



Ellis County Auditor's Office

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September 8, 2026

To The Citizens of Ellis County:

The purpose of this communication is to address a recurring concern/allegation which surfaced during recent public discussions in relation to the County's fiscal year 2027 budget, effective October 1, 2026.¹

There are persistent public rumors and claims that the County is "missing 20 million dollars". This is not true.

As your County Auditor, I unequivocally represent to the Citizens of Ellis County that:

1. **No** money, cash currency, dollars, deposits, electronic funds, or state approved short term cash equivalent investments of any kind whatsoever are missing from Ellis County; and

2. **No** theft, fraud, or embezzlement against Ellis County of its money, cash currency, dollars, deposits, electronic funds, or state approved short term cash equivalent investments of any kind whatsoever has occurred.

Should any form of theft, fraud, or embezzlement of such cash assets ever occur, or should any amounts from such cash assets come up missing – I am required by law to treat such wrongful acts as criminal conduct, which must be reported to law enforcement, fully investigated, and criminally prosecuted.

No such reports have been made to law enforcement because no such criminal conduct has occurred.

So, where is the "missing 20 million dollars"?

In order to provide evidence supporting the position that there is **no** missing 20 million dollars – I have conducted a detailed multi-year analytical review of the County's financial statements, tax and revenue collection reports, expenditures of County funds for all purposes, approved budgets, budget-to-actual reports, and a rolling year-to-year review of fund balances.

The results of my analytical review evidence the following:

1. All ad valorem property taxes, along with other revenues paid to the County have been properly received, recorded, and accounted for in the proper revenue funds;

¹ By way of background information, Ellis County is a political subdivision of the State of Texas, and one of 254 counties. The approved budget for fiscal year 2026/2027 reflects estimated revenues and budgeted expenditures of approximately 112 million dollars. Ellis County has 27 elected officials, including a County Judge, 4 Commissioners, County & District Attorney, Sheriff, 4 District Judges, 3 County Court at Law Judges, 4 Justices of the Peace, County Clerk, District Clerk, 4 Constables, Tax Collector, and Treasurer. The County employs nearly 700 individuals.



Ellis County Auditor's Office

2. All expenditures of County funds for any purpose were properly documented, and appropriately recorded against a Commissioners Court approved budget; with funds being disbursed pursuant to various authorizations required by the Commissioners Court, Purchasing Department, and County Treasurer; and
3. I have found no evidence or indication that County funds are “missing” or unaccounted for; rather, the evidence demonstrates and reflects the normal flow of revenues, expenditures, and year-end fund balances.
 - a. I did note and document that in various instances revenues were collected in excess of budgeted estimates, and all such revenues were properly receipted into the correct and appropriate funds, and became part of the County’s fiscal year end general fund balance; subject to being budgeted by the Commissioners Court for proper expenditure in future fiscal years. Importantly, this determination actually evidences a higher-than-estimated cash position for the County, and does not in any way evidence any type of financial situation involving “missing money”.

In addition to the preceding discussion, I would offer further insight into the financial integrity of the County’s accounting operations (for more details see Exhibit-A attached):

External Oversight and Independent Audit. In March 2026, after conducting significant audit testing and outside confirmation of financial accounts, the highly respected Independent Auditing Firm of Pattillo, Brown & Hill issued its Independent Auditor Report (“March Audit Report”) for the County’s fiscal year 2025/2026 which provided independent verification regarding the accuracy of the financial statements concerning the financial condition of Ellis County. In short, the County received a clean bill of financial health – no theft, no fraud, and no missing money – and all County monies were spent in accordance with Commissioners Court approved budgets.

Internal Oversight Coupled with Strong Internal Controls. The County’s accounting and financial system is classically structured around strong internal controls, including: (a) the separation of duties and authority among various offices and personnel; (b) numerous checks and balances in recording, reporting, and reconciling financial data and information; (c) the creation and maintenance of audit trails; (d) regular monthly, quarterly, and annual reporting; and (e) significant ongoing audits performed throughout the annual financial cycle by well-trained internal audit personnel².

In conclusion – there is no basis in truth or in fact to say that Ellis County is missing 20 million dollars, or that the County has been the victim of theft, fraud, or embezzlement of any money.

Moreover, as a result of my detailed multi-year analytical review of the County’s accounting and financial operations as described herein-above, I conclude that all revenues including ad valorem property taxes have been

² So, for example, in a typical year the Auditor's Office will perform approximately 100 cash audits. These procedures supplement the statutory examination required by the Auditor of the books, reports, and accounts of other County offices pursuant to Chapter 115 of the Texas Local Government Code.



Ellis County Auditor's Office

properly accounted for; all expenditures were disbursed in accordance with Commissioners Court approved budgets; and all funds received and not otherwise expended have been rolled over into the general fund balance.

In summary, I have found no evidence or indication that County funds are “missing” or unaccounted for; rather, the evidence demonstrates and reflects the normal flow of revenues and expenditures as voted upon and approved by the Commissioners Court at publicly posted meetings.

As your Auditor, I base all my statements contained within this communication upon my professional work experience in governmental fund accounting, along with my professional reputation, and I invite any form of outside, independent forensic audit to validate the conclusions reached herein-above.

Sincerely,

A handwritten signature in cursive script that reads "Staci A. Parr".

Staci Parr
Ellis County Auditor

Exhibit-A

Statement Regarding Financial Accountability and Oversight of Ellis County Funds

The financial accountability of Ellis County funds does not depend upon a single individual, office, or accounting record. Texas county government is structured so that the collection, custody, accounting, reconciliation, reporting, and independent review of public funds are divided among multiple offices. This separation of responsibilities creates multiple layers of internal control and independent oversight and helps ensure that no single person or department controls every aspect of a financial transaction.

As County Auditor, my responsibility is to maintain the County's independent accounting records and provide financial oversight of County transactions. The County Auditor generally is not the physical custodian of County cash or investments. Instead, the County Treasurer and other officials may receive, collect, deposit, or maintain custody of County funds, while the Auditor's Office independently records, reconciles, verifies, and audits the financial activity associated with those funds.

This division of responsibility is reflected in Texas law. Texas Local Government Code § 112.007 requires the County Auditor to maintain a general set of records showing all County transactions relating to accounts, contracts, indebtedness, receipts, and disbursements. Sections 112.005 and 112.006 further require the Auditor to maintain accounts for officers who receive or collect County money or property, require statements from persons responsible for County money or property, exercise general oversight of the applicable books and records, and see to the strict enforcement of laws governing County finances.

For receipts, the County's accounting process creates an audit trail from the point money is collected through its recording in the County's general ledger. In general, that trail includes the collection of the money, issuance or documentation of the receipt, reporting of the collection by the responsible office, deposit of the funds, evidence of the deposit through the financial institution, and recording of the transaction in the County's accounting records. The Auditor's Office reviews the financial reports submitted by collecting offices and compares reported activity to the County's independent accounting records and other supporting documentation.

The same system of accountability applies to disbursements. County expenditures are supported by the County's accounting and payment records and are reflected in the Auditor's general ledger. Texas Local Government Code § 114.025 requires the County Auditor to report monthly and annually to the Commissioners Court and the district judges, including the aggregate amounts received and disbursed from each County fund, the condition of accounts on the books, and County funds on deposit. These reports provide another recurring level of public financial reporting and oversight.

The County Treasurer generally serves as the custodian of County cash and investments. That custody is independently tested by the Auditor's Office. Under Texas Local Government Code § 115.003, the County Auditor must, at least once each quarter and without advance notice, examine the condition of, or inspect and count, cash held by the County Treasurer or held in a bank for safekeeping and verify that fund balances are actually on hand and that investments are authorized by law. Although the statute establishes a quarterly minimum, the Ellis County Auditor's Office performs this procedure monthly.

The Auditor's Office also audits the monthly bank reconciliations for all 49 bank accounts maintained by County offices, including accounts associated with the County Treasurer. Bank reconciliations are a critical internal control because the County's accounting records are compared to independent financial-institution records and supporting documentation rather than relying solely on the records maintained by the office that has custody of the funds.

Financial oversight extends beyond the Treasurer's Office. County offices that collect or handle funds submit financial reports for review by the Auditor's Office, and applicable financial information is subsequently reported to Commissioners Court. In addition, the County's 24 cash-handling offices are subject to random cash audits no less than quarterly. At that frequency, the Auditor's Office performs at least 96 cash audits each year. These procedures supplement the statutory examination of officers' books, reports, and accounts required by Chapter 115 of the Texas Local Government Code.

Taken together, these procedures create an intentional system of checks and balances. The records of collecting offices, the Treasurer's custody records, bank and investment records, and the County Auditor's independent general ledger must ultimately reconcile. Differences are investigated and resolved through the reconciliation and audit process. This separation of duties materially strengthens accountability because the receipt, custody, recording, reconciliation, reporting, and verification of County funds are not concentrated in one individual or office.

Independent External Oversight

The County's internal accounting and control processes are supplemented by an annual financial statement audit performed by an independent certified public accounting firm. The external auditors are independent of the County Auditor, County Treasurer, Tax Assessor-Collector, Commissioners Court, and the County departments involved in collecting, depositing, investing, spending, or accounting for County funds.

As part of the annual audit, the independent auditors perform procedures designed to obtain reasonable assurance about whether the County's financial statements are free from material misstatement. Those procedures include testing and independent verification of financial information and may include direct confirmation of cash and investment balances with financial institutions. The auditors then express an opinion as to whether the County's financial statements are fairly presented, in all material respects, in accordance with the applicable financial reporting framework.

Through the County's FY2025 annual financial audit, as well as the preceding annual audits, the County's independent external auditors have issued unmodified opinions on the County's financial statements. An unmodified, or "clean," opinion means the independent auditors concluded that the financial statements were fairly presented, in all material respects, in accordance with the applicable financial reporting framework. While an audit does not provide absolute assurance and is not a guarantee that every individual transaction is error-free, an unmodified opinion is the standard audit opinion issued when the financial statements are fairly presented in all material respects.

The County also voluntarily added another layer of independent review through a specialized Agreed-Upon Procedures engagement initiated in November. The final report was issued in

April 2026 and contained no recommendations for corrective action or improvement. An Agreed-Upon Procedures engagement is distinct from a financial statement audit: the practitioner performs specifically agreed procedures and reports the resulting findings rather than expressing an audit opinion or assurance conclusion.

Accordingly, the County's financial accountability framework consists of multiple, independent layers: departmental collection and transaction records; Treasurer custody records; bank and investment records; the County Auditor's independent general ledger; recurring reconciliations; routine and unannounced internal audit procedures; monthly and annual reporting to Commissioners Court and the district judges; an annual independent financial statement audit; and additional specialized external review.

The purpose of this structure is not merely to determine how much money the County has at a particular point in time. Its purpose is to provide reasonable assurance that public funds received, held, invested, and disbursed by the County are properly documented, deposited, recorded, reconciled, reported, and independently verified. The strength of the system lies in the fact that these responsibilities are deliberately divided and repeatedly cross-checked through records maintained by separate offices, independent financial institutions, internal audit procedures, public reporting, and external audit review.