Collin County, Texas

April 30, 2009

Monthly Interim Financial Report
(unaudited and unadjusted)

Prepared By:
County Auditor's Office

Donald W. Cozad CIO, RTA/C
County Auditor

Member of the Government Finance Officers Association
This report is available on the internet: http://www.co.collin.tx.us/auditor

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Note: Rounding of cents to whole dollars can cause a slight difference between sums of detail lines and totals.

COLLIN COUNTY

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May 28, 2009

Honorable District Judges of Collin County and
Honorable Members of the Collin County Commissioners Court

The unaudited and unadjusted Monthly Financial Report of Collin County, Texas, as of April 30, 2009, and for the month ended April 30, 2009, is hereby submitted. This report, as required by Local Government Code §114.023 and §114.025, was prepared by the County Auditor and is intended for informational purposes only. The statements are reported on a budgetary basis, which is not in accordance with generally accepted accounting principles.

As County Auditor, I am not independent with regard to these financial reports. These reports have been prepared in accordance with the professional standards of the AICPA, the GFOA, and GASB. The general ledger has been maintained with due professional care.

This report includes Money Matters!!, a narrative with charts and tables, and statutorily required Financial Statements and Schedules, as well as selected statistical details.

This report is intended to be self-explanatory. However, if you need clarification or have questions, please do not hesitate to call the County Auditor's office for more information at 972/548-4641.

This report can be seen on the internet at: http://www.co.collin.tx.us/auditor.

Respectfully submitted,

/s/ Donald W. Cozad

Donald W. Cozad CIO, RTA/C
County Auditor

Money Matters!!

April 30, 2009 **Fiscal Period 7 of 12**

Interim Monthly Financial Report (unaudited)

As required by Local Government Code 114.023

The following report is presented by the County Auditor, as required by state statute, to the Commissioners Court of Collin County to inform the Court as to the financial status of the County. This report is presented monthly.

Revenues

Approximately 71% of county revenues are from property taxes. Collection of those taxes is primarily in December and January. Additional revenue streams include fines and fees, charges for services, inter-governmental revenue, interest and other revenues. Each year, the County must fund expenditures during the first quarter of the fiscal year (Oct – Dec) from reserves. For FY 2009, the tax rate is $0.2425 per $100 valuation. Property taxes provide operating funds for the general fund, the general road and bridge fund, the jury fund, and the permanent improvement fund, as well as funding for debt service principal and interest payments. With the tax collections through March, we are ahead of the FY 2008 collections by 2.7%. We continue to be behind in fees and permits. The rental revenue shortfall is due to the loss of a tenant. Replacement is expected shortly. Interest is continuing to fall behind, as we are feeling the effects of the economic slowdown and lower rates for all investments, especially overnight and daily deposits.

Year to Date Total Revenue - Governmental Funds
With Comparative Totals for Fiscal Year 2009
For the Seven Month Period Through April 30

Revenue by Source	FY 2009 YTD	FY 2008 YTD	Change from 2008	Percent Change from 2008
Property taxes	$ 170,142,326	$ 165,611,327	$ 4,530,999	2.7%
Fees and permits	14,088,407	17,102,855	(3,014,448)	-17.6%
Federal and state funds	8,482,192	7,507,577	974,615	13.0%
Charges for services	5,352,947	3,952,910	1,400,037	35.4%
Fines and forfeitures	2,550,855	1,958,463	592,392	30.2%
Other local gov't funds	-	(656,549)	656,549	0.0%
Rental revenues	670,818	744,471	(73,653)	-9.9%
Interest	4,018,171	8,900,254	(4,882,083)	-54.9%
Miscellaneous	641,125	568,287	72,838	12.8%
	$ 205,946,841	$ 205,689,595	$ 257,246	0.1%

Expenditures

Prior to the start of the current fiscal year, the Commissioners Court adopted the FY 2009 combined operating budget (except debt service) totaling $268.1 million. The General Fund is $149.9 million of the total. The table below is for all governmental funds.

Year to Date Total Expenditures - Governmental Funds
With Comparative Totals for Fiscal Year 2009
For the Seven Month Period Through April 30

Expenditures by Function	FY 2009 YTD	FY 2008 YTD	Change from 2008	Percent Change from 2008
General administration	$ 16,052,273	$ 10,093,234	$ 5,959,039	59.0%
Judicial	9,267,527	8,859,102	408,425	4.6%
Financial administration	5,704,268	5,572,309	131,959	2.4%
Legal	5,935,726	5,718,511	217,215	3.8%
Public facilities	5,592,810	6,052,355	(459,545)	-7.6%
Equipment services	1,047,916	1,297,863	(249,947)	-19.3%
Public safety	32,834,730	31,630,288	1,204,442	3.8%
Public transportation	9,640,493	8,740,311	900,182	10.3%
Health and welfare	9,153,597	9,078,401	75,196	0.8%
Culture and recreation	675,253	637,454	37,799	5.9%
Conservation	147,069	190,220	(43,151)	-22.7%
Capital outlay	27,452,463	34,361,311	(6,908,848)	-20.1%
Debt service:				
Principal	24,490,000	21,560,000	2,930,000	13.6%
Interest	9,522,144	10,086,368	(564,224)	-5.6%
Bond issuance costs	-	-	-	0
	$ 157,516,269	$ 153,877,727	$ 3,638,542	2.4%

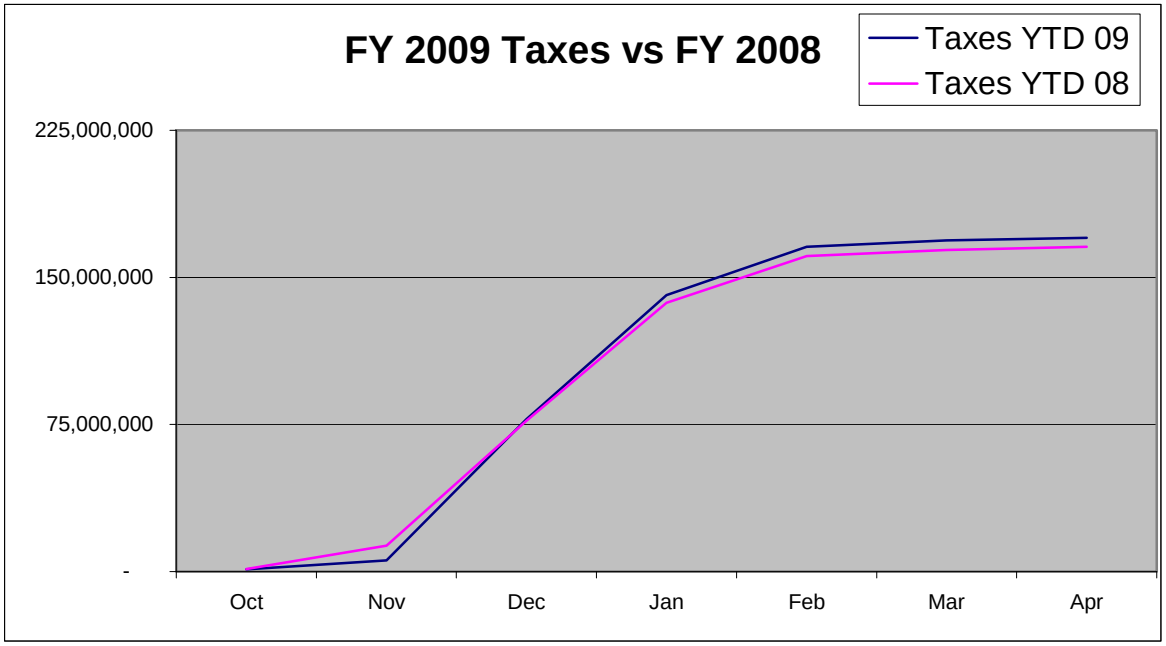
Year to Date Revenue and Expenditures - Governmental Funds
With Comparative Totals for Fiscal Year 2009
For the Seven Month Period Through April 30

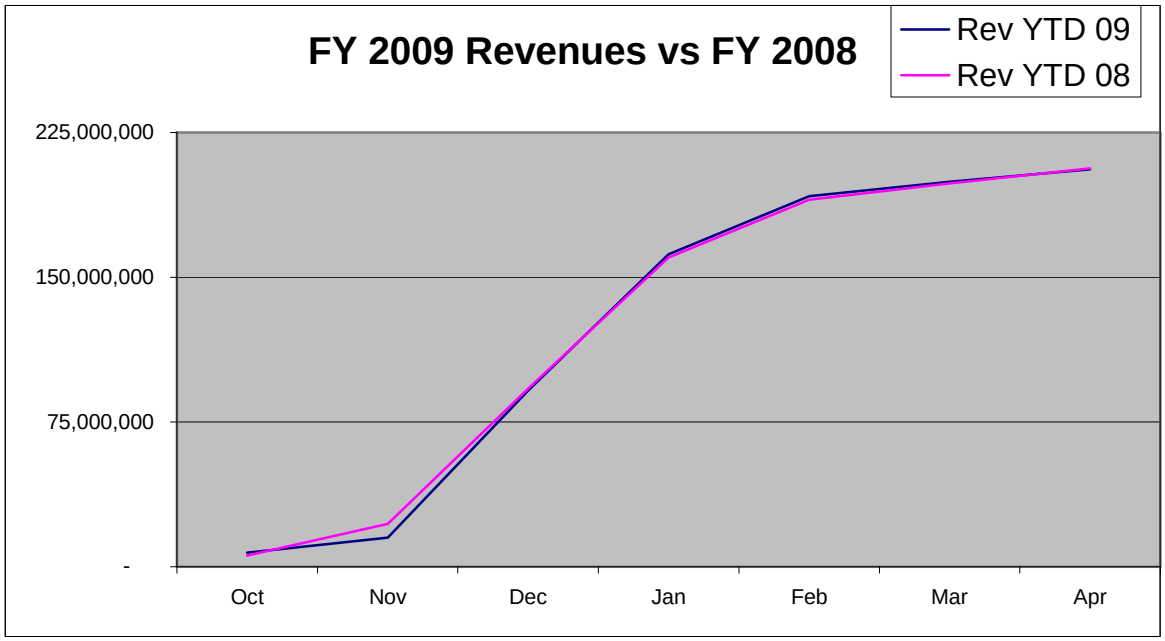
Expenditures by Function	FY 2009 YTD	FY 2008 YTD	Change from 2008	Increase (Decrease) from 2008
Total Revenues	$ 205,946,841	$ 205,689,595	$ 257,246	0.1%
Total Expenditures	157,516,269	153,877,727	3,638,542	2.4%
Change in Fund Balance	$ 48,430,572	$ 51,811,868	(3,381,296)	-6.5%

Variances and Trends

Governmental Funds – Revenues by Source

As noted above, property tax collections have now exceeded FY 2008 by about $4.5 million for the same period. It is very interesting when the revenues recorded for both FY 09 and FY 08 are graphed. The rate of increase is very evident over time and appears to be very similar in its movement between the two years. Tracking this over several years may provide more insights.





In the General Fund, with 7 months (58.3% of the year) passed:

- Taxes (includes all taxes) collected are at 97.9% of total budgeted revenues.
- Fees and Permits are behind budget with only 46.5% of budgeted revenues collected.
- Federal and State funds are ahead of budget compared to the percent of year passed (64.9%).
- Charges for Services are only slightly behind budget at 54.6%.
- Fines and Forfeitures are behind budgeted revenues at 45.9% of budgeted revenues.

In the Road and Bridge Fund:

- Taxes (includes all taxes) collected are at 97.9% of total budgeted revenues.
- Fees and Permits are ahead of budgeted revenues at 65.1% of budget collected.
- Charges for Services are also ahead of the percent of budget year passed (65.9%).
- Fines and Forfeitures are slightly behind budgeted revenues at 54.4% of budget.

Budgetary Highlights – FY 2008

The legal level of budgetary control for the General Fund is the level at which the budget is adopted; that is, the budget is adopted by department and in total according to four major categories:

- Salaries and benefits;
- Maintenance and operating;
- Travel and education; and
- Capital purchases.

These expenditures for both the General Fund and the Road and Bridge Fund are below the equivalent budget year. With 58.3% of the year passed, the following percentages of expenditures have been noted for the two funds which employ the largest number of employees.

In the General Fund, year to date budgeted expenditures after seven months of the year total $85.9 million for all departments; year to date actual expenditures are $82.4 million. Expenditures for the first six months are lower by $3.5 million. Salary and benefits is ahead of the budget by about $1.2 million through April 30.

In other budgeted expenditure categories in the General Fund, we are favorable in both maintenance and operating expenses ($2.5 million below budget) and in the training and travel expenses ($171,770 below budget) at this time. Generally this trend will continue for the year, if recent past history is an indicator. Capital expenditures in the General Fund are above budget, but this is normal and should level out to budgeted expenditures or just below, based on recent history.

In Road and Bridge, total expenses are at $11.3 million for the first seven months of the year, with the budgeted expenditures for the same period at $13.9 million. This is an overall favorable variance at April 30 of $2.6 million. This is a decrease over the March favorable variance of $3.3

million. This variance will most likely continue to drop as we are now moving into the primary road maintenance months.

Outlook

Statute provides that the County Auditor provide whatever information is considered appropriate for the Commissioners Court and the District Judges to understand the financial condition of the county. This report will be published not only for presentation to the Court and the Judges, but will also be available on our web site for pubic review and information.

The continuing concern is for the impact of the recession on the collection of property taxes in the next fiscal year. As the largest source of revenues the County collects to fund its operations, property taxes usually does not show the effects of an economic downturn until at least the year following the year of the downturn. For Collin County, that will be FY 2010 and continuing into 2011. Municipalities do not have the same calendar of effects from a downturn; with their primary source of revenue being sales tax, the effects are felt much faster, as buyers slow their purchases during a downturn.

So far this year, we have collected, for General Fund revenues not including taxes, 83.5% of the budgeted revenues for the first seven months ($15.2 million collected vs. $18.3 million budgeted). In the Road and Bridge Fund, things look a little better. After removing the Air Check Texas State funds received (which are paid out in total to NCTCOG) of $2.4 million, non-property tax revenues are 10.7% ahead for the year over budgeted revenues ($9.1 million actual vs. $8.2 million budgeted).

In spite of the demands on county services, both for infrastructure and for health care, the County enjoys a broad, healthy tax base that provides adequate revenues to support basic services. The County conservatively manages its resources, using cost containment practices ranging from performance programs to position savings to other ways to reduce or eliminate non-performing programs. As of September 30, 2008, the unreserved fund balance for the General Fund was $110.7 million; this is 73.6% of budgeted General Fund expenditures for FY 2009. The management of the County has placed it in sound financial position to mitigate most economic uncertainty. That does not replace the need for continuing close observation and examination of every expenditure to ensure the money spent is spent wisely and properly.

The County is currently participating with 11 other large counties to customize and implement a new case management software system. The case management system is named the Comprehensive Integrated Justice System. Implemented in FY 2007 was the probate court module. Go live for the civil courts process was completed in March 2008; currently we are implementing the criminal courts process and planning has started for the justice of the peace offices. A new jail system that can complement and enhance the new Justice System, in order to provide as seamless an environment as possible for justice, courts, public safety, and collections, was approved in early May.

The tax rate for FY 2009 was lowered from $0.245/$100 valuation to $0.2425/$100; this is the second reduction since FY 2007, when the rate was reduced for the first time after eight straight

years of no change in the tax rate. There is continuing pressure from rising health care costs, demand for constituent services and road construction to meet the growing population. Collin County continues to experience strong fund balance reserves.

There continues to be movement forward on the financial system requirements and expectations. Our office has already started its blueprinting of the business processes in preparation for the implementation.