095	9,708,134	7,727,397	6,132,830
Debt Service	1,161,255	2,466,086	1,175,488	1,174,646	1,174,520
Total Expenditures	<u>33,200,540</u>	<u>32,006,384</u>	<u>40,660,127</u>	<u>42,402,273</u>	<u>43,808,872</u>
Other Financing Sources (Uses)					
Certificates of Obligation Issued	-	8,920,000	-	-	-
Transfers In	133,226	1,225,411	1,637,029	2,292,389	5,205,212
Transfers (Out)	(133,226)	(50,411)	(2,187,029)	(2,892,389)	(5,755,212)
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,095,000</u>	<u>(550,000)</u>	<u>(600,000)</u>	<u>(550,000)</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ (1,830,409)</u></u>	<u><u>\$13,307,439</u></u>	<u><u>\$ (539,991)</u></u>	<u><u>\$ 2,885,999</u></u>	<u><u>\$ 5,990,278</u></u>
Debt Service as a percent of non-capital expenditures	4.00%	8.04%	3.80%	3.39%	3.12%

Source: Current and past years' financial statements

Table 5

Midland County, Texas
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Total Assessed Value	Total Direct Tax Rate
1998	\$ 3,518,887,774	\$ 907,531,474	\$ 4,426,419,248	0.231100
1999	3,710,848,409	975,678,167	4,686,526,576	0.227500
2000	3,586,134,781	1,002,219,407	4,588,354,188	0.257000
2001	3,681,639,278	995,212,201	4,676,851,479	0.257000
2002	4,353,539,246	1,029,669,003	5,383,208,249	0.232500
2003	4,232,777,819	1,042,887,604	5,275,665,423	0.263700
2004	4,374,423,221	1,038,504,910	5,412,928,131	0.293870
2005	4,742,525,022	1,149,318,001	5,891,843,023	0.293870
2006	5,362,837,744	1,255,165,339	6,618,003,083	0.288500
2007	6,299,486,330	1,548,889,200	7,848,375,530	0.248772

Source: Midland County Appraisal District

Midland County, Texas
Direct and Overlapping Property Tax Rates
(Per \$100 of Assessed Value)
Last Ten Fiscal Years

Midland County Texas					Overlapping Rates				
Fiscal Year	General	Road and Bridge	Debt Service	Total Funds	MISD	City of Midland	Hospital District	Midland College	Total all Entities
1998	\$0.203240	\$ -	\$0.027860	\$0.231100	\$1.4487	\$0.6640	\$0.1599	\$0.1633	\$2.6670
1999	0.200740	-	0.026760	0.227500	1.5287	0.6540	0.1507	0.1633	2.7242
2000	0.229792	-	0.027208	0.257000	1.5687	0.6520	0.1544	0.1633	2.7954
2001	0.234841	-	0.022159	0.257000	1.6390	0.6510	0.1571	0.1633	2.8674
2002	0.210763	-	0.021737	0.232500	1.6100	0.6510	0.1381	0.1832	2.8148
2003	0.243133	-	0.020567	0.263700	1.6050	0.6464	0.1412	0.1906	2.8469
2004	0.272179	-	0.021691	0.293870	1.6269	0.6464	0.1499	0.1906	2.9077
2005	0.273669	-	0.020201	0.293870	1.6425	0.6424	0.1715	0.1906	2.9409
2006	0.270674	-	0.015027	0.288500	1.6275	0.6420	0.1684	0.2247	2.9511
2007	0.233745	-	0.015027	0.248772	1.4575	0.5870	0.1571	0.2062	2.6566

Source: Midland County Budget

**MIDLAND COUNTY TEXAS
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago**

2007		
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pioneer Natural Res -WI-	\$ 568,900,801	7.25%
Chevron USA Inc	174,540,953	2.22%
Endeavor Energy Resources LP	153,530,940	1.96%
LCX Energy LLC	136,819,192	1.74%
BP America Prod Co	77,701,554	0.99%
Dawson Geophysical	66,965,679	0.85%
TXU Electric Delivery Co	62,313,721	0.79%
Henry Petroleum LP	56,593,206	0.72%
Southwestern Bell Telephone	45,809,987	0.58%
Mobil Prod TX & NM -DEV/Gas	43,727,445	0.56%
Total	\$ 1,386,903,478	17.67%
1998		
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pioneer Natural Resources	\$ 314,834,660	7.11%
Texaco E & P Inc	84,941,400	1.92%
Southwestern Bell Telephone	63,061,970	1.42%
Texas Utilities Electric Co	50,748,220	1.15%
Arco Permian	31,109,570	0.70%
AT&T Communications	29,031,610	0.66%
GPM Gas Corporation	22,748,080	0.51%
Simon Property Group	21,658,450	0.49%
Four Star Oil & Gas Co	21,372,410	0.48%
Oxy USA Inc	18,695,640	0.42%
Total	\$ 658,202,010	14.87%

Source: Midland County Tax Office

Table 8

**Midland County, Texas
Property Tax Levies and Collections
and Fiscal Years ended September 30, 1998 through 2007**

Year End	Assessed Value	Tax Rate	Tax Levy	Collections				Uncollected	
				October- December	Percent of Levy	January-June	Percent of Levy	June 30th of Next Year	Percent of Levy
1998	\$ 4,426,419,248	\$0.23110	\$ 10,229,455	\$ 2,902,341	28.37%	\$ 6,812,835	66.60%	\$ 514,279	5.03%
1999	4,686,526,576	0.22750	10,661,848	3,616,603	33.92%	6,488,687	60.86%	556,558	5.22%
2000	4,588,354,188	0.25700	11,792,070	3,995,648	33.88%	7,276,986	61.71%	519,436	4.40%
2001	4,676,851,479	0.25700	12,019,508	4,204,883	34.98%	7,337,788	61.05%	476,837	3.97%
2002	5,383,208,249	0.23250	12,515,959	5,056,602	40.40%	6,915,992	55.26%	543,365	4.34%
2003	5,275,665,423	0.26370	13,911,930	4,673,608	33.59%	8,606,924	61.87%	631,398	4.54%
2004	5,412,928,131	0.29387	15,906,996	5,002,121	31.45%	10,257,594	64.48%	647,281	4.07%
2005	5,891,843,023	0.29387	17,314,359	4,555,699	26.31%	12,138,634	70.11%	620,026	3.58%
2006	6,618,003,083	0.28850	19,092,939	6,984,395	36.58%	11,617,115	60.85%	491,429	2.57%
2007	7,848,375,530	0.248772	19,524,561	4,290,975	21.98%	14,741,485	75.50%	492,101	2.52%

Source: Midland County Tax Office

**MIDLAND COUNTY, TEXAS
RATIOS OF OUTSTANDING DEBT
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Certificates of Obligation</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
1998	\$ 5,324,990	\$ 5,324,990	0.15%	\$44.64
1999	8,801,216	8,801,216	0.24%	74.41
2000	7,980,000	7,980,000	0.21%	68.79
2001	7,135,000	7,135,000	0.19%	61.46
2002	6,325,000	6,325,000	0.17%	53.85
2003	5,475,000	5,475,000	0.14%	46.06
2004	12,320,000	12,320,000	0.30%	102.37
2005	11,750,000	11,750,000	0.27%	98.21
2006	11,115,000	11,115,000	0.20% ¹	89.36
2007	10,450,000	10,450,000	N/A ²	82.41

¹ Estimated numbers; see Table 14.

² 2007 numbers are not yet available through the Bureau of Economic Analysis

Sources: Current and past years' financial statements
See Table 14 for personal income and population data.

Table 10

Midland County, Texas
 Ration of Net Bonded Debt to Assessed Value
 And Net Bonded Debt per Capita
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Debt Service Designated Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
1998	119,275	\$ 4,426,419,248	\$ 9,592,400	\$ 146,615	\$ 9,445,785	0.213 %	\$ 79.19
1999	118,274	4,686,526,576	8,801,216	200,138	8,601,078	0.184	72.72
2000	116,009	4,588,354,188	7,980,000	246,378	7,733,622	0.169	66.66
2001	116,086	4,676,851,479	7,135,000	107,794	7,027,206	0.150	60.53
2002	117,448	5,383,208,249	6,325,000	141,142	6,183,858	0.115	52.65
2003	118,866	5,275,665,423	5,475,000	102,178	5,372,822	0.102	45.20
2004	120,344	5,412,928,131	12,320,000	125,457	12,194,543	0.225	101.33
2005	119,636	5,891,843,023	11,750,000	172,698	11,577,302	0.196	96.77
2006	124,380	6,618,003,083	11,115,000	225,631	10,889,369	0.165	87.55
2007	126,801	7,848,375,530	10,450,000	290,012	10,159,988	0.129	80.13

Source: US Census Bureau, Current and past years' financial statements

MIDLAND COUNTY, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2007

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
City of Midland	\$ 26,619,030	100%	\$ 26,619,030
Midland Independent School District	139,259,505	100%	139,259,505
Midland Junior College	40,017,175	100%	40,017,175
Midland County Hospital District	-	100%	-
Greenwood Independent School District	8,920,000	100%	8,920,000
City of Odessa	33,650,000	8%	2,737,081
Subtotal, Overlapping Debt			217,552,791
Midland County (Direct Debt)			10,450,000
Total Direct and Overlapping Debt			<u><u>\$ 228,002,791</u></u>

Sources: Financial statements of the various governmental agencies.

Note: Overlapping governments are those that coincide, at least partly, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Midland County. This process recognizes that when considering the county's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Midland County, Texas
Debt Limitations
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	\$ 879,721,944	\$ 886,533,665	\$ 920,409,920	\$ 1,058,194,455	\$ 1,058,194,455	\$ 1,093,805,805	\$ 1,185,631,256	\$ 1,340,709,436	\$ 1,574,871,583
Total Net Debt Applicable to Limit	9,445,785	7,793,922	7,027,206	9,183,858	5,372,822	12,194,543	11,577,302	10,889,369	10,159,988
Debt Margin	870,276,159	888,800,073	913,382,614	1,052,010,597	1,052,821,633	1,081,611,262	1,174,053,954	1,329,810,067	1,565,031,571
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.07%	0.88%	0.76%	0.86%	0.51%	1.12%	0.98%	0.81%	0.65%

Debt Margin Calculation for Fiscal Year 2007

Assessed Value of Real Property	\$ 6,299,486,330
Assessed Value of Personal & Other Property	1,548,889,200
Total Assessed Value	\$ 7,848,375,530
Debt Limit, 25% of Real Property Assessed Value (1)	\$ 1,574,871,583
Amount of Debt Applicable to Debt Limit	
Total Bonded Debt	10,450,000
Less: Assets in Debt Service Funds Available for Payment of Principal	290,012
Total Amount of Debt Applicable to Debt Limit	10,159,988
Legal Debt Margin	\$ 1,565,031,571

Source: Current and past years' financial statements
Note 1: Limit is set by provisions under Article III, Section 52 of the Texas State Constitution

**MIDLAND COUNTY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
1998	119,275	\$ 3,460,079	\$ 31,178	4.3
1999	118,274	3,638,417	30,562	7.1
2000	116,009	3,880,192	35,417	4.2
2001	116,086	3,673,893	34,798	3.8
2002	117,448	3,783,321	32,344	4.8
2003	118,866	3,951,614	33,900	4.9
2004	120,344	4,161,121	36,899	4.4
2005	119,636	4,390,316	40,855	3.7
2006	124,380	5,631,000 ¹	45,274 ¹	3.4
2007	126,801	N/A	N/A	2.9

Sources: Population figures provided by the US Census Bureau, Personal Income and Per Capita Personal Income are from the US Bureau of Economic Analysis, and Texas Workforce Commission provided data on Unemployment Rates.

¹ Estimated Values from <http://www.bea.gov/newsreleases/regional/mpi/2007/mpi0807.htm>

N/A - Not Available

**MIDLAND COUNTY, TEXAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago**

2007

Employer	Employees	Percentage of Total County Employment
Midland Independent School District	2,826	4.03%
Warren Equipment Company	1,920	2.74%
Midland Memorial Hospital	1,500	2.14%
Dawson Geophysical	1,200	1.71%
Midland College	1,200	1.71%
City of Midland	962	1.37%
Patterson-UTI Drilling Co	750	1.07%
Cingular Wireless	600	0.86%
Midland County	583	0.83%
Key Energy Services	500	0.71%
Total	12,041	17.18%

1998

Employer	Employees	Percentage of Total County Employment
Midland Independent School District	2,805	4.36%
Midland Memorial Hospital	1,300	2.02%
City of Midland	895	1.39%
Midland County	524	0.81%
Wal-Mart Super Center	425	0.66%
Albertson's	420	0.65%
Dawson Geophysical	400	0.62%
U.S. Postal Service	364	0.57%
Timber/Sharp Drilling Inc.	344	0.53%
Compressor Systems, Inc.	271	0.42%
	7,748	12.05%

Source: Midland Economic Development Board

MIDLAND COUNTY, TEXAS
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM
Last Five Fiscal Years

Function / Program	Fiscal Year				
	2003	2004	2005	2006	2007
General Administration	17	18	19	18	20
Judicial	116.5	114.5	114	115	117
Financial Administration	30	30.5	31	30	32.5
Elections	4	4	4	4	4
Public Safety and Corrections	301	307.5	300	308	306
Health and Welfare	3	3	3	3	3
Culture and Recreation	38	35.5	36	39	37.5
Conservation and Natural Resources	5	6	6	6	6
Highways and Roads	24	24	25	21	21
Total	538.5	543	538	544	547

Source: Midland County Treasurers Office

MIDLAND COUNTY, TEXAS
OPERATION INDICATORS INFORMATION
Last Three Fiscal Years

FUNCTION / PROGRAM	Fiscal Years		
	2005	2006	2007
General Government			
Commissioners Court			
Number of Official Public Meetings			
Regular Sessions	26	26	26
Special Sessions (Work Sessions)	10	10	7
Public Safety ¹			
Inmates Booked	9,849	10,668	10,247
Arrests	3,140	3,400	3,378
Judicial			
District Courts			
Civil Cases Filed	2,017	2,721	2,438
Civil Cases Disposed	3,136	2,511	2,303
Criminal Cases Filed	1,629	1,869	2,118
Criminal Cases Disposed	1,544	1,728	2,303
County Courts-at-Law			
Civil Cases Filed	1,123	1,958	2,030
Civil Cases Disposed	1,079	1,720	1,545
Criminal Cases Filed	5,406	5,276	6,307
Criminal Cases Disposed	4,740	5,167	5,684
Juvenile Cases Filed	224	163	157
Juvenile Cases Disposed	189	214	183
Probate and Mental Health Cases Filed	421	454	462
Probate and Mental Health Cases Disposed	454	417	376
Justice of the Peace Courts			
Civil Cases Filed	867	694	714
Civil Cases Disposed	148	272	182
Criminal Cases Filed	14,265	14,268	13,228
Criminal Cases Disposed	12,211	13,068	12,992
Juvenile Cases Filed	757	1,357	1,515
Culture and Recreation			
Events Held ²	-	32	87
Elections			
Number of Registered Voters	70,317	71,965	70,521
Highways			
Permits Granted	145	141	174
Work Requests	58	70	89

Sources: Office of Court Administration and Various County Departments

¹ Figures based on calendar year

² Events held at the Horseshoe Facility, which opened March 4, 2006.

MIDLAND COUNTY, TEXAS
CAPITAL ASSETS INFORMATION BY FUNCTION / PROGRAM
Last Three Fiscal Years

<u>FUNCTION / PROGRAM</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Buildings			
General Admin	1	1	1
Judicial	2	2	3
Public Safety	5	5	5
Highways	1	1	1
Culture and Recreation	4	5	5
Patrol Cars	25	30	34
Elections			
Electronic Voting Machines	50	150	150
Highways			
Miles of Roads Maintained	371	371	369

Source: Various County Departments.