

STARR COUNTY, TEXAS

Annual Financial Report

**For the Year Ended
September 30, 2009**

STARR COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2009

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FINANCIAL SECTION

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PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Starr County, Texas as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Starr County, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Starr County, Texas, as of September 30, 2009, 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 18, 2010, on our consideration of Starr County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *State of Texas Single Audit Circular* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information, as identified in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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 Starr County, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, and the *State of Texas Single Audit Circular*, and is also not a required part of the basic financial statements of Starr County, Texas. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Patricia Brown Hill, C.P.A.

June 18, 2010



COUNTY AUDITOR'S OFFICE

Rosalinda G. Guerra, CPA

Starr County Auditor

Tel. (956) 716-4800

Fax (956) 716-8218

STARR COUNTY COURTHOUSE ANNEX

100 N. FM 3167 SUITE 217

RIO GRANDE CITY, TEXAS 78582

E-Mail: starrauditor@hotmail.com

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Starr County (County) annual financial report presents our discussion and analysis as an overview of the County's financial performance during the fiscal year ended September 30, 2009. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

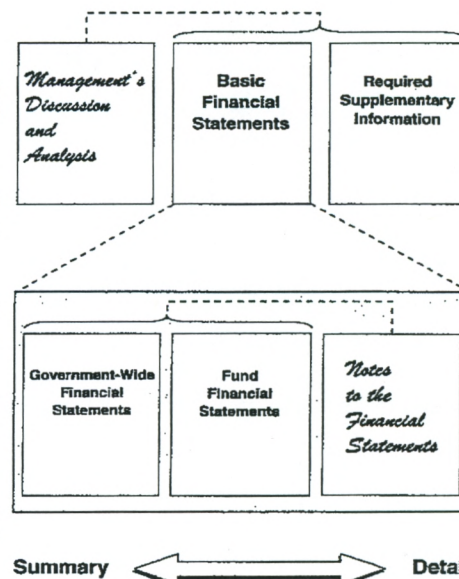
- At September 30, 2009, the County's assets exceed its liabilities by \$80,977,903. Total assets were \$88,008,337 and total liabilities were \$7,030,434.
- During the year, the County's expenses were \$2,413,113 less than the \$28,635,039 generated in taxes and other revenues for governmental activities. The prior year expenses were \$550,224 more than the \$24,365,608 generated by revenues of governmental activities.
- The general fund reported a fund balance this year of \$6,560,570 of which \$6,025,266 is unreserved, an increase in the unreserved fund balance of \$2,469,280 from the prior year. This increase is due to excess revenues during the year of 18.4% over expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as the gas operating system.
- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

Figure A-1, Required Components of the County's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	* Statement of net assets	* Balance sheet	* Statement of net assets	* Statement of fiduciary net assets
	* Statement of activities	* Statement of revenues, expenditures & changes in fund balances	* Statement of revenues, expenses and changes in fund net assets * Statement of cash flows	* Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

The two government-wide statements report the County's net assets and how they have changed. Net assets—the difference between the County's assets and liabilities—is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional non-financial factors such as changes in the County's tax base.

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general administration, judicial, legal, financial administration, public facilities, public safety, health and welfare, culture and recreation, conservation agriculture and highways and streets. Taxes, charges for services, and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law.
- The Commissioners' Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain grants and local sources.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- *Fiduciary funds*—The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net assets: The County's combined net assets were \$80,977,903 at September 30, 2009, an increase of \$6,165,723 or 8.24% over combined net assets of \$74,812,180 at September 30, 2008. This increase is mostly due to Infrastructure and operating grants and contributions. (See Table A-1)

Table A-1 Governmental Activities

	2009	2008	Increase (Decrease)
Assets:			
Current and other assets	\$20,892,971	\$17,717,011	\$3,175,960
Capital assets (net of depreciation)	67,115,366	64,092,072	3,023,294
Total Assets	<u>88,008,337</u>	<u>81,809,083</u>	<u>6,199,254</u>
Liabilities:			
Current and noncurrent liabilities	2,395,434	1,961,903	433,531
Long-term liabilities	4,635,000	5,035,000	(400,000)
Total Liabilities	<u>7,030,434</u>	<u>6,996,903</u>	<u>33,531</u>
Net Assets:			
Invested in capital assets, net of related debt	62,480,366	59,057,072	3,423,294
Restricted for capital projects	636,650	894,271	(257,621)
Restricted for debt service	2,891,971	2,608,553	283,418
Restricted for landfill post closure costs	535,304	517,751	17,553
Unrestricted	14,433,612	11,734,533	2,699,079
Total Net Assets	<u>\$80,977,903</u>	<u>\$74,812,180</u>	<u>\$6,165,723</u>

Changes in net assets:

The County's total revenues were \$28,907,300. (See Table A-2). The total cost of all programs and services was \$22,798,632 of which 31.63% or \$7,210,242 of these costs are for public safety.

Governmental Activities

- Property tax revenues increased by 8.83%. Tax revenues for the year ended September 30, 2009, increased to \$14,274,890 from \$13,117,309 the previous year, an increase of \$1,157,581.

Table A-2 Governmental Activities

	2009	2008	Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for Services	\$ 5,171,144	\$ 3,885,077	\$ 1,286,067
Operating Grants and Contributions	8,110,453	6,314,610	1,795,843
General revenues:			
Property Taxes	14,274,890	13,117,309	1,157,581
Interest	226,951	388,802	(161,851)
Transfers	912,138	996,110	(83,972)
Miscellaneous	211,724	208,272	3,452
Total Revenues	<u>28,907,300</u>	<u>24,910,180</u>	<u>3,997,120</u>
Expenses:			
Public safety	7,210,242	8,416,981	(1,206,739)
Judicial	1,687,339	1,682,336	5,003
Highways and streets	5,515,096	4,018,216	1,496,880
Public facilities	615,719	269,806	345,913
Financial administration	868,642	936,030	(67,388)
Legal	879,804	906,133	(26,329)
Health and welfare	1,585,616	1,186,481	(399,135)
Conservation and agriculture	126,889	132,642	(5,753)
General government	4,129,942	2,267,203	1,862,739
Culture and recreation	-0-	-0-	-0-
Debt service-interest on debt	179,343	194,307	(14,964)
Debt service-Bond issuance costs	-0-	-0-	-0-
Total Expenses	<u>22,798,632</u>	<u>20,010,135</u>	<u>2,788,497</u>
Increase in Net Assets	6,108,668	4,900,045	1,208,623
Net assets - Beginning	74,812,180	69,900,642	4,911,538
Prior period adjustment	57,055	11,493	45,562
Net assets - Ending	<u>\$ 80,977,903</u>	<u>\$ 74,812,180</u>	<u>\$ 6,165,723</u>

Table A-3 presents the cost of each of the County's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local revenues.

- The cost of all *governmental* activities this year was \$22,798,632, an increase of \$2,788,497, or 13.94% increase compared to \$20,010,135 for the prior year.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$14,274,890.

- Some of the cost was paid by those who directly benefited from the programs and totaled \$5,171,144. This is an increase from last year's revenues which were \$3,885,077, an increase of \$1,286,067, or 33.1%.
- Grants and contributions this year amounted to \$8,110,453, an increase of \$1,795,843, or 28.44% over last year's grants and contributions which totaled \$6,314,610.

Table A-3 Governmental

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>
Public safety	\$7,210,242	\$8,416,981	\$(1,206,739)
Highways and streets	5,515,096	4,018,216	1,496,880
General government	4,129,942	2,267,203	1,862,739
Judicial	1,687,339	1,682,336	5,003
Health and Welfare	1,585,616	1,186,481	399,135

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues from governmental fund types totaled \$28,635,039 for the year ended September 30, 2009, an increase of \$4,269,431, or 17.52% over the preceding year's total governmental revenues of \$24,365,608. The increase in revenues is mainly from operating grants and contributions and charges for services.

General Fund Budgetary Highlights

Over the course of the year, the County revised its general fund budget 59 times. Actual general fund expenditures were \$13,499,786, which was \$627,802 under the final budget amounts.

On the other hand, actual general fund resources available were \$15,986,619, which was over the final budgeted amount by \$2,180,047.

CAPITAL ASSETS

At the end of 2009, the County had invested \$67,115,366 in a broad range of capital assets, including land, buildings, improvements, machinery, equipment, vehicles, and infrastructure. (See Table A-4.) This amount represents an increase of \$3,023,294, a 4.72% increase from FY 2008. The increase is attributed mainly to infrastructure.

Table A-4

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>
Land	\$ 1,047,240	\$ 1,002,740	\$ 44,500
Construction in progress	-0-	-0-	-0-
Buildings and improvements	16,463,464	16,425,864	37,600
Furniture and equipment	6,705,266	5,725,251	980,015
Infrastructure	51,620,540	49,282,208	2,338,332
Totals at historical cost	<u>75,836,510</u>	<u>72,436,063</u>	<u>3,400,447</u>
Less:			
Accumulated depreciation	8,721,144	8,343,991	377,153
Net capital assets	<u>\$67,115,366</u>	<u>\$64,092,072</u>	<u>\$ 3,023,294</u>

LONG TERM DEBT

At year end the County has \$4,635,000 in long-term debt outstanding as shown in Table A-5. More detailed information about the County's debt is presented in the notes to the financial statements.

Table A-5

	Balance 9/30/08	Principal Issued	Principal Retired	Balance 9/30/09
Revenue bonds	\$ -	-	-	\$ -
Certificates of Obligation	4,045,000	-	-	4,045,000
G.O. Refunding Bonds	990,000	-	400,000	590,000
Totals	<u>\$ 5,035,000</u>	<u>\$ -0-</u>	<u>\$ 400,000</u>	<u>\$ 4,635,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised values used for the 2010 budget preparation increased by approximately \$216,359,110.
- The property tax rates will increase by \$.00 per \$100.00 of assessed valuation.
- Employees' group health insurance continues to increase.
- There will be a salary increase for 2010 of 5% of FY 2009 salary for all employees and officials earning over \$30,000 annually and a \$1,500 increase for all employees and officials earning \$30,000 and under, except that all Constables will receive an increase of \$2,500.

These indicators were taken into account when adopting the general fund budget for 2010. Amounts available for appropriation in the general fund budget are \$13,850,268, an increase of \$224,132, or 1.62% over the final 2009 budget of \$13,806,572. Property taxes will increase due to the increased appraised values.

General fund expenditures are budgeted to decrease in 2010 to \$14,097,091, a decrease of \$30,307, or 0.21% under the final 2009 budgeted expenditures of \$14,127,398.

If these estimates are realized, the County's budgetary general fund balance is not expected to change appreciably by the close of FY 2010.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning information provided in this report should be addressed to:

Starr County Auditor
Starr County Courthouse Annex
100 N. FM 3167, Suite 217
Rio Grande City, TX 78582
Telephone: (956) 716-4800

STARR COUNTY, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,669,363	\$ 141,949	\$ 7,811,312
Investments	-	747,143	747,143
Receivables (net of allowances for uncollectibles)			
Taxes	8,353,259	-	8,353,259
Accounts	14,548	293,950	308,498
Notes	590,000	-	590,000
Other	21,600	-	21,600
Due from agencies	1,163,877	-	1,163,877
Internal balances	98,353	(98,353)	-
Due from other governments	2,446,667	-	2,446,667
Other assets	535,304	-	535,304
Supplies inventory	-	26,741	26,741
Prepaid insurance	-	68,457	68,457
Interest credit on the new port facility, net	-	-	-
Capital assets (net of accumulated depreciation)			
Land	1,047,240	1,406,530	2,453,770
Construction in progress	-	-	-
Buildings and improvements	10,596,121	2,246,183	12,842,304
Furniture and equipment	3,851,465	314,356	4,165,821
Infrastructure	51,620,540	4,190	51,624,730
Total assets	<u>88,008,337</u>	<u>5,151,146</u>	<u>93,159,483</u>
LIABILITIES			
Accounts payable	1,091,257	84,105	1,175,362
Bank overdraft	-	13,364	13,364
Accrued liabilities	724	3,642	4,366
Other liabilities	1,963	93,678	95,641
Due to agencies	622,362	-	622,362
Due to other governments	66,570	-	66,570
Deferred revenue	612,558	-	612,558
Non-current liabilities			
Due within one year	405,000	-	405,000
Due in more than one year	4,230,000	686,867	4,916,867
Total liabilities	<u>7,030,434</u>	<u>881,656</u>	<u>7,912,090</u>
NET ASSETS			
Invested in capital assets, net of related debt	62,480,366	3,284,392	65,764,758
Restricted for			
Capital projects	636,650	-	636,650
Debt service	2,891,971	-	2,891,971
Landfill post closure cost	535,304	-	535,304
Unrestricted	14,433,612	985,098	15,418,710
Total net assets	<u>\$ 80,977,903</u>	<u>\$ 4,269,490</u>	<u>\$ 85,247,393</u>

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

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STARR COUNTY, TEXAS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government		Total
					Business-type Activities	Business-type Activities	
Governmental activities:							
General government	\$ 4,129,942	\$ 4,614,751	\$ 623,606	\$ 1,108,415	\$ -	\$ -	\$ 1,108,415
Public safety	7,210,242	63,119	7,014,587	(132,536)	-	-	(132,536)
Judicial	1,687,339	-	-	(1,687,339)	-	-	(1,687,339)
Highways and streets	5,515,096	493,274	472,260	(4,549,562)	-	-	(4,549,562)
Public facilities	615,719	-	-	(615,719)	-	-	(615,719)
Financial administration	868,642	-	-	(868,642)	-	-	(868,642)
Legal	879,804	-	-	(879,804)	-	-	(879,804)
Health and welfare	1,585,616	-	-	(1,585,616)	-	-	(1,585,616)
Conservation and agriculture	126,889	-	-	(126,889)	-	-	(126,889)
Debt service - interest on debt	179,343	-	-	(179,343)	-	-	(179,343)
Total governmental activities	22,798,632	5,171,144	8,110,453	(9,517,035)	-	-	(9,517,035)
Business-type activities:							
International Bridge	1,624,495	3,054,649	-	-	1,430,154	1,430,154	1,430,154
Gas System	816,959	780,760	-	-	(36,199)	(36,199)	(36,199)
Total business-type activities	2,441,454	3,835,409	-	-	1,393,955	1,393,955	1,393,955
Total primary government	\$ 25,240,086	\$ 9,006,553	\$ 8,110,453	(9,517,035)	1,393,955	1,393,955	(8,123,080)
General revenues:							
Taxes:							
Property taxes - general purposes				9,739,292	-	-	9,739,292
Property taxes - road & bridge				3,719,230	-	-	3,719,230
Property taxes - debt service				816,368	-	-	816,368
Investment earnings				226,951	14,226	14,226	241,177
Transfers				912,138	(912,138)	-	-
Miscellaneous				211,724	-	-	211,724
Total general revenues				15,625,703	(897,912)	(897,912)	14,727,791
Change in net assets				6,108,668	496,043	496,043	6,604,711
Net assets, beginning				74,812,180	3,773,447	3,773,447	78,585,627
Prior period adjustment				57,055	-	-	57,055
Net assets, ending				\$ 80,977,903	\$ 4,269,490	\$ 4,269,490	\$ 85,247,393

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

STARR COUNTY, TEXAS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2009

	General	Road & Bridge	Debt Service
ASSETS			
Cash	\$ 538,072	\$ 85,831	\$ 3,893
Investments	1,856,954	111,250	2,814,681
Taxes receivables (net of allowance)	5,661,778	2,154,216	537,265
Accounts receivable	14,170	-	-
Accrued receivables	4,404	11,492	5,704
Note receivable	590,000	-	-
Due from other funds	3,319,654	532,595	59,917
Due from other governments	506,226	18,926	-
Other assets	535,304	-	-
Total assets	<u>\$ 13,026,562</u>	<u>\$ 2,914,310</u>	<u>\$ 3,421,460</u>
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ 231,041	\$ 388,954	\$ 550
Bank overdraft	-	-	-
Other liabilities	1,963	-	-
Accrued liabilities	723	-	-
Due to other funds	650,417	42,647	45
Due to other governments	2,394	5	-
Deferred revenue	5,579,454	2,173,307	528,894
Total liabilities	<u>6,465,992</u>	<u>2,604,913</u>	<u>529,489</u>
Fund balances:			
Reserved, designated	535,304	-	2,891,971
Unreserved, undesignated	6,025,266	309,397	-
Total fund balances	<u>6,560,570</u>	<u>309,397</u>	<u>2,891,971</u>
Total liabilities and fund balances	<u>\$ 13,026,562</u>	<u>\$ 2,914,310</u>	<u>\$ 3,421,460</u>

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

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

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

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

Net assets of governmental activities

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

EXHIBIT C-1

Other Governmental Funds	Total Governmental Funds
\$ 2,258,682	\$ 2,886,478
-	4,782,885
-	8,353,259
378	14,548
-	21,600
-	590,000
160,649	4,072,815
1,921,515	2,446,667
-	535,304
<u>\$ 4,341,224</u>	<u>\$ 23,703,556</u>
\$ 470,712	\$ 1,091,257
-	-
-	1,963
1	724
2,739,838	3,432,947
64,171	66,570
412,376	8,694,031
<u>3,687,098</u>	<u>13,287,492</u>
636,650	4,063,925
17,476	6,352,139
<u>654,126</u>	<u>10,416,064</u>
<u>\$ 4,341,224</u>	
	67,115,366
	8,081,473
	<u>(4,635,000)</u>
	<u>\$ 80,977,903</u>

STARR COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>General</u>	<u>Road & Bridge</u>	<u>Debt Service</u>
REVENUES			
Taxes	\$ 9,545,896	\$ 3,649,750	\$ 806,983
Intergovernmental	623,606	472,260	-
Charges for services	4,344,960	56,110	-
Fines and forfeits	269,791	437,164	-
Interest	150,855	10,008	55,778
Miscellaneous	139,373	21,272	-
Total revenues	<u>15,074,481</u>	<u>4,646,564</u>	<u>862,761</u>
EXPENDITURES			
General administration	3,879,843	-	-
Judicial	1,585,159	-	-
Legal	826,530	-	-
Financial administration	816,038	-	-
Public facilities	213,913	-	-
Public safety	5,242,074	-	-
Health and welfare	817,024	-	-
Conservation agriculture	119,205	-	-
Highways and streets	-	4,702,867	-
Debt service:			
Principal retirements	-	-	400,000
Interest and fiscal charges	-	-	179,343
Total expenditures	<u>13,499,786</u>	<u>4,702,867</u>	<u>579,343</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,574,695</u>	<u>(56,303)</u>	<u>283,418</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	912,138	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>912,138</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,486,833	(56,303)	283,418
FUND BALANCES, BEGINNING OF YEAR	4,073,737	365,700	2,608,553
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,560,570</u>	<u>\$ 309,397</u>	<u>\$ 2,891,971</u>

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

EXHIBIT C-2

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 14,002,629
7,014,587	8,110,453
-	4,401,070
63,119	770,074
10,310	226,951
51,079	211,724
<u>7,139,095</u>	<u>27,722,901</u>
-	3,879,843
-	1,585,159
-	826,530
-	816,038
425,613	639,526
3,103,329	8,345,403
760,427	1,577,451
-	119,205
3,150,561	7,853,428
-	400,000
-	179,343
<u>7,439,930</u>	<u>26,221,926</u>
<u>(300,835)</u>	<u>1,500,975</u>
-	912,138
-	-
<u>-</u>	<u>912,138</u>
(300,835)	2,413,113
897,906	7,945,896
57,055	57,055
<u>\$ 654,126</u>	<u>\$ 10,416,064</u>

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STARR 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, 2009

Amounts reported for governmental activities in the statement of activities (page 10)
are different because:

Net change in fund balances --- total governmental funds (page 12) \$ 2,413,113

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 which capital outlays exceeded depreciation in the current period. 3,023,294

Governmental funds report long term debt principal payments as expenditures. However, in the statement of activities these payments are reductions in the long term liabilities in the statement of net assets. 400,000

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the bond proceeds and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net assets. 272,261

Change in net assets of governmental activities (page 10) \$ 6,108,668

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

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STARR COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 8,741,919	\$ 8,741,919	\$ 9,545,896	\$ 803,977
Intergovernmental	\$220,000	\$258,850	623,606	364,756
Charges for services	\$2,808,689	2,808,689	4,344,960	1,536,271
Fines and forfeits	\$111,001	111,001	269,791	158,790
Interest	-	-	150,855	150,855
Miscellaneous	35,100	57,463	139,373	81,910
Total revenues	11,916,709	11,977,922	15,074,481	3,096,559
EXPENDITURES				
General administration	4,044,844	4,037,739	3,879,843	157,896
Judicial	1,576,299	1,579,041	1,585,159	(6,118)
Legal	665,249	670,286	826,530	(156,244)
Financial administration	873,112	875,112	816,038	59,074
Public facilities	199,725	236,770	213,913	22,857
Public safety	5,757,569	5,816,565	5,242,074	574,491
Health and welfare	789,751	787,209	817,024	(29,815)
Conservation agriculture	124,676	124,676	119,205	5,471
Total expenditures	14,031,225	14,127,398	13,499,786	627,612
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	(2,114,516)	(2,149,476)	1,574,695	3,724,171
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,828,650	1,828,650	912,138	916,512
Operating transfers out	-	-	-	-
Bond proceeds	-	-	-	-
Bond issuance costs	-	-	-	-
Total other financing sources (uses)	1,828,650	1,828,650	912,138	916,512
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(285,866)	(320,826)	2,486,833	2,807,659
FUND BALANCE, BEGINNING OF YEAR	2,195,723	2,177,124	4,073,737	1,896,613
PRIOR PERIOD ADJUSTMENT	-	-	-	-
FUND BALANCE, END OF YEAR	\$ 1,909,857	\$ 1,856,298	\$ 6,560,570	\$ 4,704,272

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

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STARR COUNTY, TEXAS

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

SEPTEMBER 30, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	International Bridge	Gas System	Totals
ASSETS			
CURRENT ASSETS			
Cash on hand	\$ 7,893	\$ 130	\$ 8,023
Cash on deposit	133,926	-	133,926
Investments - unrestricted	646,496	6,969	653,465
Investments - restricted for customer deposits	-	93,678	93,678
Due from general fund	-	-	-
Accounts receivable	218,093	49,873	267,966
Accounts receivable - landfill	-	23,941	23,941
Accounts receivable - disconnects	-	2,872	2,872
Allowance for uncollectibles	-	(2,298)	(2,298)
Accrued interest receivable	1,209	260	1,469
Supplies inventory	-	26,741	26,741
Prepaid insurance	63,423	5,034	68,457
Total current assets	1,071,040	207,200	1,278,240
NON-CURRENT ASSETS			
Interest credit on the new port facility, net of accumulated amortization	-	-	-
Land	1,396,530	10,000	1,406,530
Buildings	5,342,488	20,390	5,362,878
Original purchase - distribution system	-	550,000	550,000
Gas distribution system	-	21,562	21,562
Office furniture and equipment	779,098	16,737	795,835
Transportation equipment	-	60,481	60,481
Machinery and equipment	-	74,300	74,300
Accumulated depreciation	(3,598,575)	(701,752)	(4,300,327)
Total non-current assets	3,919,541	51,718	3,971,259
Total assets	4,990,581	258,918	5,249,499

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STARR COUNTY, TEXAS

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

SEPTEMBER 30, 2009

(Continued)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	International Bridge	Gas System	Totals
CURRENT LIABILITIES			
Bank overdraft	-	13,364	13,364
Accounts payable	44,066	40,039	84,105
Customer deposits payable	-	93,678	93,678
Sales tax payable	-	1,365	1,365
Due to other funds	9,556	88,797	98,353
Accrued liabilities	2,277	-	2,277
Current maturities of notes payable	-	-	-
Total current liabilities	55,899	237,243	293,142
NON-CURRENT LIABILITIES			
Notes payable, net of current maturities	686,867	-	686,867
Total non-current liabilities	686,867	-	686,867
Total liabilities	742,766	237,243	980,009
NET ASSETS			
Invested in capital assets, net of related debt	3,232,674	51,718	3,284,392
Unrestricted	1,015,141	(30,043)	985,098
Total net assets	\$ 4,247,815	\$ 21,675	\$ 4,269,490

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

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STARR COUNTY, TEXAS

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

PROPRIETARY FUNDS

SEPTEMBER 30, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	International Bridge	Gas System	Totals
OPERATING REVENUES			
Natural gas sales	\$ -	\$ 669,922	\$ 669,922
Charge for services	2,710,669	411,048	3,121,717
Penalties	-	9,161	9,161
Connect fees	-	3,110	3,110
Rentals	338,665	-	338,665
Excess on peso exchange	5,315	-	5,315
Miscellaneous	-	3,692	3,692
Total operating revenues	3,054,649	1,096,933	4,151,582
COST OF REVENUE PRODUCING ITEMS			
Natural gas purchases	-	316,173	316,173
Total cost of revenue producing items	-	316,173	316,173
Gross profit	3,054,649	780,760	3,835,409
OPERATING EXPENSES			
Gas loss	-	12,679	12,679
Bad debt expense	-	574	574
Equipment lease	-	51,789	51,789
Equipment rental	-	74,958	74,958
Depreciation	179,071	10,927	189,998
Group insurance	49,267	35,507	84,774
Insurance	108,184	6,270	114,454
Worker's compensation	23,473	8,930	32,403
Legal and professional	10,500	-	10,500
Office and building supplies	-	7,868	7,868
Participation costs - City of Roma	627,370	-	627,370
Payroll tax expense	31,945	21,470	53,415
Postage and freight	-	4,552	4,552
Repairs and maintenance	29,555	13,408	42,963
Retirement	30,474	19,426	49,900
Salaries and wages	428,875	288,145	717,020
Supplies	11,317	42,818	54,135
Telephone	4,172	7,132	11,304
Travel and entertainment	2,386	-	2,386

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STARR COUNTY, TEXAS

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

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	International Bridge	Gas System	Totals
OPERATING EXPENSES (Continued)			
Truck repairs, maintenance and supplies	-	56,635	56,635
Truck fuel	-	42,908	42,908
Uniforms	10,116	5,686	15,802
Utilities	22,295	5,080	27,375
Regulatory fees	-	26,631	26,631
Tire recycling fees	-	62,373	62,373
Capital outlay	-	940	940
Miscellaneous expenses	709	10,253	10,962
Total operating expenses	<u>1,569,709</u>	<u>816,959</u>	<u>2,386,668</u>
OPERATING INCOME	<u>1,484,940</u>	<u>(36,199)</u>	<u>1,448,741</u>
NON-OPERATING REVENUE (EXPENSES)			
Interest revenue	11,536	2,690	14,226
Bond interest expenses and agent fees	(45,069)	-	(45,069)
Amortization of bonds	(9,717)	-	(9,717)
Total non-operating revenue (expenses)	<u>(43,250)</u>	<u>2,690</u>	<u>(40,560)</u>
Income before other financing sources	<u>1,441,690</u>	<u>(33,509)</u>	<u>1,408,181</u>
OTHER FINANCING SOURCES (USES)			
Operating transfer out	(912,138)	-	(912,138)
Total other financing sources (uses)	<u>(912,138)</u>	<u>-</u>	<u>(912,138)</u>
CHANGES IN NET ASSETS	529,552	(33,509)	496,043
TOTAL NET ASSETS, BEGINNING	<u>3,718,263</u>	<u>55,184</u>	<u>3,773,447</u>
TOTAL NET ASSETS, ENDING	<u>\$ 4,247,815</u>	<u>\$ 21,675</u>	<u>\$ 4,269,490</u>

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

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STARR COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	International Bridge	Gas System	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 1,484,940	\$ (36,199)	\$ 1,448,741
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	179,071	10,927	189,998
(Increase) decrease in accounts receivable	(152,629)	21,510	(30,472)
(Increase) decrease in accounts receivable - landfill	-	164	164
(Increase) decrease in accounts receivable - disconnects	-	2,943	52,816
(Increase) decrease in allowance for uncollectible disconnects	-	(2,353)	21,588
(Increase) decrease in accrued interest receivable	2,241	330	5,443
(Increase) decrease in returned checks receivable	-	22	(2,276)
(Increase) decrease in supplies inventory	-	10,335	10,595
(Increase) decrease in prepaid insurance	216	119	335
(Increase) decrease in due from other funds	2,012	-	28,753
Increase (decrease) in accounts payable	25,309	(17,487)	12,856
Increase (decrease) in accrued liabilities	(2,000)	-	(2,000)
Increase (decrease) in sales tax payable	-	(863)	206,337
Increase (decrease) in customer deposit payable	-	1,555	1,555
Increase (decrease) in due to other funds	9,556	63,460	73,016
Net cash provided by operating activities	<u>1,548,716</u>	<u>54,463</u>	<u>1,603,179</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers (out)	(912,138)	-	(912,138)
Net cash provided by noncapital financing activities	<u>(912,138)</u>	<u>-</u>	<u>(912,138)</u>
CASH FLOWS FROM (TO) CAPITAL AND RELATED FINANCING ACTIVITIES			
Bond principal payment	(470,840)	-	(470,840)
Acquisition of property and equipment	(40,400)	(10,000)	(752,152)
Interest and fees paid	(45,069)	-	(648,041)
Net cash provided by (applied to) financing activities	<u>(556,309)</u>	<u>(10,000)</u>	<u>(566,309)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	11,536	2,690	14,226
Net cash provided by investing activities	<u>11,536</u>	<u>2,690</u>	<u>14,226</u>
NET INCREASE (DECREASE) IN CASH	91,805	47,153	138,958
CASH BALANCES, BEGINNING OF YEAR	696,510	40,260	736,770
CASH BALANCES, END OF YEAR	<u>\$ 788,315</u>	<u>\$ 87,413</u>	<u>\$ 875,728</u>
RECONCILIATION OF CASH BALANCES			
Cash on hand	\$ 7,893	\$ 130	\$ 8,023
Cash on deposit	133,926	-	133,926
Investments - unrestricted	646,496	6,969	653,465
Investments - restricted for customer deposits	-	93,678	93,678
Bank overdraft	-	(13,364)	(13,364)
Cash balances	<u>\$ 788,315</u>	<u>\$ 87,413</u>	<u>\$ 875,728</u>

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

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STARR COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2009

ASSETS

Cash	\$ 6,295,887
Investments	3,527,957
Accounts receivable	68,406
Due from other funds	702,017
Other assets	<u>167,948</u>

Total assets	<u>\$ 10,762,215</u>
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LIABILITIES

Due to other funds	\$ 1,243,530
Due to other governments	582,926
Funds held in escrow	5,163,939
Other liabilities	<u>3,771,820</u>

Total liabilities	<u>\$ 10,762,215</u>
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The notes to financial statements are integral part of this statement.

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STARR COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

1. DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Starr County, Texas (the County) was organized in 1848. It is a public corporation and a political subdivision of the State of Texas. A Commissioners' Court composed of four (4) elected Commissioners and one elected County Judge governs the County under the statutes and the Constitution of the State of Texas. The County provides various services to advance the welfare, health, morals, comfort, safety and convenience of the County and its inhabitants.

The financial statements of the County have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to County governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

A. Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only criterion for including a potential component unit with the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise financial accountability include, but not limited to, the selection of a voting majority of the organization's governing body, the ability to remove appointed members of the organization's governing board at will, the ability to modify or approve the budget of the organization, and the designation of management. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

For financial reporting purposes, Starr County includes all funds and the account group that are controlled by, or dependent on, the County. Control by or dependence on the County was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the County to finance any deficits that may occur, or receipt of significant subsidies from the County, and the ability to significantly influence operation. Based upon the application of the above criteria, the following is a brief review of each potential component unit addressed in defining the government's entity.

1. **DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. Reporting Entity (Continued)

Excluded from the reporting entity:

Certain significant governmental entities providing services within the County are administered by separate boards or commissions, are not subject to oversight by the Commissioners' Court, and are responsible for their own fiscal matters. Consequently, financial information for the following entities is not included within the scope of these financial statements.

Starr County Appraisal District
Starr County Water Control and Improvement District No.2
Starr County Memorial Hospital District
All school districts in Starr County

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate fund financial statements are provided for the governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The general fund is the only major fund and is reported in a separate column in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows including claims and judgments reported in the County's internal service fund (proprietary fund). Property taxes are recognized as revenues in the year for which they are levied. Fees and fines are considered as earned when paid. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. **DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due.

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

The County reports four major governmental funds:

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

The **Road and Bridge Fund** is used by the County to build, repair and maintain all the roads and bridges within the County.

The **Debt Service Fund** is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

The **Capital Projects Fund** is used to account, on a project basis, for projects financed by the proceeds from bond issues, or for capital fund utilizes the modified accrual basis of accounting.

All other governmental funds are combined and reported as nonmajor. Nonmajor funds include Special Revenue funds.

Proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities (whether current or non current) associated with their activity are included on their balance sheets. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund measurement focus is upon determination of net income and changes in retained earnings.

The County reports the following major proprietary funds:

The **International Toll Bridge and Gas System Funds** are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenue earned, expense incurred, and/or net income, is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

1. **DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

Additionally, the County reports the following fund type:

Fiduciary Funds - *Agency funds* are used to account for the assets that are held for the benefit of others or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business type activities subject to this same limitation. The County has elected not to follow subsequent private sector guidance. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Budgets

Budgets are adopted on a basis other than generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund and the Road and Bridge Fund (a special revenue fund).

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized in the governmental funds of Starr County. Expenditures are recognized when services have been performed or goods have been received.

E. Cash and Investments

Cash includes amounts in demand deposits. Investments (invested cash) consist of short-term certificates of deposit and are stated at cost. Interest income pertaining to the certificates of deposit is recorded in the fiscal year end on an accrual basis.

In accordance with the State of Texas Statutes, county funds not immediately required to pay obligations may be invested in direct debt securities of the United States, fully collateralized security repurchase agreements purchased under a master contractual agreement that specifies the rights and obligations for which the principal and interest are guaranteed by the County depository, obligations for which the principal and interest are guaranteed by the United States and direct obligations of or participation certificates guaranteed by the Federal Intermediate Credit Banks, Federal Land Banks, Federal National Mortgage Association, Federal Home Loan Banks, or Banks for Cooperatives.

F. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

1. **DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

G. Prepaid Items

Payments made to vendors for service that will benefit periods beyond the end of the fiscal year are recorded as prepaid expense assets in proprietary fund types and as expenditures in the governmental fund types.

H. Inventories

Inventories of proprietary fund types are valued and recorded at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased.

I. Compensated Absences

Vacation and sick leave benefits are accrued by County employees according to guidelines established in the County's personnel policies. Said policies allow for the accumulation of sick leave of 12 days per year, but do not provide for payment of sick leave accruals (i.e., sick leave not taken in any given year is lost and cannot be carried over to the next year). Accordingly, since such accumulated amounts are non-vesting, unused sick leave at September 30, 2009 has not been accrued in the accompanying financial statements. The County's policy for vacation leave allows for 10 working days of vacation after an employee has worked for the County for 6 months.

Vacation leave does not accumulate if not used within the year (i.e., vacation leave taken cannot be carried over to the following year). However, any unused vacation leave is paid to an employee upon separation from service. No accruals of vacation leave have been provided for in the accompanying financial statements, as these amounts are considered immaterial.

The County has essentially no provision for compensatory ("comp") time off nor is any employee typically allowed to work more than 40 hours per week except Sheriff Department deputies.

J. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursement to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

K. Restricted Assets

Enterprise fund revenue bonds, as well as certain resources set aside for repayment, are classified as non-current assets on the balance sheet because their use is limited by applicable bond covenants.

L. Capital Assets

Capital assets, which include land, buildings and improvements and equipment, are reported in the government wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimate useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

1. **DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

L. Capital Assets (Continued)

Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. Property, plant and equipment of the primary government is depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Life in Years</u>
Buildings	50
Improvements	20
Furniture & Equipment	10
Automotive	8
Computer Equipment	5

GASB Statement No. 34 requires the County to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the County. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first required for the fiscal year ending in 2007. The County has implemented the general and retroactive provisions of GASB Statement No. 34 in the fiscal year ended September 30, 2007.

M. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants from specific grantor agencies. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

N. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the related debt. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges.

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

1. **DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

O. Bond Discounts and Bond Issuance Costs

In governmental fund types, bond discounts and bond issuance costs are recognized in the current period when the bonds are issued. Bond discounts and bond issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the straight-line method. Unamortized bond discounts are shown on the balance sheet as a reduction of the face amount of bonds payable whereas unamortized bond issuance costs are recorded as deferred charges (assets).

P. Use of Estimates in the Preparation of Financial Statements

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

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

A. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and government-wide statement of activities.

The governmental fund statement of revenue, expenditures, and change in fund balance includes a reconciliation between *net changes in fund balance – 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 indicates, "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".

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and government-wide statement of activities.
(Continued)

The details of this \$3,023,294 is as follows:

Capital outlay-additions	\$ 4,156,603
Capital asset dispositions	(263,099)
Depreciation expense	<u>(870,210)</u>
Net adjustment to decrease <i>net changes in fund balance – total governmental funds</i> to arrive at change in <i>net assets of governmental activities</i> (Exhibit C-3)	<u>\$ 3,023,294</u>

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

C. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and government-wide statement of activities.

Another element of the reconciliation states that, "The net effect of various transactions involving debt principal payment to increase net assets." The details of this \$400,000 is as follows:

Debt principal payment	\$ 400,000
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> (Exhibit C-3)	<u>\$ 400,000</u>

3. LEGAL COMPLIANCE – BUDGETS

The County Judge is, by state statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge to assist him and the Commissioners' Court on budgetary matters. The County Judge reviews budget requests, holds informal hearings when needed, and fills in columns in budget preparation forms, setting out his budget recommendations to the Commissioners' Court.

The Commissioners' Court holds a public hearing on the budget and department heads may appear. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Expenditure amounts finally budgeted may not exceed the estimate of budgeted revenues and available fund balance.

When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. Level of control is on a line-item basis.

The following individual funds had adopted budgets for the fiscal year ended September 30, 2009:

- (a) General Fund
- (b) Road and Bridge Fund
- (c) Debt Service Fund

4. AUTHORIZED INVESTMENTS

The District is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

5. DEPOSITS AND INVESTMENTS

At September 30, 2009, the carrying amount of the County's deposits was \$2,500,823 and total bank balances equaled \$2,974,920. Bank balances of \$250,000 are covered by federal depository insurance and the remaining \$2,724,920 was not covered by collateral pledged in the County's name.

5. **DEPOSITS AND INVESTMENTS** (Continued)

The fair values of investments at September 30, 2009 are summarized as follows:

	<u>Rate</u>	<u>Maturity</u>	<u>Fair Value</u>
<u>General Fund</u>			
Certificate of Deposit	1.25%	10/16/09	\$ 324,007
Certificate of Deposit	1.25%	10/16/09	324,007
Certificate of Deposit	1.25%	10/16/09	324,007
Certificate of Deposit	1.25%	11/03/09	176,991
Certificate of Deposit	0.70%	11/09/09	176,990
Certificate of Deposit	0.70%	11/09/09	353,961
Certificate of Deposit	0.70%	11/09/09	176,991
			<u>\$ 1,856,954</u>
<u>Road & Bridge Fund</u>			
Certificate of Deposit	1.25%	11/03/09	\$ 111,251
			<u>\$ 111,251</u>
<u>Special Revenue</u>			
Certificate of Deposit	0.70%	11/06/09	\$ 252,844
Certificate of Deposit	0.70%	11/06/09	252,844
			<u>\$ 505,688</u>
<u>Debt Service</u>			
Certificate of Deposit	1.25%	12/01/09	\$ 117,167
Certificate of Deposit	1.25%	12/11/09	618,374
Certificate of Deposit	0.90%	10/16/09	352,743
Certificate of Deposit	1.25%	10/16/09	662,130
Certificate of Deposit	2.30%	10/01/09	363,580
Certificate of Deposit	1.25%	02/28/10	195,000
Certificate of Deposit	0.70%	11/06/09	505,687
			<u>\$ 2,814,681</u>
<u>Enterprise Funds</u>			
Certificate of Deposit	1.20%	10/16/09	\$ 100,647
Certificate of Deposit	1.15%	10/16/09	646,496
			<u>\$ 747,143</u>

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures. The County has the following risks related to deposits and investments:

Interest Rate Risk – In accordance with state law, the County does not purchase any investments with maturities greater than 10 years.

Credit Risk – In accordance with state law, investments in mutual funds and investment pools must be rated at least AAA, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A. All U.S. Government Securities and Tex Pool investments of the County are rated AAA.

Concentration of Credit Risk – The County does not place a limit on the amount the County may invest in any one issuer. More than 5% of the County's investments are in Lonestar National Bank (100%), exclusively in Certificates of Deposit.

5. **DEPOSITS AND INVESTMENTS** (Continued)

During the year ended September 30, 2009, the County realized no gain or loss from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

6. **PROPERTY TAXES**

Ad valorem taxes attach an enforceable lien on property as of January 1. The taxes are levied each October 1, based on the assessed value listed as of the date the enforceable lien attaches. Appraised values are established by the Starr County Appraisal District, assessed at 100% of appraised value and certified by the Appraisal Review Board. The Starr County Tax Assessor/Collector bills and collects taxes for the County. The 2009 fiscal year tax rate was .474 per \$100 for the general fund, .0400 per \$100 for the debt service fund and .1852 for the FM and Lateral Road tax, for a total of .6992 per \$100 assessed valuation.

The County's taxes on real property are a lien against such property until paid. The County may foreclose on real property upon which it has a lien for unpaid taxes. The exception is homestead property belonging to persons 65 years of age or older.

While the County makes an effort to collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title of the property not otherwise collected are generally paid when there is a sale or transfer of the title of the property. Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes become delinquent. Unlike real property, the sale or transfer of most personal property does not require any evidence that taxes thereon are paid.

Taxes are due October 1. Taxes become delinquent on February 1, of the following year, at which time penalty and interest charges are applicable. Property tax revenues are recorded as revenues when they become measurable and attainable. At September 30, property tax receivables are fully deferred.

7. **LONG-TERM DEBT**

The following is a summary of General Long-Term Debt and Revenue Bonds payable as of September 30, 2009 recorded under governmental activities.

	Balance 10/01/08	Additions	Retirements	Balance 9/30/09
G.O. Refunding, Series 2004	\$ 590,000	\$ -	\$ -	\$ 590,000
G.O. Refunding, Series 2004A	400,000	-	400,000	-
Certificates of Obligation, Series 2004	4,045,000	-	-	4,045,000
Total Long-Term Debt	<u>\$ 5,035,000</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 4,635,000</u>

7. **LONG-TERM DEBT**

The annual requirements to repay all outstanding debt, as of September 30, 2009, are as follows:

Year Ending September 30,	Principal	Interest
2010	\$ 405,000	\$ 162,669
2011	415,000	148,369
2012	435,000	133,719
2013	450,000	117,856
2014	445,000	117,856
2015-2019	<u>2,485,000</u>	<u>308,281</u>
Total	<u>\$ 4,635,000</u>	<u>\$ 988,750</u>

8. **CAPITAL ASSETS**

Capital asset activity for the County for the year ended September 30, 2009, under governmental activities was as follows:

	Balance 10/1/2008	Primary Government Changes During Year		Balance 9/30/2009
		Additions	Deletions	
Land	\$ 1,002,740	\$ 44,500	\$ -	\$ 1,047,240
Construction in Progress	-	-	-	-
Buildings and Improvements	16,425,864	37,600	-	16,463,464
Furniture and Equipment	5,725,251	1,736,171	(756,156)	6,705,266
Infrastructure	<u>49,282,208</u>	<u>2,338,332</u>	<u>-</u>	<u>51,620,540</u>
Totals at Historic Cost	<u>72,436,063</u>	<u>4,156,603</u>	<u>(756,156)</u>	<u>75,836,510</u>
Less Accumulated Depreciation:				
Buildings & Improvements	5,541,255	326,088	-	5,867,343
Furniture and Equipment	<u>2,802,736</u>	<u>544,122</u>	<u>(493,057)</u>	<u>2,853,801</u>
Total Accum. Depreciation	<u>8,343,991</u>	<u>870,210</u>	<u>(493,057)</u>	<u>8,721,144</u>
Governmental Activities Capital Assets, Net	<u>\$ 64,092,072</u>	<u>\$ 3,286,393</u>	<u>\$ (263,099)</u>	<u>\$ 67,115,366</u>

8. **CAPITAL ASSETS** (Continued)

Depreciation expense for FY 2009 was charged to functions/programs of the County as follows:

General administration	\$ 250,099
Judicial	102,180
Legal	53,274
Financial administration	52,604
Public facilities	13,793
Public safety	337,911
Health and welfare	52,665
Conservation agriculture	7,684
Totals	<u>\$ 870,210</u>

9. **REVENUE BONDS PAYABLE OF ENTERPRISE FUNDS**

The following is a summary of the changes in revenue bonds of the Enterprise Funds (business-type activities) for the year ended September 30, 2009:

	Balance 10/1/2008	Additions	Retirements	Balance 9/30/2009
<u>Int. Toll Bridge System:</u>				
Note payable	\$ 400,000	\$ -	\$ 400,000	\$ -
Note payable	590,000	-	-	590,000
Note payable	167,707	-	70,840	96,867
Total	<u>\$ 1,157,707</u>	<u>\$ -</u>	<u>\$ 470,840</u>	<u>\$ 686,867</u>

Revenue notes payable of the Enterprise Funds at September 30, 2009 consisted of the following individual bond issues:

Promissory note payable to Starr County, semiannual installments including principal and interest ranging from 3.00% to 3.25%, due August 2012, unsecured:	\$ 590,000
Lease Purchase note payable to TRMI Systems Integration monthly installments of \$6,808 including principal and interest at 8% due December 1, 2010:	<u>96,867</u>
Revenue Notes Payable at 9/30/09:	<u>\$ 686,867</u>

Future annual requirements to retire the above revenue bonds, exclusive of the unamortized bond discount, of the Enterprise Funds outstanding as of September 30, 2009 are as follows:

Toll Bridge System:

Years Ending September 30,	Principal	Interest	Total
2010	\$ 266,719	\$ 23,190	\$ 289,909
2011	215,148	17,489	232,637
2012	205,000	6,662	211,662
Total	<u>\$ 686,867</u>	<u>\$ 47,341</u>	<u>\$ 734,208</u>

10. **SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The County maintains two Enterprise Funds, which provide natural gas and International boundary crossings. Segment information for the year ended September 30, 2009 was as follows:

	Toll Bridge Fund	International Gas System Fund	Total Enterprise Funds
Operating revenues	\$ 2,894,984	\$ 1,294,072	\$ 4,189,056
Depreciation and amortization expense	176,501	13,651	190,152
Operating income	1,379,879	(88,175)	1,291,704
Operating transfers out	(949,760)	(46,350)	(996,110)
Net income or (loss)	381,761	(127,876)	253,885
Property and equipment, net additions	9,749	-	9,749
Net working capital	337,200	94,660	431,860
Net total assets	4,899,004	328,981	5,227,985
Notes payable-net of current	686,867	-	686,867
Total equity	3,718,263	55,184	3,773,447

11. **FIXED ASSETS OF PROPRIETARY FUNDS**

Fixed assets of Proprietary Funds (Enterprise Funds) at September 30, 2009 consisted of the following:

	Gas System	International Bridge	Total
Land	\$ 10,000	\$ 1,396,530	\$ 1,406,530
Buildings and improvements	20,390	5,342,488	5,362,878
Gas distribution system	571,562	-	571,562
Machinery, furn. & equip.	151,518	779,098	930,616
Total assets	753,470	7,518,116	8,271,586
Less:			
Accumulated depreciation	(701,752)	(3,598,575)	(4,300,327)
Fixed assets, net of accumulated depreciation	\$ 51,718	\$ 3,919,541	\$ 3,971,259

12. **CONTINGENT LIABILITIES**

The County is a party to various litigations under which it may be required to pay certain monies upon decision of the courts. The County's Attorneys report various possible contingent liabilities based on the amount of damages alleged in various cases. However, it is the opinion of the County's Attorney that the County's liability in these cases that are not covered by liability insurance will be a far lesser amount than that demanded. In the opinion of the County's management, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and, accordingly, no provisions or losses have been recorded.

13. BUDGET RESULTS RECONCILED TO RESULTS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The budgetary process is based upon accounting for certain transactions on a basis other than generally accepted accounting principles (GAAP basis). The results of operations as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual, are in accordance with budgetary process to provide a meaningful comparison with the budget.

The major differences between the budgetary basis "actual" and the GAAP basis are as follows:

- A. Basis differences – revenues and expenditures are budgeted on a cash basis while accounts shown in the combined Statement of Revenues, Expenditures and Changes in Fund Balance – All governmental fund types are presented under the modified accrual basis of accounting.
- B. Entity difference – budgets were not legally adopted for capital projects fund and the federal and state grants. As previously stated in Note 1 part D to the combined financial statements, the federal and state grants have already been excluded from the budgetary and actual figures shown on the Statement of Revenues, Expenditures and Changes in Fund Balances under Special Revenue Funds. Consequently, the amounts shown on said statement represent those of the Road and Bridge Fund only.

14. COMMITMENTS AND CONTINGENCIES

Federal and State Funds

The County has received federal and state funds as grants and other financial assistance. These funds must be spent only as allowed by the grant and other federal or state requirements. Also, the County must follow various laws and regulations when they receive these funds. If the County does not abide by these laws and regulations or does not spend the monies, as allowed under the grant agreements, the County may be required to return the grant monies, or a portion thereof, to the granting agencies. The contingent liability, if any, that may be due to the federal and state agencies, cannot be readily determined. However, during our compliance testing we found possible questioned costs totaling approximately \$435,000, which could adversely affect the County in the future. Depending on further review by the granting agencies involved, there is a potential that the County may have to reimburse its grantors for the questioned costs. The County's grantors will make the determination as to how much, if any, grant money will need to be reimbursed.

15. RISK MANAGEMENT

Starr County is exposed to various risks of loss relating to general liability, the accidental risk of loss of real and personal property, damage to County assets, errors and omissions, and personal risks which relate to workers' compensation. The County implements a number of risk strategies, such as purchasing commercial insurance and self-insurance with specific and full self insurance to manage those listed risks. Amounts of coverage for these types of risk have not been subjected to a significant reduction in the current year.

16. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances, at September 30, 2009, consisted of the following individual fund receivables and payables:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General fund:		
Special revenue fund	\$ 2,271,625	\$ 391,350
Debt service fund	-	34,219
Enterprise fund	98,354	-
Trust and agency fund	949,675	224,849
Total general fund	<u>3,319,654</u>	<u>650,418</u>
Special revenue fund:		
General fund	391,350	2,271,625
Special revenue fund	113,391	113,391
Trust and agency fund	188,504	397,469
Total special revenue fund	<u>693,245</u>	<u>2,782,485</u>
Debt service fund:		
General fund	34,219	-
Trust and agency fund	25,698	45
Total debt service fund	<u>59,917</u>	<u>45</u>
Enterprise fund:		
General fund	-	98,354
Total enterprise fund	<u>-</u>	<u>98,354</u>
Trust and agency fund:		
General fund	224,849	949,675
Special revenue fund	397,469	188,504
Debt service fund	45	25,698
Trust and agency fund	79,655	79,655
Total trust and agency fund	<u>702,018</u>	<u>1,243,532</u>
Totals	<u>\$ 4,774,834</u>	<u>\$ 4,774,834</u>

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided and/or reimbursement expenditures occur, 2) payments between funds are made. Balances also result from interfund payroll transactions and end of year reclasses made between funds.

17. PENSION PLAN

Plan Description

The County provides pension, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 574 cash balance-like 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 County, within the options available in the Texas state statutes governing TCDRS. Members can retire at ages 60 and above with 8 or more years of service or with 20 years regardless of age or when the sum of their age and years equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the County conditioned by the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The pension plan requires that employees contribute 5% of their annual covered salary. The employer is required to contribute at an actuarially determined rate; the current rate is 6.65% of annual covered payroll. The contribution requirements of the plan members and Starr County are established and may be amended by TCDRS' Board of Trustees.

Annual Pension Cost

For 2009, Starr County's annual pension of \$827,018 for TCDRS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return (net of investment expenses), (b) projected salary increases of 5.3% per year, and (c) 0% for cost of living adjustments. Both (a) and (b) included an inflation component of 3.5%. The method of determining the actuarial value of assets is the SAF: 10-year smoothed value ESF: fund value method. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at December 31, 2009 was 20 years.

17. **PENSION PLAN** (Continued)

Annual Pension Cost (Continued)

<u>Schedule of Funding Progress</u>						
Fiscal Year	a Actuarial Value of Assets	b Actuarial Accrued Liability (AAL)	b-a Unfunded AAL (UAAL)	a/b Funded Ratio	c Covered Payroll	(b-a)/c UAAL as a Percentage of Covered Payroll
<u>Ending</u>	<u>Assets</u>	<u>Liability (AAL)</u>	<u>(UAAL)</u>	<u>Ratio</u>	<u>Payroll</u>	<u>Covered Payroll</u>
9/30/2006	\$ 12,030,319	\$ 15,631,167	\$ 3,600,848	76.96%	\$ 9,758,609	36.90%
9/30/2007	\$ 13,517,952	\$ 16,917,888	\$ 3,399,936	79.90%	\$ 10,932,386	31.10%
9/30/2008	\$ 13,997,027	\$ 18,222,388	\$ 4,225,361	76.81%	\$ 11,860,970	35.62%

<u>Schedule of Employer Contributions</u>				
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
<u>Ending</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>	
9/30/2007	\$ 787,107	100%	-	
9/30/2008	\$ 839,146	100%	-	
9/30/2009	\$ 827,018	100%	-	

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**BUDGETARY COMPARISON
REPORTING**

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STARR COUNTY, TEXAS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Current ad valorem	\$ 7,575,179	\$ 7,575,179	\$ 8,553,504	\$ 978,325
Delinquent ad valorem	1,100,000	1,100,000	927,859	(172,141)
Late rendition penalty	-	-	18,851	18,851
Alcoholic beverage licenses	5,000	5,000	14,170	9,170
Subdivision fees	31,740	31,740	10,563	(21,177)
Federal payment in lieu of taxes	30,000	30,000	20,949	(9,051)
State grant elderly	20,000	20,000	-	(20,000)
Nutrition program grant	200,000	200,000	249,780	49,780
SCAAP Program	-	-	-	-
Tx task force on indigent defense	-	-	33,369	33,369
TWC Fund 936 Surplus	-	-	-	-
TX DOT Local match refund	-	-	307,112	307,112
911 addressing grant	-	38,850	33,345	(5,505)
Fees of office	1,718,689	1,718,689	2,650,094	931,405
Detention center	1,000,000	1,000,000	1,637,864	637,864
Detention center - cities	10,000	10,000	18,606	8,606
Juvenile detention center	50,000	50,000	21,396	(28,604)
El Cenizo adult day care rents	30,000	30,000	17,000	(13,000)
Chapter 19 - voter registration	-	-	-	-
Library fines	1,001	1,001	1,933	932
Rentals	20,000	20,000	40,580	20,580
State salary supplement	65,000	65,000	177,778	112,778
Environment/animal control	25,000	25,000	-	(25,000)
Bond forfeitures	-	-	49,500	49,500
Interest	-	-	150,855	150,855
Donations	-	20,163	35,742	15,579
Sale of cemetery plots	3,000	3,000	5,825	2,825
Miscellaneous (sheriff)	10,000	10,000	-	(10,000)
Miscellaneous (auction)	100	300	755	455
Miscellaneous	22,000	24,000	92,197	68,197
Tow truck registration fees	-	-	2,465	2,465
Elderly transportation	-	-	2,389	2,389
Total revenues	<u>\$ 11,916,709</u>	<u>\$ 11,977,922</u>	<u>\$ 15,074,481</u>	<u>\$ 3,096,559</u>

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General administration:				
County judge:				
Salary of official	\$ 47,250	\$ 62,250	\$ 62,822	\$ (572)
Supplemental salary of official	10,000	10,000	16,336	(6,336)
Salary of administrative assistant	71,446	71,446	71,446	-
Salary of secretary	27,778	27,778	27,778	-
Salary of clerk	23,318	23,318	25,999	(2,681)
Salary of courthouse security	28,400	28,400	26,289	2,111
Automation coordinator	64,890	64,890	62,195	2,695
Annex receptionist	18,200	18,200	17,259	941
Payroll taxes	22,283	22,283	22,770	(487)
Employee retirement	23,623	23,623	20,633	2,990
Office supplies	4,996	4,996	4,984	12
Auto expense	45,000	40,000	25,834	14,166
Telephone	-	6,050	5,953	97
Travel and seminar	10,000	10,000	5,240	4,760
Travel-mileage	15,000	-	-	-
Bonds and insurance	300	300	50	250
Dues and subscriptions	1,000	1,000	225	775
Capital outlay-equipment	10,000	10,000	683	9,317
Miscellaneous	8,850	9,465	3,027	6,438
Contingencies	10,000	10,000	8,042	1,958
Total county judge	442,334	443,999	407,565	36,434
County clerk:				
Salary of official	36,529	36,529	36,529	-
Salary of chief clerk	23,960	23,960	23,960	-
Salaries of deputies	104,300	104,300	118,921	(14,621)
Salary of bookkeeper	-	-	4,492	(4,492)
Payroll taxes	12,606	12,606	13,646	(1,040)
Employee retirement	13,365	13,365	12,557	808
Office supplies	18,000	18,755	17,495	1,260
Microfilming	-	4,200	4,200	-
Telephone	50	50	1,327	(1,277)
Travel and seminars	2,500	2,361	2,361	-
Binding expense	4,000	3,384	3,384	-
Bonds and insurance	700	700	700	-
Operational system fee	51,000	46,800	50,429	(3,629)
Total county clerk	267,010	267,010	290,001	(22,991)

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
General administration: (continued)				
Personnel department:				
Salary of supervisor	28,119	28,119	28,119	-
Salary of secretary/manager	19,652	19,652	17,400	2,252
Salary of benefits clerk	19,946	19,946	18,467	1,479
Salary of loss benefits clerk	20,204	20,204	22,085	(1,881)
Payroll taxes	6,726	6,726	6,188	538
Employee retirement	7,127	7,127	5,728	1,399
Office supplies	4,500	4,500	3,438	1,062
Travel and seminars	3,500	3,500	3,179	321
Rental - copier	3,000	3,000	3,000	-
Capital outlay	1,000	1,000	-	1,000
Total personnel department	113,774	113,774	107,604	6,170
Planning department:				
Salary of Subdivision regulation inspector	29,151	29,151	37,738	(8,587)
Salary of field worker	21,526	21,526	19,701	1,825
Payroll taxes	3,877	3,877	4,362	(485)
Employee retirement	4,110	4,110	3,425	685
Office supplies	2,000	2,000	1,840	160
Travel and seminars	1,500	1,700	1,641	59
Auto expense	2,000	2,000	2,000	-
Dues & subscriptions	200	-	-	-
Telephone	500	500	331	169
Total planning department	64,864	64,864	71,038	(6,174)
Veterans' service officer:				
Salary of official	23,821	23,821	23,821	-
Payroll taxes	1,822	1,822	1,822	-
Employee retirement	1,932	1,932	1,620	312
Office supplies	500	500	-	500
Telephone	100	100	-	100
Travel and seminars	1,000	1,000	-	1,000
Total veterans' service officer	29,175	29,175	27,263	1,912
Elections administrator:				
Salary of clerk	38,818	38,818	38,479	339
Salary of temporary help	16,950	16,950	27,674	(10,724)
Payroll taxes	4,266	4,266	5,143	(877)
Employee retirement	4,523	4,523	4,469	54
Office supplies	12,000	9,000	7,293	1,707

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General administration: (continued)				
Elections administrator: (continued)				
Telephone	3,000	3,000	1,465	1,535
Travel and seminars	3,000	6,000	4,532	1,468
Public notices	1,000	1,000	-	1,000
Bonds and insurance	500	500	-	500
Miscellaneous	1,000	1,000	946	54
Capital outlay	500	500	158	342
Total elections administrator	85,557	85,557	90,159	(4,602)
General fund county wide:				
Texas employment commission	65,000	39,000	24,160	14,840
Workers compensation	250,000	250,000	146,875	103,125
Postage	120,000	120,000	76,745	43,255
Legal fees and settlements	150,000	150,000	178,292	(28,292)
Audit services	45,000	45,000	29,963	15,037
Payroll report processing	10,000	10,000	7,397	2,603
Appraisal district fees	280,000	346,000	361,932	(15,932)
Contractual services	100,000	115,000	107,600	7,400
Drug testing fees	9,000	9,000	5,142	3,858
Autopsies	60,000	30,000	30,055	(55)
Bidding & notices	12,000	12,000	14,080	(2,080)
Telephone-DPS license department	150	150	-	150
Building rent-DPS license dept	100	100	-	100
Equipment rental-copiers	50,000	50,000	29,663	20,337
Computer payments	22,000	22,000	4,376	17,624
Insurance	140,000	260,000	248,341	11,659
Texas department of human services	12,000	12,000	11,378	622
Historical commission	1,000	1,000	-	1,000
Industrial development	100,000	100,000	100,000	-
Errors and omissions-insurance	80,000	10,000	-	10,000
Rural fire calls	5,000	6,000	5,694	306
Computer update	60,000	60,000	60,525	(525)
Capital outlay	120,000	39,230	39,148	82
Group insurance	1,100,000	1,100,000	1,113,732	(13,732)
Self Help Center expense	2,480	2,480	49,985	(47,505)
Unreimbursed grant expenditures	-	-	37,697	(37,697)
Miscellaneous	17,000	17,000	15,324	1,676
LLEBG match	8,400	8,400	-	8,400
Infrastructure development	40,000	35,000	14,784	20,216
Elections expense	80,000	80,000	70,823	9,177

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
General administration: (continued)				
General fund county wide: (continued)				
Salary - visiting judges	3,000	3,000	4,394	(1,394)
Payroll taxes	-	1,000	336	664
Telephone	100,000	100,000	97,772	2,228
Total general fund county wide	3,042,130	3,033,360	2,886,213	147,147
Total general administration	4,044,844	4,037,739	3,879,843	157,896
Judicial:				
County court-at-law:				
Salary of official	129,746	129,746	129,744	2
Salary of court coordinator	27,254	27,254	27,357	(103)
Salary of court reporter	35,807	35,807	35,807	-
Salary of administrative assistant	27,113	27,113	27,113	-
Payroll taxes	16,824	16,824	14,984	1,840
Employee retirement	17,835	17,835	14,985	2,850
Office supplies	1,500	1,500	872	628
Court appointed counselors	12,000	12,000	28,550	(16,550)
Visiting reporter	200	200	-	200
Telephone	100	100	-	100
Travel and seminars	1,500	1,500	2,386	(886)
Bonds and insurance	50	50	-	50
Petit jurors	4,000	4,000	5,260	(1,260)
Other juror expense	1,000	1,000	-	1,000
Court ordered psychological evaluations	500	500	-	500
Miscellaneous	2,000	2,000	1,103	897
Total county court-at-law	277,429	277,429	288,161	(10,732)
229th district court:				
Salary of court reporter	40,678	40,678	42,060	(1,382)
Salary of court coordinator	23,831	23,831	22,580	1,251
Salary of court clerk	42,060	42,060	40,678	1,382
Court ordered psychological evaluations	100	100	-	100
Salary of interpreter	3,900	3,900	8,811	(4,911)
Salary of part time clerk	3,900	3,900	7,560	(3,660)
Payroll taxes	8,749	8,749	8,687	62
Group insurance	-	-	-	-
Employee retirement	9,276	9,276	8,288	988
Office supplies	3,500	3,500	3,575	(75)
Court-appointed counselors	70,000	70,000	111,363	(41,363)

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial: (continued)				-
229th district court: (continued)				-
Visiting reporter	4,000	4,000	1,476	2,524
Telephone	3,500	3,500	3,390	110
Travel and seminars	8,000	8,000	6,106	1,894
Dues and subscriptions	200	200	-	200
Petit jurors	35,000	35,000	34,450	550
Other juror expense	2,500	2,500	1,631	869
Capital outlay	1,000	1,000	363	637
Total 229th district court	260,194	260,194	301,018	(40,824)
381st district court:				
Salary of court reporter	63,350	63,350	63,350	-
Salary of court coordinator	65,274	65,274	65,274	-
Salary of court bailiff	20,865	20,865	-	20,865
Payroll taxes	11,436	11,436	9,529	1,907
Employee retirement	12,123	12,123	8,761	3,362
Office supplies	5,000	5,000	9,885	(4,885)
Court-appointed counselors	35,000	35,000	40,132	(5,132)
Visiting reporter	3,000	3,000	-	3,000
Telephone	500	500	-	500
Travel and seminars	4,000	4,000	4,098	(98)
Jury commission	200	200	150	50
Petit jurors	30,000	30,000	55,280	(25,280)
Other juror expense	4,000	4,000	3,521	479
Court ordered psychological evaluations	1,000	1,000	800	200
Miscellaneous	3,000	3,000	3,060	(60)
Total 381st district court	258,748	258,748	263,840	(5,092)
District clerk:				
Salary of official	36,529	36,529	36,529	-
Salary of chief clerk	23,960	23,960	23,960	-
Salary of clerks	163,380	163,380	137,351	26,029
Payroll taxes	17,126	17,126	14,900	2,226
Employee retirement	18,156	18,156	13,115	5,041
Office supplies	15,000	20,000	19,311	689
Microfilming	5,000	-	-	-
Telephone	1,500	1,500	1,352	148
Travel and seminars	3,000	3,000	1,968	1,032
Binding expense	5,000	-	-	-
Repair & maintenance-equipment	1,000	6,000	3,505	2,495

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial: (continued)				-
District clerk: (continued)				-
Printer Lease	1,100	1,100	-	1,100
Bonds and insurance	2,000	2,000	1,100	900
Miscellaneous	750	750	550	200
Dues and subscriptions	200	200	95	105
Total district clerk	293,701	293,701	253,736	39,965
Justice of the peace pct. 1:				
Salary of official	28,936	28,936	28,936	-
Salary of secretary	22,752	22,752	22,752	-
Payroll taxes	3,954	3,954	3,621	333
Employee retirement	4,192	4,192	3,520	672
Office supplies	1,400	1,400	1,391	9
Telephone	1,600	1,600	2,047	(447)
Travel and seminars	1,000	1,000	913	87
Bonds and insurance	175	175	250	(75)
Juror expense	100	100	-	100
Internet service	1,450	1,450	1,460	(10)
Total justice of the peace pct. 1	65,559	65,559	64,890	669
Justice of the peace pct. 2:				
Salary of official	26,194	26,194	26,194	-
Salary of secretary	20,644	20,644	20,644	-
Payroll taxes	3,583	3,583	3,009	574
Employee retirement	3,799	3,799	3,190	609
Office supplies	1,200	1,200	1,294	(94)
Telephone	1,000	1,000	2,080	(1,080)
Travel and seminars	1,000	1,000	1,012	(12)
Juror expense	100	100	-	100
Bonds and insurance	175	175	50	125
Internet service	1,250	1,250	1,260	(10)
Total justice of the peace pct. 2	58,945	58,945	58,733	212
Justice of the peace pct. 3:				
Salary of official	26,194	26,194	26,194	-
Salary of secretary	20,644	20,644	20,644	-
Payroll taxes	3,583	3,583	3,427	156
Employee retirement	3,799	3,799	3,190	609
Office supplies	1,200	1,200	1,062	138
Telephone	1,000	1,000	1,518	(518)

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial: (continued)				-
Justice of the peace pct. 3: (continued)				-
Travel and seminars	1,000	1,000	678	322
Bonds and insurance	175	175	150	25
Juror expense	100	100	-	100
Internet service	1,250	1,250	1,925	(675)
Total justice of the peace pct. 3	58,945	58,945	58,788	157
Justice of the peace pct. 4:				
Salary of official	28,936	28,936	28,936	-
Salary of secretary	22,124	22,124	20,924	1,200
Payroll taxes	3,906	3,906	3,710	196
Group insurance	-	-	-	-
Employee retirement	4,141	4,141	3,396	745
Office supplies	2,200	2,200	939	1,261
Telephone	1,000	1,000	-	1,000
Travel and seminars	1,200	1,200	632	568
Juror expense	300	300	-	300
Bonds and insurance	175	175	150	25
Internet service	1,200	1,200	-	1,200
Total justice of the peace pct. 4	65,182	65,182	58,687	6,495
Justice of the peace pct. 5:				
Salary of official	26,194	28,936	28,936	-
Clerk	17,200	17,200	17,200	-
Payroll taxes	3,320	3,320	3,098	222
Employee retirement	3,519	3,519	3,142	377
Office supplies	1,200	2,525	1,818	707
Telephone	1,000	1,150	1,029	121
Travel and seminars	1,000	1,000	974	26
Juror expense	100	-	-	-
Bonds and insurance	175	50	50	-
Internet service	1,250	-	-	-
Total justice of the peace pct. 5	54,958	57,700	56,247	1,453
Justice of the peace pct. 6:				
Salary of official	28,936	28,936	28,936	-
Salary of secretary	22,752	22,752	22,752	-
Payroll taxes	3,954	3,954	3,538	416
Employee retirement	4,192	4,192	3,520	672
Office supplies	1,200	2,442	2,434	8
Telephone	1,200	1,200	1,989	(789)

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Judicial: (continued)				-
Justice of the peace pct. 6: (continued)				-
Travel and seminars	1,200	558	558	-
Copier lease	350	-	-	-
Juror expense	100	-	-	-
Bonds and insurance	300	150	150	-
Internet service	1,250	1,250	1,131	119
Total justice of the peace pct. 6	65,434	65,434	65,008	426
Justice of the peace pct. 7:				
Salary of official	26,194	26,194	26,194	-
Salary of secretary	19,620	19,620	19,535	85
Payroll taxes	3,505	3,505	3,469	36
Employee retirement	3,715	3,715	3,115	600
Office supplies	1,000	1,775	1,158	617
Telephone	1,000	1,000	2,732	(1,732)
Travel and seminars	1,100	1,100	1,071	29
Rental copier	500	-	-	-
Bonds and insurance	275	100	100	-
Juror expense	100	-	-	-
Internet service	1,250	1,250	973	277
Total justice of the peace pct. 7	58,259	58,259	58,347	(88)
Justice of the peace pct. 8:				
Salary of official	26,194	26,194	33,340	(7,146)
Salary of secretary	20,644	20,644	13,498	7,146
Payroll taxes	3,583	3,583	3,445	138
Employee retirement	3,799	3,799	3,190	609
Office supplies	1,200	700	823	(123)
Telephone	900	-	-	-
Travel and seminars	1,000	2,000	1,657	343
Juror expense	100	-	-	-
Judicial: (continued)				
Justice of the peace pct. 8: (continued)				
Bonds and insurance	275	275	100	175
Internet service	1,250	1,750	1,651	99
Total justice of the peace pct. 8	58,945	58,945	57,704	1,241
Total judicial	1,576,299	1,579,041	1,585,159	(6,118)

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Legal:				
County attorney:				
Salary of official	52,905	52,905	48,835	4,070
Supplemental salary of official	25,425	25,425	29,495	(4,070)
Salary of assistant county attorney	-	-	80,967	(80,967)
Other salaries	154,769	154,769	41,992	112,777
Intake clerk	-	-	114,055	(114,055)
Abatement officer	-	-	2,152	(2,152)
Payroll taxes	17,832	17,832	23,598	(5,766)
Employee retirement	18,904	18,904	20,641	(1,737)
Office supplies	4,000	4,000	3,841	159
Supplies other	1,000	1,000	541	459
Repairs and maintenance-autos	4,000	2,000	395	1,605
Fuel and oil	8,000	9,000	8,941	59
Travel and seminars	1,000	1,000	-	1,000
Equipment rental-copiers	5,500	6,500	6,314	186
Bonds and insurance	150	150	777	(627)
Dues and subscriptions	900	900	-	900
Capital outlay	1,000	1,000	1,000	-
Service of citations	6,300	6,300	1,920	4,380
Total county attorney	301,685	301,685	385,464	(83,779)
District attorney:				
Supplemental salary of official	10,792	10,792	10,792	-
Salaries - supplement account	-	-	29,978	(29,978)
Salaries of assistants	99,750	99,750	93,923	5,827
Salaries of investigators	36,750	36,750	33,623	3,127
Salaries-secretaries	87,611	87,611	80,898	6,713
Other salaries	56,574	56,574	110,895	(54,321)
Payroll taxes	22,298	22,298	23,900	(1,602)
Employee retirement	23,639	23,639	22,504	1,135
Office supplies	6,000	6,000	10,665	(4,665)
Repairs and maintenance-autos	2,000	2,000	1,351	649
Transcripts for trials and appeals	2,500	2,500	2,429	71
Telephone	1,000	1,000	1,084	(84)
Travel and seminars	3,500	3,500	3,138	362
Computer maintenance	1,200	1,200	1,205	(5)
Equipment rental-copier	6,250	6,250	5,689	561
Bonds and insurance	200	200	178	22
Dues and subscriptions	1,500	1,500	1,043	457
Crime victims assistance	-	437	150	287

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Legal: (continued)				
District attorney: (continued)				
Capital outlay	1,500	1,500	1,393	107
Miscellaneous	500	500	928	(428)
Child advocacy center	-	4,600	5,300	(700)
Total district attorney	363,564	368,601	441,066	(72,465)
Total legal	665,249	670,286	826,530	(156,244)
Financial administration:				
County auditor:				
Salary of official	56,133	56,133	56,133	-
Salary of accountant	40,565	40,565	44,100	(3,535)
Salary of assistant	38,375	38,375	4,600	33,775
Salary of special programs bookkeeper	24,784	24,784	-	24,784
Salary of clerks	86,470	86,470	80,984	5,486
Payroll taxes	18,844	18,844	13,692	5,152
Employee retirement	19,977	19,977	12,339	7,638
Office supplies	2,500	2,500	4,795	(2,295)
Travel and seminars	2,200	2,200	562	1,638
Repairs and maintenance-equipment	500	500	-	500
Equipment rental-copier	3,100	3,100	2,160	940
Bonds and insurance	300	300	50	250
Dues and subscriptions	300	300	240	60
Miscellaneous	200	200	-	200
Capital outlay	3,000	3,000	4,704	(1,704)
Total county auditor	297,248	297,248	224,359	72,889
County treasurer:				
Salary of official	36,529	36,529	36,529	-
Salary of chief deputy	23,984	7,801	7,801	-
Salary of clerk	42,789	55,474	55,865	(391)
Payroll taxes	7,902	7,902	7,597	305
Employee retirement	8,378	8,378	6,826	1,552
Office supplies	4,000	7,598	7,586	12
Telephone	100	100	-	100
Travel and seminars	3,000	2,200	2,155	45
Bonds and insurance	500	700	700	-
Dues and subscriptions	100	100	-	100
Capital outlay	700	1,200	820	380
Total county treasurer	127,982	127,982	125,879	2,103

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Financial administration: (continued)				
Tax collector:				
Salary of official	38,318	38,318	38,318	-
Salary of chief deputy	23,960	23,960	23,960	-
Salary of chief deputy-tax	23,960	23,960	23,960	-
Salaries of deputies	175,790	175,790	206,916	(31,126)
Clerk	3,650	3,650	4,884	(1,234)
Payroll taxes	20,324	20,324	21,403	(1,079)
Employee retirement	21,547	21,547	19,918	1,629
Office supplies	15,000	15,000	11,138	3,862
Telephone	1,000	1,000	2,198	(1,198)
Travel and seminars	3,000	3,000	3,367	(367)
Printing	2,000	2,000	840	1,160
Bonds and insurance	1,000	1,000	1,400	(400)
Dues and subscriptions	500	500	645	(145)
Miscellaneous	500	500	174	326
Capital outlay	5,000	5,000	4,896	104
Total tax collector	335,549	335,549	364,017	(28,468)
Compliance and Collections				
Collections Supervisor	27,038	27,038	27,038	-
Collection Specialist	43,600	43,600	41,950	1,650
Clerk	18,195	18,195	15,972	2,223
Social Security/ Medicare	6,796	6,796	6,345	451
Retirement	7,204	7,204	5,789	1,415
Office Supplies	4,000	4,000	2,078	1,922
Telephone	500	500	-	500
Travel & Seminars	2,000	2,000	1,862	138
Dues & Subscriptions	500	500	-	500
Miscellaneous	500	2,500	324	2,176
Capital Outlay	2,000	2,000	425	1,575
Total Compliance and Collections	112,333	114,333	101,783	12,550
Total financial administration	873,112	875,112	816,038	59,074
Public facilities:				
Building maintenance:				
Salary of supervisor	5,962	5,962	-	5,962
Salary of janitor	20,259	57,304	55,402	1,902
Salary of yardman	20,259	5,259	-	5,259
Salary of janitor (new floor)	19,101	19,101	18,326	775

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public facilities: (continued)				
Building maintenance: (continued)				
Salary of annex janitors	36,400	50,400	54,783	(4,383)
Salary of annex yardman	17,200	18,200	19,100	(900)
Payroll taxes	11,951	11,951	11,005	946
Employee retirement	12,670	12,670	10,056	2,614
Cleaning and sanitation supplies	16,000	16,000	12,926	3,074
Small tools	3,923	3,923	846	3,077
Repairs and maintenance-buildings	20,000	20,000	19,858	142
Repairs and maintenance-elevator	6,000	6,000	6,056	(56)
Repairs and maintenance-equipment	10,000	10,000	5,555	4,445
Total building maintenance	<u>199,725</u>	<u>236,770</u>	<u>213,913</u>	<u>22,857</u>
Total public facilities	<u>199,725</u>	<u>236,770</u>	<u>213,913</u>	<u>22,857</u>
Public safety:				
Fire station pct. 1:				
Salary of employee	93,623	111,458	113,934	(2,476)
Supplemental salary - fire marshal	-	-	4,902	(4,902)
Payroll taxes	7,162	7,162	9,134	(1,972)
Employee retirement	7,593	7,593	7,798	(205)
Fuel and oil	8,000	8,000	8,000	-
Cleaning and sanitation	1,000	249	248	1
Telephone	2,000	2,000	2,359	(359)
Travel and seminars	1,000	1,000	1,000	-
Repairs and maintenance-equipment	7,000	7,000	6,994	6
Equipment rentals	16,700	-	-	-
Insurance-liability	1,200	-	-	-
Insurance-firemen	2,500	-	-	-
Miscellaneous	7,000	16,316	16,315	1
Capital outlay-equipment	10,000	4,000	4,000	-
Total fire station pct. 1	<u>164,778</u>	<u>164,778</u>	<u>174,684</u>	<u>(9,906)</u>
Fire station pct. 2:				
Salary of employee	105,307	64,587	62,827	1,760
Assistant chief	19,825	-	-	-
Payroll taxes	9,573	9,573	4,807	4,766
Employee retirement	10,148	10,148	4,255	5,893
Fuel and oil	10,000	9,465	9,462	3
Telephone	3,000	3,050	3,312	(262)
Travel and seminars	1,000	75	75	-

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Public safety: (continued)				
Fire station pct. 2: (continued)				
Repair and maintenance-equipment	14,000	14,050	14,043	7
Capital outlay-equipment	39,000	100,905	100,873	32
Total fire station pct. 2	211,853	211,853	199,654	12,199
Fire station pct. 3:				
Salary of employee	97,582	91,182	90,150	1,032
Payroll taxes	7,465	6,965	6,803	162
Group insurance	750	750	750	-
Employee retirement	7,914	6,414	6,141	273
Fuel and oil	8,000	8,000	7,926	74
Telephone	1,000	1,000	581	419
Travel and seminars	1,000	-	-	-
Repairs and maintenance-equipment	7,000	9,142	8,851	291
Miscellaneous	4,800	13,908	13,907	1
Insurance-liability	2,000	2,000	2,000	-
Insurance-firemen	3,000	2,034	2,034	-
Capital outlay-equipment	13,500	13,276	12,721	555
Capital outlay-building	9,000	8,340	8,339	1
Total fire station pct. 3	163,011	163,011	160,203	2,808
Fire station pct. 4:				
Salary of employee	-	-	30,764	(30,764)
Salary of firemen	87,159	84,159	51,282	32,877
Payroll taxes	6,668	5,568	5,848	(280)
Employee retirement	7,068	5,269	5,645	(376)
Uniform rental	3,500	3,000	5,035	(2,035)
Fuel and oil	18,000	18,000	17,991	9
Telephone	1,500	3,500	4,469	(969)
Travel and seminars	1,000	-	-	-
Repair and maintenance-equipment	8,000	33,953	36,619	(2,666)
Equipment rental	13,000	29,319	29,318	1
Insurance-liability	4,000	4,345	4,345	-
Insurance- fireman	1,000	55	-	55
Miscellaneous	7,000	7,000	7,079	(79)
Capital outlay-equipment	25,000	9,623	25,941	(16,318)
Total fire station pct. 4	182,895	203,791	224,336	(20,545)
Constables:				
Salary of constable Pct. 1	23,029	23,029	23,029	-

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Public safety: (continued)				
Constables: (continued)				
Salary of constable Pct. 2	23,029	23,029	23,029	-
Salary of constable Pct. 3	23,029	23,029	23,029	-
Salary of constable Pct. 4	23,029	23,029	23,029	-
Salary of constable Pct. 5	23,029	23,029	22,983	46
Salary of constable Pct. 6	23,029	23,029	23,029	-
Salary of constable Pct. 7	23,029	23,029	9,743	13,286
Salary of constable Pct. 8	23,029	23,029	23,029	-
Payroll taxes	14,002	14,002	12,492	1,510
Employee retirement	14,941	14,941	11,661	3,280
Travel and seminars	1,500	500	-	500
Fuel and oil	28,000	28,554	21,433	7,121
Telephone	-	-	566	(566)
Bonds and insurance	-	-	336	(336)
Repairs & Maintenance - Autos	500	996	943	53
Total constables	243,175	243,225	218,331	24,894
Sheriff's department:				
Salary of official	51,708	51,708	33,499	18,209
Supplement official	15,000	15,000	12,675	2,325
Salary of chief deputy	43,582	43,582	59,477	(15,895)
Salary of deputies	371,792	371,792	425,501	(53,709)
Salary of clerk	19,878	19,878	765	19,113
Salary of dispatchers	106,726	106,726	136,618	(29,892)
Salary of investigators	94,845	94,845	218,458	(123,613)
Salary of captain	35,066	35,066	-	35,066
Salary of sergeants	157,222	157,222	111,916	45,306
Salary of corporals	30,478	30,478	-	30,478
Salary of warrants	30,228	30,228	28,859	1,369
Salary of part-time dispatcher	18,783	18,783	728	18,055
Salary of lieutenant	31,364	31,364	19,870	11,494
Courthouse liaison officer	25,956	25,956	25,956	-
Payroll taxes	78,996	78,996	87,934	(8,938)
Employee retirement	83,746	83,746	80,391	3,355
Wage allowance	-	-	33,429	(33,429)
Uniforms	10,000	10,000	8,981	1,019
Office supplies	7,000	7,000	6,967	33
Fuel and oil	141,000	140,000	137,046	2,954
Camera supplies	4,000	4,000	-	4,000
Firearm supplies	2,000	2,000	1,000	1,000

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety: (continued)				
Sheriff's department:				
Telephone	40,000	40,000	76,628	(36,628)
Travel and seminars	2,500	2,500	2,585	(85)
Transport of Inmates	1,000	1,000	-	1,000
School instructors expense	1,000	1,000	2,224	(1,224)
Repairs and maint-equipment	10,000	10,000	3,856	6,144
Repairs and maint-communications equip	7,000	7,000	5,571	1,429
Vehicle allowance	15,000	15,000	-	15,000
Rental of Dept files-storage	3,200	3,200	3,047	153
Repairs and maint-autos	25,000	25,000	24,799	201
Rental of copier equipment	3,500	3,500	2,244	1,256
Bonds and insurance	200	200	-	200
Miscellaneous	8,500	8,500	16,289	(7,789)
Grant match funds	3,000	3,000	-	3,000
Total sheriff's department	<u>1,479,270</u>	<u>1,478,270</u>	<u>1,567,313</u>	<u>(89,043)</u>
229th judicial district adult probation:				
Supplemental salaries of secretaries	7,960	7,960	8,302	(342)
Payroll taxes	609	609	535	74
Employee retirement	646	646	557	89
Total 229th judicial district adult probation	<u>9,215</u>	<u>9,215</u>	<u>9,394</u>	<u>(179)</u>
229th district juvenile probation:				
County's contribution	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Total 229th district juvenile probation	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Contribution to Texas DPS:				
Salary of clerks	20,309	20,309	20,309	-
Payroll taxes	1,554	1,554	1,554	-
Employee retirement	1,647	1,647	1,383	264
Office supplies and postage	2,500	2,500	-	2,500
Breathalyzer	5,000	5,000	-	5,000
Telephone	5,000	5,000	2,754	2,246
Equipment rentals	4,000	4,000	2,271	1,729
Miscellaneous	500	500	-	500
Total contribution to Texas DPS	<u>40,510</u>	<u>40,510</u>	<u>28,271</u>	<u>12,239</u>
Detention center:				
Salary of captain	34,270	34,270	34,270	-
Salary of jailers	741,356	741,356	881,195	(139,839)

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety: (continued)				
Detention center: (continued)				
Salary of corporals	44,552	44,552	44,709	(157)
Salary of cooks	37,073	37,073	36,859	214
Salary of office manager	25,200	25,200	25,200	-
Salary of sergeants	92,965	92,965	85,189	7,776
Salary of bookkeeper	25,200	25,200	24,231	969
Salary of maintenance	20,335	20,335	20,335	-
Salary of mechanic	20,335	20,335	40,671	(20,336)
Salary of lieutenants	25,957	25,957	25,956	1
Payroll taxes	81,644	81,644	90,556	(8,912)
Employee retirement	86,553	86,553	83,465	3,088
Office supplies	12,000	12,000	12,223	(223)
Cleaning and sanitation	30,000	30,000	30,961	(961)
Food consumption	345,000	345,000	406,251	(61,251)
Camera supplies	1,000	1,000	-	1,000
Uniforms	12,000	12,000	6,998	5,002
Personal hygiene-inmates	12,000	12,000	11,628	372
Pharmacy	25,000	25,000	37,375	(12,375)
Medical services	25,000	25,000	25,850	(850)
Contract medical service	97,600	97,600	97,600	-
Telephone	2,000	2,000	5,959	(3,959)
Transport of inmates	9,000	9,000	4,001	4,999
School and training	2,000	2,000	1,519	481
Utilities	150,000	150,000	59,487	90,513
Repairs and maintenance-buildings	54,000	54,000	118,583	(64,583)
Repairs and maintenance-equipment	3,000	3,000	2,011	989
Rental-copier	4,000	4,000	2,829	1,171
Insurance-buildings	10,000	10,000	10,000	-
Jail inspection expense	1,000	1,000	850	150
Capital outlay-equipment	10,000	10,000	7,107	2,893
Capital outlay-communications equip.	3,000	3,000	1,233	1,767
Trustee fees-jail lease	5,900	5,900	-	5,900
Jail lease	861,600	861,600	-	861,600
Micellaneouse	-	-	593	(593)
Total detention center	2,910,540	2,910,540	2,235,694	674,846
Starr county juvenile detention center:				
Salary of guards	140,054	140,054	127,369	12,685
Salary of part-time guards	82,058	82,058	97,864	(15,806)
Detention director	4,380	4,380	4,507	(127)

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Public safety: (continued)				
Starr county juvenile detention center: (continued)				
Detention supervisor	2,190	2,190	-	2,190
Payroll taxes	17,494	17,494	17,830	(336)
Group insurance	-	-	1,313	(1,313)
Employee retirement	18,546	18,546	15,869	2,677
Linen/Uniforms	400	400	-	400
Restraints	100	100	-	100
Office supplies	3,500	3,700	3,611	89
Telephone	2,000	2,000	3,129	(1,129)
Medical services	500	500	990	(490)
Repairs and maintenance	2,000	2,000	3,524	(1,524)
Insurance-liability	100	100	-	100
Miscellaneous	1,000	1,000	1,477	(477)
Travel and seminars	8,000	8,000	10,437	(2,437)
Total starr county juvenile detention center	<u>282,322</u>	<u>282,522</u>	<u>287,920</u>	<u>(5,398)</u>
9-1-1 Services:				
Salary of clerk	-	22,200	16,421	5,779
Payroll taxes	-	1,622	1,218	404
Group insurance	-	4,450	327	4,123
Employee retirement	-	1,410	1,127	283
Workers compensation	-	61	-	61
Unemployment insurance	-	270	-	270
Training	-	2,850	538	2,312
Maintenance & repairs	-	1,000	5,327	(4,327)
Other	-	1,000	-	1,000
Travel - mileage	-	-	93	(93)
Supplies	-	2,487	1,014	1,473
Street sign replacement	-	1,500	362	1,138
Total 9-1-1 services	<u>-</u>	<u>38,850</u>	<u>26,427</u>	<u>12,423</u>
County Wide services:				
Salary of fire department administrator	-	-	34,857	(34,857)
Payroll taxes	-	-	2,621	(2,621)
Employment retirement	-	-	2,369	(2,369)
Total County Wide services	<u>-</u>	<u>-</u>	<u>39,847</u>	<u>(39,847)</u>
Total public safety	<u>5,757,569</u>	<u>5,816,565</u>	<u>5,242,074</u>	<u>574,491</u>

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Health and welfare:				
Public health and welfare aid:				
Contract medical services	6,000	6,000	6,000	-
Pauper funerals	2,000	2,000	-	2,000
Total public health and welfare aid	8,000	8,000	6,000	2,000
Federal and state programs coordinator:				
Salary of department head	52,500	52,500	52,500	-
Salary of program manager	82,747	82,747	97,940	(15,193)
Salary part-time projects clerk	22,764	22,764	-	22,764
Salary of 911 clerk	19,322	19,322	19,962	(640)
Payroll taxes	13,566	13,566	12,802	764
Employee retirement	14,382	14,382	11,659	2,723
Office supplies	8,000	5,500	5,477	23
Telephone	1,500	1,500	1,050	450
Travel and seminars	2,500	5,000	4,944	56
Repairs and maintenance equipment	1,300	1,300	922	378
Capital outlay	1,700	1,700	1,304	396
Dues and subscriptions	750	750	565	185
Total federal & state programs coordinator	221,031	221,031	209,125	11,906
Elderly programs:				
Salary of coordinator	21,516	21,516	21,516	-
Salary of transportation director	20,513	20,513	20,513	-
Payroll taxes	3,215	3,215	3,120	95
Employee retirement	3,409	3,409	2,863	546
Office supplies	100	100	98	2
Fuel and oil	20,000	12,000	11,993	7
Repair and maintenance-autos	1,500	3,950	3,796	154
Bonds and insurance	500	-	-	-
Total elderly programs	70,753	64,703	63,899	804
Nutrition program pct 1:				
Salary of site manager	22,100	22,100	22,100	-
Salary of part-time help	67,149	67,149	69,944	(2,795)
Payroll taxes	6,828	6,828	7,019	(191)
Employee retirement	7,238	7,238	6,117	1,121
Contractual	32,000	32,000	33,396	(1,396)
Consumables	2,800	2,800	2,807	(7)
Repairs and maintenance - auto	1,500	1,500	1,228	272
Fuel and oil	10,000	10,000	7,459	2,541

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Health and welfare: (continued)				
Nutrition program pct 1: (continued)				
Miscellaneous	10,000	10,000	9,911	89
Total nutrition program pct. 1	159,615	159,615	159,981	(366)
Nutrition program pct 2:				
Salary of program administrator	17,714	17,714	17,714	-
Salary of administrative assistant	17,553	17,553	17,553	-
Salary of part-time help	36,839	32,339	32,252	87
Payroll taxes	5,516	5,516	5,028	488
Employee retirement	5,848	5,848	4,605	1,243
Contractual	45,000	45,000	44,987	13
Consumables	4,000	16,550	16,200	350
Fuel and oil	17,000	16,000	16,755	(755)
Repairs and mainenance - auto	1,500	500	629	(129)
Total nutrition program pct. 2	150,970	157,020	155,723	1,297
Nutrition program pct 3:				
Salary of site manager	16,456	26,220	26,236	(16)
Rental building coordinator	1,300	1,300	3,307	(2,007)
Payroll taxes	1,358	1,972	2,158	(186)
Employee retirement	1,440	1,841	2,009	(168)
Contractual	10,000	10,000	9,945	55
Consumables	1,000	1,000	1,301	(301)
Fuel and Oil	3,000	2,171	2,138	33
Repairs and maintenance - auto	1,000	-	-	-
Miscellaneous	26,000	17,250	17,250	-
Total nutrition program pct. 3	61,554	61,754	64,344	(2,590)

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Health and welfare: (continued)				
Nutrition program pct 4:				
Salary of site manager	20,304	17,562	22,172	(4,610)
Salary of assistant	21,668	21,668	12,668	9,000
Salary of part-time help	2,800	2,800	14,853	(12,053)
Payroll taxes	3,425	3,425	3,736	(311)
Employee retirement	3,631	3,631	3,391	240
Contractual	45,000	45,000	81,034	(36,034)
Consumables	5,000	5,000	5,461	(461)
Fuel and oil	15,000	15,000	13,709	1,291
Repairs and maintenance-autos	1,000	1,000	928	72
Total nutrition program pct. 4	<u>117,828</u>	<u>115,086</u>	<u>157,952</u>	<u>(42,866)</u>
Total health and welfare	<u>789,751</u>	<u>787,209</u>	<u>817,024</u>	<u>(29,815)</u>
Conservation agriculture:				
Extension service:				
Supplemental salary of county agent	12,645	12,645	12,645	-
Supplemental salary of home demo agent	12,645	12,645	12,645	-
Salary of secretary	24,168	24,168	24,168	-
Salary of clerk	22,956	22,956	22,956	-
Payroll taxes	5,539	5,540	4,459	1,081
Employee retirement	5,873	5,872	3,921	1,951
Dues	650	620	615	5
Office supplies and postage	5,700	4,870	4,831	39
Custodial supplies	500	200	181	19
Demonstration materials	1,000	1,000	999	1
Computer update	2,000	-	-	-
Tele-communications update	1,000	1,000	698	302
Telephone	8,000	8,000	6,658	1,342
Mileage	12,000	12,000	12,000	-
Travel and seminars	5,000	8,700	8,642	58
Repairs and maintenance-equipment	1,500	960	951	9
Equipment rental-copier	3,500	3,500	2,836	664
Total extension service	<u>124,676</u>	<u>124,676</u>	<u>119,205</u>	<u>5,471</u>
Total conservation agriculture	<u>124,676</u>	<u>124,676</u>	<u>119,205</u>	<u>5,471</u>
Total expenditures - all departments:	<u>14,031,225</u>	<u>14,127,398</u>	<u>13,499,786</u>	<u>627,612</u>

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(2,114,516)	(2,149,476)	1,574,695	3,724,171
OTHER FINANCING SOURCES (USES):				
Operating transfers in	1,828,650	1,828,650	912,138	(916,512)
Total other financing sources (uses)	1,828,650	1,828,650	912,138	(916,512)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(285,866)	(320,826)	2,486,833	2,807,659
FUND BALANCE, BEGINNING	2,195,723	2,177,124	4,073,737	1,896,613
FUND BALANCE, ENDING	<u>\$ 1,909,857</u>	<u>\$ 1,856,298</u>	<u>\$ 6,560,570</u>	<u>\$ 4,704,272</u>

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STARR COUNTY, TEXAS

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

DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Current taxes	\$ 583,900	\$ 583,900	\$ 720,582	\$ 136,682
Delinquent taxes	-	-	86,401	86,401
Interest	-	-	55,778	55,778
Total revenues	583,900	583,900	862,761	278,861
EXPENDITURES				
Debt service:				
Principal retirement	580,900	580,900	400,000	180,900
Interest	-	-	178,669	(178,669)
Fiscal agent fees	3,000	3,000	674	2,326
Total expenditures	583,900	583,900	579,343	4,557
EXCESS OF REVENUE OVER EXPENDITURES	-	-	283,418	274,304
FUND BALANCE, BEGINNING OF YEAR	2,210,360	2,210,360	2,608,553	398,193
FUND BALANCE, END OF YEAR	\$ 2,210,360	\$ 2,210,360	\$ 2,891,971	\$ 681,611

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Current ad valorem	\$ 3,759,227	\$ 3,759,227	\$ 3,293,962	\$ (465,265)
Delinquent ad valorem	450,000	450,000	355,788	(94,212)
Motor vehicle licenses	650,000	650,000	472,260	(177,740)
Lateral road credit	30,000	30,000	24,604	(5,396)
Gross weight/ axle fees	-	-	31,506	31,506
Fines and forfeitures	370,000	370,000	437,165	67,165
Interest	-	-	10,008	10,008
Auction	50,000	71,040	21,040	(50,000)
Miscellaneous	4,000	4,000	231	(3,769)
Total revenues	5,313,227	5,334,267	4,646,564	(687,703)
EXPENDITURES				
Commissioner Pct 1:				
Salary of official	47,250	62,250	62,250	-
Salary of foreman	24,541	24,541	24,508	33
Salary of supervisor	21,141	21,141	45,308	(24,167)
Salary of street maintenance supervisor	17,580	17,580	21,173	(3,593)
Salary of head clerk	20,644	20,644	24,508	(3,864)
Salaries of clerical	50,482	50,482	120,156	(69,674)
Salaries-janitorial	19,629	9,629	6,332	3,297
Salaries of street maintenance	69,624	69,624	81,834	(12,210)
Salaries of timekeeper/policy manager	16,344	16,344	25,589	(9,245)
Salaries of park maintenance	26,328	26,328	15,644	10,684
Salaries of drivers and other duties	68,011	68,011	38,126	29,885
Salaries of night watchman	28,694	-	-	-
Salaries of road employees	28,084	28,084	74,405	(46,321)
Roadhands	20,865	-	-	-
Salary allowance	-	-	-	-
Payroll taxes	35,130	35,130	40,016	(4,886)
Group insurance	-	-	-	-
Employee retirement	37,243	37,243	36,130	1,113
Office supplies	4,000	4,000	3,694	306
Fuel and oil	80,000	70,000	69,365	635
Telephone	4,000	4,000	11,454	(7,454)
Travel and seminars	2,000	1,400	1,759	(359)
Repairs and maintenance equipment	40,000	40,000	33,530	6,470
Rental - machinery	20,000	20,000	3,200	16,800
Repairs and maintenance-roads & bridges	60,000	89,734	94,327	(4,593)
Welding supplies	4,000	4,000	3,654	346
Contract work-hauling	15,000	15,000	15,948	(948)
Contract work-other	15,000	15,000	15,000	-
Travel - mileage	15,000	-	-	-

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (continued)				
Commissioner Pct 1: (continued)				
Bonds and insurance	1,000	50	50	-
Miscellaneous	15,000	57,415	54,483	2,932
Capital outlay	20,000	20,000	33,978	(13,978)
Capital outlay-parks and comm. ctrs	35,000	35,000	34,999	1
Capital outlay-equipment	28,000	28,000	4,201	23,799
Contingencies	4,000	4,000	3,894	106
Total commissioner pct. 1	893,590	894,630	999,515	(104,885)
Commissioner Pct. 2:				
Salary of official	47,250	62,250	62,250	-
Salary of administrative assistant	27,500	-	-	-
Salary of assistant foreman	21,416	21,416	21,416	-
Salary of supervisor	21,416	21,416	21,416	-
Salary of administrative aide	24,383	24,383	24,383	-
Salary of street maintenance	30,730	16,330	13,914	2,416
Salary of head librarian	21,565	21,565	21,565	-
Salary of equipment mechanic	21,057	21,057	21,057	-
Salary of parks supervisor	20,314	20,314	20,314	-
Salary of waste management supervisor	20,167	20,167	20,167	-
Salary of welder	21,697	21,697	21,697	-
Salary of timekeeper clerk	19,234	19,234	19,234	-
Salary of special event coordinator	15,905	15,905	15,905	-
Salary of library clerks	49,693	38,693	39,152	(459)
Other salaries	62,400	36,900	31,135	5,765
Salary allowance	-	-	-	-
Payroll taxes	32,492	32,492	26,918	5,574
Group insurance	-	-	-	-
Employee retirement	34,445	34,445	24,305	10,140
Uniform rental	300	-	-	-
Office supplies	2,250	2,295	2,237	58
Consultant fees	5,000	-	-	-
Fuel and oil	86,700	21,700	20,973	727
Telephone	6,500	7,700	8,358	(658)
Radio lease	3,000	3,000	2,939	61
Travel and seminars	5,000	4,420	4,417	3
Repairs and maint-building	22,000	24,500	23,589	911
Repairs and maint-equipment	60,000	90,770	90,769	1
Repairs and maint-roads & bridges	59,500	39,500	39,480	20
Contract work	31,300	500	500	-
Travel - mileage	15,000	580	-	580

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (continued)				
Commissioner Pct. 2: (continued)				
Bonds and insurance	9,000	50	50	-
Dues and subscriptions	1,000	-	-	-
Miscellaneous	3,000	3,000	2,981	19
Parks and community centers	11,000	13,500	13,319	181
Capital outlay	40,815	238,960	235,970	2,990
Contingencies	4,000	3,150	3,147	3
Total commissioner pct. 2	857,029	881,889	853,557	28,332
Commissioner Pct. 3:				
Salary of official	47,250	63,570	62,294	1,276
Salaries of secretary & foreman	49,165	49,581	47,567	2,014
Other salaries	207,333	217,023	217,022	1
Nightwatchmen	45,524	20,018	20,017	1
Roadhands	94,243	116,808	113,403	3,405
Temporary help	43,373	35,974	39,055	(3,081)
Payroll taxes	37,247	37,247	36,452	795
Group insurance	-	-	-	-
Employee retirement	39,486	34,787	34,045	742
Office supplies	1,000	1,000	1,000	-
Fuel and oil	100,000	68,000	67,115	885
Telephone	10,000	10,000	9,648	352
Travel and seminars	6,000	400	400	-
Repairs and maint-buildings	50,000	50,000	49,972	28
Repairs and maint-equipment	60,000	60,000	59,553	447
Repairs and maint-roads & bridges	54,750	30,750	30,740	10
Miscellaneous	41,000	83,362	82,945	417
Parks and community centers	14,000	13,000	13,000	-
Lease payments	74,000	73,852	73,851	1
Contingencies	4,000	4,000	3,942	58
Bonds and insurance	-	-	-	-
Capital outlay	43,400	67,400	67,241	159
Travel - mileage	15,000	-	-	-
Total commissioner pct. 3	1,036,771	1,036,772	1,029,262	7,510
Commissioner Pct. 4:				
Salary of official	47,250	62,250	62,245	5
Salaries of secretary	22,292	22,292	22,292	-
Salary of foreman	41,865	15,261	15,261	-
Other salaries	304,715	337,819	343,115	(5,296)
Salary allowance	-	-	-	-

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(Continued)

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
EXPENDITURES (continued)				
Commissioner Pct. 4: (continued)				
Payroll taxes	31,833	31,833	32,765	(932)
Group insurance	-	-	-	-
Employee retirement	33,748	27,248	30,339	(3,091)
Uniform rental	5,300	5,300	5,328	(28)
Office supplies	6,000	6,000	4,518	1,482
Fuel and oil	100,000	55,000	57,230	(2,230)
Telephone	7,000	7,000	11,707	(4,707)
Travel and seminars	1,000	1,000	888	112
Bonds and insurance	1,000	1,000	50	950
Repairs and maint-equipment	68,000	69,375	74,217	(4,842)
Repairs and maint-roads & bridges	50,000	50,000	39,270	10,730
Lease payments-machinery	40,000	40,000	37,980	2,020
Miscellaneous	38,200	22,200	18,802	3,398
Fire protection	25,000	5,000	2,482	2,518
Parks and community centers	20,000	20,000	26,985	(6,985)
Contingencies	4,000	4,000	2,743	1,257
Capital outlay	55,900	146,900	141,261	5,639
Travel - mileage	15,000	-	-	-
Total commissioner pct. 4	918,103	929,478	929,478	-
Flood control:				
Precinct #1 channels	9,000	14,000	14,000	-
Precinct #2 channels	7,900	-	-	-
Precinct #3 channels	15,000	15,000	15,000	-
Precinct #4 channels	10,000	-	-	-
Total flood control	41,900	29,000	29,000	-
Road & Bridge Fund County Wide:				
Appraisal district fees	50,000	45,000	-	45,000
Breathalyzer services	10,000	10,000	10,000	-
Bidding and notices	5,000	5,000	1,000	4,000
Utilities	960,000	960,000	806,472	153,528
Dues and subscriptions	8,000	8,000	83	7,917
Suspension bridge match	10,500	10,500	-	10,500
Right-of-ways and emergency	100,000	100,000	44,500	55,500
Total road & bridge fund county wide	1,143,500	1,138,500	862,055	276,445
Total expenditures	4,890,893	4,910,269	4,702,867	207,402
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	\$ 422,334	\$ 423,998	\$ (56,303)	\$ (480,301)

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SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

FIDUCIARY FUNDS

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2009

Special Revenue Funds			
	Chapter 19	Self-Help Center	ORCA #723215
ASSETS			
Cash	\$ 47	\$ (317)	\$ 7,221
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	161,679	-
Total assets	<u>\$ 47</u>	<u>\$ 161,362</u>	<u>\$ 7,221</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 9,135	\$ -
Bank overdraft	-	-	-
Accrued liabilities	-	-	-
Due to other funds	47	442,872	7,221
Due to other governments	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>47</u>	<u>452,007</u>	<u>7,221</u>
Reserved, designated	-	-	-
Unreserved, undesignated	-	(290,645)	-
Total fund balances	<u>-</u>	<u>(290,645)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 47</u>	<u>\$ 161,362</u>	<u>\$ 7,221</u>