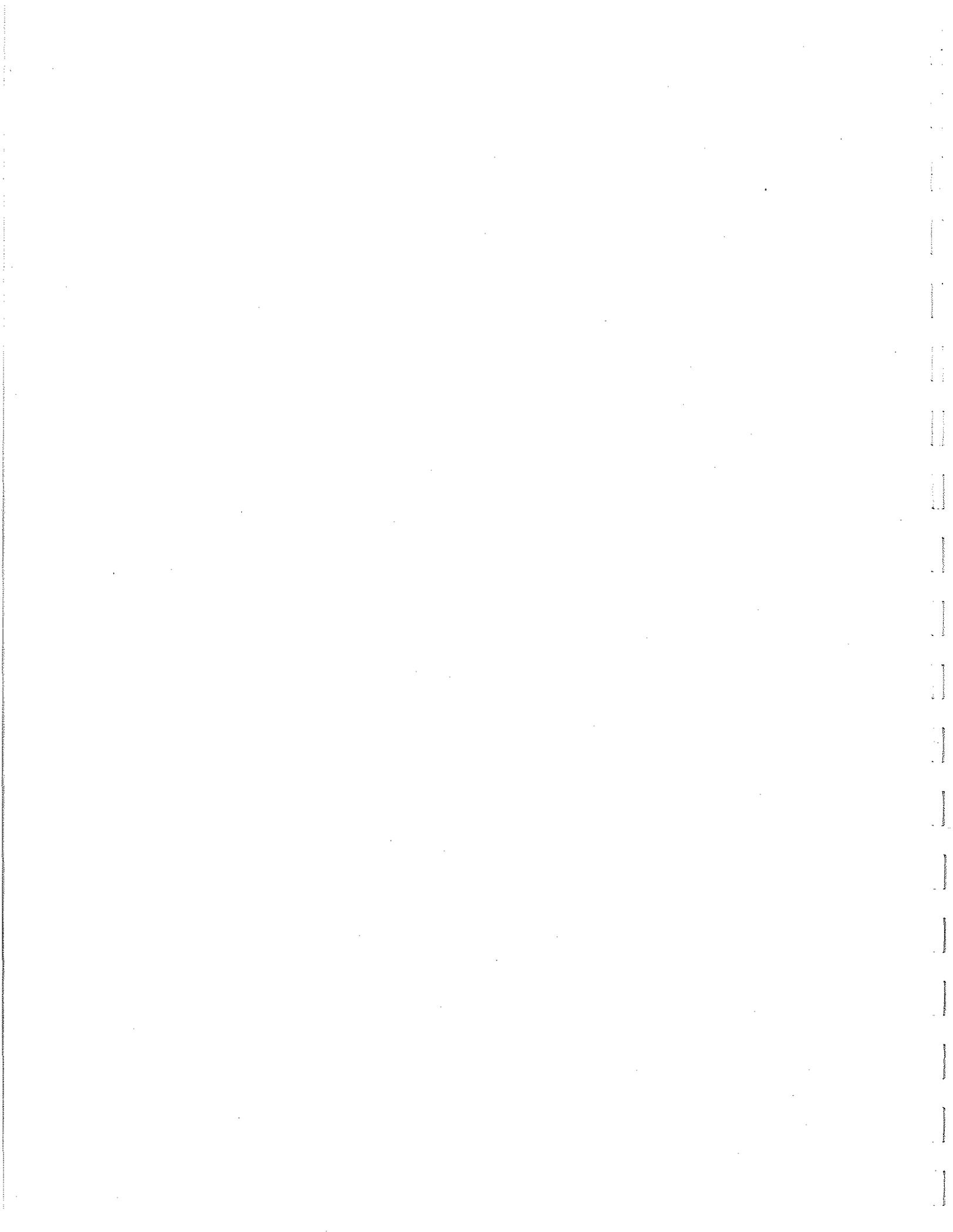


STARR COUNTY, TEXAS

Annual Financial Report

**For the Year Ended
September 30, 2012**



STARR COUNTY, TEXAS
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

TABLE OF CONTENTS

| | <u>Exhibit</u> | <u>Page Number</u> |
|---|----------------|------------------------|
| <u>Financial Section</u> | | |
| Independent Auditors' Report | | 1 |
| Management's Discussion and Analysis | | 3 |
| <i>Basic Financial Statements:</i> | | |
| Statement of Net Assets | A-1 | 9 |
| Statement of Activities | B-1 | 10 |
| <i>Governmental Fund Financial Statements:</i> | | |
| Balance Sheet | C-1 | 11 |
| Statement of Revenues, Expenditures and Changes in Fund Balances | C-2 | 12 |
| Reconciliation for Exhibit C-2 | C-3 | 13 |
| Budgetary Comparison Schedule - General Fund | C-4 | 14 |
| <i>Proprietary Fund Financial Statements:</i> | | |
| Statement of Net Assets | D-1 | 15 |
| Statement of Revenues, Expenses and Changes in Fund Net Assets | D-2 | 17 |
| Statement of Cash Flows | D-3 | 19 |
| <i>Fiduciary Fund Financial Statement:</i> | | |
| Statement of Fiduciary Net Assets | E-1 | 20 |
| Notes to Financial Statements | | 21 |
| <u>Budgetary Comparison Reporting</u> | | |
| Schedule of Revenues - Budget and Actual - General Fund | G-1 | 38 |
| Detailed Schedule of Expenditures - Budget and Actual - General Fund | G-2 | 39 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund | G-3 | 58 |
| Detailed Schedule of Revenues and Expenditures - Budget and Actual - Road and Bridge Fund | G-4 | 59 |

(This page intentionally left blank.)

STARR COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

TABLE OF CONTENTS

| | <u>Exhibit</u> | <u>Page Number</u> |
|--|----------------|------------------------|
| <u>Supplemental Information</u> | | |
| <i>Nonmajor Governmental Funds:</i> | | |
| Combining Balance Sheet | H-1 | 64 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | H-2 | 71 |
| <i>Fiduciary Funds:</i> | | |
| Combining Statement of Fiduciary Assets and Liabilities | H-3 | 78 |
| Statement of Changes in Fiduciary Assets and Liabilities | H-4 | 81 |
| <u>Statistical Section</u> | | |
| <i>Government-wide Information:</i> | | |
| Government-wide Expenses by Function - Last Three Fiscal Years | | 92 |
| Government-wide Revenues - Last Four Fiscal Years | | 93 |
| <i>Fund Information:</i> | | |
| Governmental Expenditures by Function - Last Ten Fiscal Years | | 94 |
| Governmental Funds Revenues by Sources - Last Ten Fiscal Years | | 95 |
| Ratio of Annual Debt Service Expenditures for General Governmental Bonded Debt to Total General Fund Expenditures | | 96 |
| Property Tax Rates - Last Ten Fiscal Years | | 97 |
| Assessed Value of Taxable Property - Last Ten Fiscal Years | | 98 |
| Demographic Information | | 99 |
| <u>Federal Awards Section</u> | | |
| Report on Internal Control over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | | 100 |
| Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 | | 102 |

(This page intentionally left blank.)

STARR COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

TABLE OF CONTENTS

| | <u>Exhibit</u> | <u>Page Number</u> |
|---|----------------|------------------------|
| <u>Federal Awards Section</u> (Continued) | | |
| Schedule of Findings and Questioned Costs | | 104 |
| Schedule of Prior Audit Findings | | 110 |
| Corrective Action Plan | | 115 |
| Schedule of Expenditures of Federal and State Awards | | 117 |
| Notes to Schedule of Expenditures of Federal and State Awards | | 121 |

(This page intentionally left blank.)

FINANCIAL SECTION

(This page intentionally left blank.)



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, 2012, which collectively comprise Starr County, Texas' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Starr County, Texas, as of September 30, 2012, and the respective changes in financial position, and, where applicable, cash flows 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 21, 2013, on our consideration of Starr County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

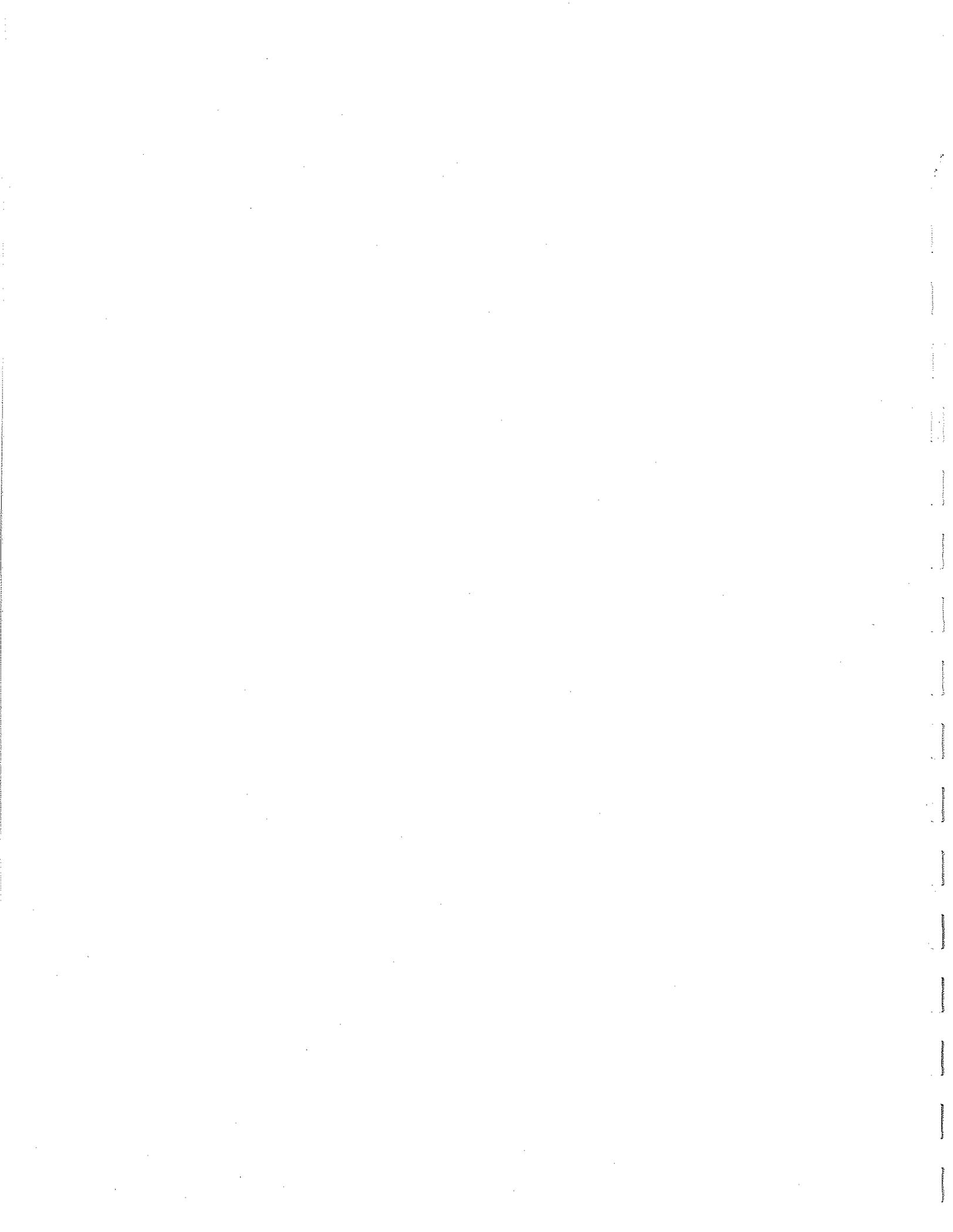
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 38 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Starr County, Texas' financial statements as a whole. 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 financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State of Texas Single Audit Circular* is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on them.

Pattillo, Brown & Hill, C.P.A.

June 21, 2013



INTRODUCTORY SECTION

(This Page Intentionally Left Blank.)



COUNTY AUDITOR'S OFFICE

Rosalinda G. Guerra, CPA

Starr County Auditor

STARR COUNTY COURTHOUSE ANNEX

100 N. FM 3167 SUITE 217

RIO GRANDE CITY, TEXAS 78582

Tel. (956) 716-4800

Fax (956) 716-8218

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, 2012. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

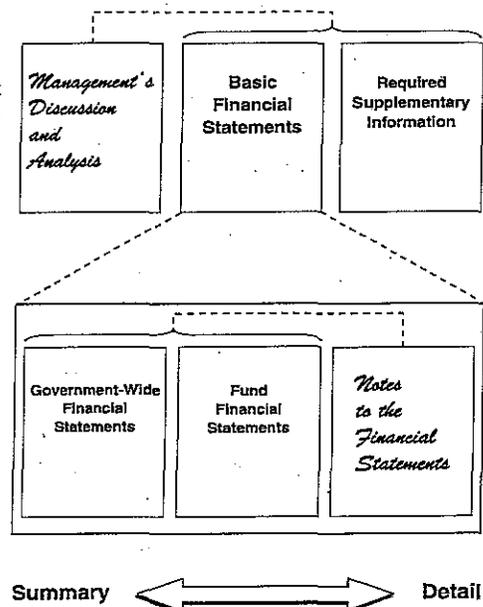
- At September 30, 2012, the County's assets exceed its liabilities by \$87,427,112. Total assets were \$93,589,781 and total liabilities were \$6,162,659.
- During the year, the County's governmental fund expenditures were \$1,700,057 more than the \$24,550,664 generated in taxes and other revenues.
- The general fund reported a fund balance this year of \$3,976,806 of which \$3,416,061 is unassigned, a decrease in the unassigned fund balance of \$3,218,672 from the prior year.

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's 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

| 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 • Statement of activities | • Balance sheet • Statement of revenues, expenditures & changes in fund balances | • Statement of net assets • Statement of revenues, expenses and changes in fund net assets • Statement of cash flows | • Statement of fiduciary net assets • 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, and 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 |

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.

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 \$87,427,122 at September 30, 2012, an increase of \$798,107 or .92% over combined net assets of \$86,629,015 at September 30, 2011. This increase is mostly due to capital assets. (See Table A-1)

Table A-1 Governmental Activities

| | <u>2012</u> | <u>2011</u> | Increase (Decrease) |
|---|---------------------|---------------------|------------------------|
| Assets: | | | |
| Current and other assets | \$21,020,820 | \$21,204,099 | \$ (183,279) |
| Capital assets (net of depreciation) | 72,568,961 | 71,374,601 | 1,194,360 |
| Total Assets | <u>93,589,781</u> | <u>92,578,700</u> | <u>1,011,081</u> |
| Liabilities: | | | |
| Current and noncurrent liabilities | 2,782,659 | 2,134,685 | 647,974 |
| Long-term liabilities | 3,380,000 | 3,815,000 | (435,000) |
| Total Liabilities | <u>6,162,659</u> | <u>5,949,685</u> | <u>212,974</u> |
| Net Assets: | | | |
| Invested in capital assets, net of related debt | 69,188,961 | 67,559,601 | 1,629,360 |
| Restricted for capital projects | 584,862 | 584,006 | 856 |
| Restricted for debt service | 3,259,651 | 3,259,195 | 456 |
| Restricted for landfill post closure costs | 560,745 | 555,297 | 5,448 |
| Unrestricted | 13,832,903 | 14,670,916 | (838,013) |
| Total Net Assets | <u>\$87,427,122</u> | <u>\$86,629,015</u> | <u>\$ 798,107</u> |

Changes in net assets:

The County's total revenues were \$25,419,468. (See Table A-2). The total cost of all programs and services was \$24,621,361 of which 30.23% or \$7,684,312 of these costs are for public safety.

Governmental Activities

- Property tax revenues decreased by 7.28%. Tax revenues for the year ended September 30, 2012, decrease to \$13,272,267 from \$14,397,319 the previous year, a decrease of \$1,125,052.

Table A-2 Governmental Activities

| | 2012 | 2011 | Increase (Decrease) |
|------------------------------------|----------------------|----------------------|------------------------|
| Revenues: | | | |
| Program Revenues: | | | |
| Charges for Services | \$ 5,240,410 | \$ 5,055,300 | \$ 185,110 |
| Operating Grants and Contributions | 6,280,525 | 6,252,054 | 28,471 |
| General revenues: | | | |
| Property Taxes | 13,272,267 | 14,397,319 | (1,125,052) |
| Interest | 144,824 | 62,053 | 82,771 |
| Transfers | 341,960 | 640,000 | (298,040) |
| Miscellaneous | 139,482 | 507,279 | (367,797) |
| Total Revenues | 25,419,468 | 26,914,005 | (1,494,537) |
| Expenses: | | | |
| Public safety | 7,684,312 | 8,856,855 | (1,172,543) |
| Judicial | 1,853,411 | 1,894,959 | (41,548) |
| Highways and streets | 6,241,011 | 5,215,276 | 1,025,735 |
| Public facilities | 487,984 | 187,595 | 300,389 |
| Financial administration | 1,003,118 | 1,012,007 | (8,889) |
| Legal | 842,171 | 877,144 | (34,973) |
| Health and welfare | 1,863,440 | 2,034,081 | (170,641) |
| Conservation and agriculture | 135,432 | 137,870 | (2,438) |
| General government | 4,375,255 | 4,404,871 | (29,616) |
| Culture and recreation | -0- | -0- | -0- |
| Debt service-interest on debt | 135,227 | 149,418 | (14,191) |
| Debt service-Bond issuance costs | -0- | -0- | -0- |
| Total Expenses | 24,621,361 | 24,770,076 | (148,715) |
| Increase in Net Assets | 798,107 | 2,143,929 | (1,345,822) |
| Net assets – Beginning | 86,629,015 | 84,631,868 | 1,997,147 |
| Prior period adjustment | -0- | (146,782) | 146,782 |
| Net assets – Ending | \$ 87,427,122 | \$ 86,629,015 | \$ 798,107 |

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 \$24,621,361, a decrease of \$148,715 or 0.6% decrease compared to \$24,770,076 for the prior year.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$13,272,267.

- Some of the cost was paid by those who directly benefited from the programs and totaled \$5,240,410. This is an increase from last year's revenues, which were \$5,055,300, an increase of \$185,110, or 3.66%.
- Grants and contributions this year amounted to \$6,280,525, an increase of \$28,471, or .455% over last year's grants and contributions which totaled \$6,252,054.

Table A-3 Governmental

| | <u>2012</u> | <u>2011</u> | Increase (Decrease) |
|----------------------|-------------|-------------|------------------------|
| Public safety | \$7,684,312 | \$8,856,855 | \$(1,172,543) |
| Highways and streets | 6,241,011 | 5,215,276 | 1,025,735 |
| General government | 4,375,255 | 4,404,871 | (29,616) |
| Judicial | 1,853,411 | 1,894,959 | (41,548) |
| Health and Welfare | 1,863,440 | 2,034,081 | (170,641) |

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues from governmental fund types totaled \$25,205,664 for the year ended September 30, 2012, a decrease of \$1,351,938, or 5% under the preceding year's total governmental revenues of \$26,557,602. The decrease in revenues is mainly from a decrease in property taxes.

General Fund Budgetary Highlights

Over the course of the year, the County revised its general fund budget 58 times. Actual general fund expenditures were \$14,791,025, which was \$259,873 under the final budget amounts.

On the other hand, actual general fund resources available were \$14,039,724, which was under the final budgeted amount by \$374,062.

CAPITAL ASSETS

At the end of 2012, the County had invested \$72,568,961 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 \$1,194,360, a 1.67% increase from FY 2011. The increase is attributed mainly to infrastructure.

Table A-4

| | <u>2012</u> | <u>2011</u> | Increase (Decrease) |
|----------------------------|---------------------|---------------------|------------------------|
| Land | \$ 1,231,990 | \$ 1,171,990 | \$ 60,000 |
| Construction in progress | -0- | 265,449 | (265,449) |
| Buildings and improvements | 17,128,379 | 16,551,090 | 577,289 |
| Furniture and equipment | 8,833,894 | 7,926,665 | 907,229 |
| Infrastructure | 56,772,959 | 55,861,698 | 911,261 |
| Totals at historical cost | <u>83,967,222</u> | <u>81,776,892</u> | <u>2,190,330</u> |
| Less: | | | |
| Accumulated depreciation | 11,398,261 | 10,402,291 | 995,970 |
| Net capital assets | <u>\$72,568,961</u> | <u>\$71,374,601</u> | <u>\$ 1,194,360</u> |

LONG TERM DEBT

At year end the County has \$3,380,000 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 9/30/11 | Principal Issued | Principal Retired | Balance 9/30/12 |
|----------------------------|---------------------|---------------------|----------------------|---------------------|
| Revenue bonds | \$ - | - | - | \$ - |
| Certificates of Obligation | 3,815,000 | - | 435,000 | 3,380,000 |
| G.O. Refunding Bonds | - | - | - | - |
| Totals | <u>\$ 3,815,000</u> | <u>\$ -0-</u> | <u>\$ 435,000</u> | <u>\$ 3,380,000</u> |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised values used for the 2013 budget preparation decreased by approximately \$156,907,840.
- The property tax rates will increase by \$.08 per \$100.00 of assessed valuation.
- Employees' group health insurance continues to increase.
- There will be a salary increase for 2013 of 0% of FY 2012 salary.

These indicators were taken into account when adopting the general fund budget for 2013. Amounts available for appropriation in the general fund budget are \$15,848,155, an increase of \$1,434,369, or 10% over the final 2012 budget of \$14,413,786. Property taxes will decrease due to the decreased appraised values.

General fund expenditures are budgeted to increase in 2013 to \$15,848,156, an increase of \$797,258, or 5.3% over the final 2012 budgeted expenditures of \$15,050,898.

If these estimates are realized, the County's budgetary general fund balance is not expected to change appreciably by the close of FY 2013.

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, 2012

| | Primary Government | | Total |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-type Activities | |
| ASSETS | | | |
| Cash and cash equivalents | \$ 7,354,004 | \$ 431,781 | \$ 7,785,785 |
| Investments | - | 659,077 | 659,077 |
| Receivables (net of allowances for uncollectibles) | | | |
| Taxes | 9,970,483 | - | 9,970,483 |
| Accounts | 99,355 | 56,352 | 155,707 |
| Other | 1,184 | - | 1,184 |
| Due from agencies | 729,635 | - | 729,635 |
| Internal balances | 1,179,106 | (965,531) | 213,575 |
| Due from other governments | 1,126,308 | - | 1,126,308 |
| Other assets | 560,745 | - | 560,745 |
| Supplies inventory | - | 45,690 | 45,690 |
| Prepaid insurance | - | 66,365 | 66,365 |
| Capital assets (net of accumulated depreciation) | | | |
| Land | 1,231,990 | 1,406,530 | 2,638,520 |
| Landfill closure costs | - | 21,000 | 21,000 |
| Buildings and improvements | 10,268,361 | 3,354,754 | 13,623,115 |
| Furniture and equipment | 4,295,651 | 346,602 | 4,642,253 |
| Infrastructure | 56,772,959 | - | 56,772,959 |
| Total assets | <u>93,589,781</u> | <u>5,422,620</u> | <u>99,012,401</u> |
| LIABILITIES | | | |
| Accounts payable | 1,125,598 | 42,623 | 1,168,221 |
| Bank overdraft | 176,736 | - | 176,736 |
| Accrued liabilities | 175,363 | 1,509 | 176,872 |
| Other liabilities | 40,856 | - | 40,856 |
| Due to agencies | 659,316 | - | 659,316 |
| Due to other governments | 124,421 | 213,575 | 337,996 |
| Deferred revenue | 480,369 | - | 480,369 |
| Non-current liabilities | | | |
| Due within one year | 450,000 | 1,344,845 | 1,794,845 |
| Due in more than one year | 2,930,000 | 101,266 | 3,031,266 |
| Total liabilities | <u>6,162,659</u> | <u>1,703,818</u> | <u>7,866,477</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 69,188,961 | 3,784,041 | 72,973,002 |
| Restricted for | | | |
| Capital projects | 584,862 | - | 584,862 |
| Debt service | 3,259,651 | - | 3,259,651 |
| Landfill post closure cost | 560,745 | - | 560,745 |
| Unrestricted | 13,832,903 | (65,239) | 13,767,664 |
| Total net assets | <u>\$ 87,427,122</u> | <u>\$ 3,718,802</u> | <u>\$ 91,145,924</u> |

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

(This page intentionally left blank.)

STARR COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets | | |
|------------------------------------|----------------------|-------------------------|--|--|-----------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Primary Government | | Total |
| | | | | Governmental Activities | Business-type Activities | |
| Governmental activities: | | | | | | |
| General government | \$ 4,375,255 | \$ 4,342,299 | \$ 399,616 | \$ 366,660 | \$ - | \$ 366,660 |
| Public safety | 7,684,312 | 143,270 | 5,099,812 | (2,441,230) | - | (2,441,230) |
| Judicial | 1,853,411 | - | - | (1,853,411) | - | (1,853,411) |
| Highways and streets | 6,241,011 | 754,841 | 781,097 | (4,705,073) | - | (4,705,073) |
| Public facilities | 487,984 | - | - | (487,984) | - | (487,984) |
| Financial administration | 1,003,118 | - | - | (1,003,118) | - | (1,003,118) |
| Legal | 842,171 | - | - | (842,171) | - | (842,171) |
| Health and welfare | 1,863,440 | - | - | (1,863,440) | - | (1,863,440) |
| Conservation and agriculture | 135,432 | - | - | (135,432) | - | (135,432) |
| Debt service - interest on debt | 135,227 | - | - | (135,227) | - | (135,227) |
| Total governmental activities | <u>24,621,361</u> | <u>5,240,410</u> | <u>6,280,525</u> | <u>(13,100,426)</u> | <u>-</u> | <u>(13,100,426)</u> |
| Business-type activities: | | | | | | |
| International Bridge | 1,331,906 | 1,929,443 | - | - | 597,537 | 597,537 |
| Gas System | 426,278 | 456,482 | - | - | 30,204 | 30,204 |
| Transfer Station | 1,018,123 | 736,800 | - | - | (281,323) | (281,323) |
| Total business-type activities | <u>2,776,307</u> | <u>3,122,725</u> | <u>-</u> | <u>-</u> | <u>346,418</u> | <u>346,418</u> |
| Total primary government | <u>\$ 27,397,668</u> | <u>\$ 8,363,135</u> | <u>\$ 6,280,525</u> | <u>(13,100,426)</u> | <u>346,418</u> | <u>(12,754,008)</u> |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes - general purposes | | | | 8,786,477 | - | 8,786,477 |
| Property taxes - road & bridge | | | | 3,526,149 | - | 3,526,149 |
| Property taxes - debt service | | | | 570,762 | - | 570,762 |
| Property taxes - drainage district | | | | 388,879 | - | 388,879 |
| Investment earnings | | | | 144,824 | (43,915) | 100,909 |
| Transfers | | | | 341,960 | (341,960) | - |
| Miscellaneous | | | | 139,482 | 2,975 | 142,457 |
| Total general revenues | | | | <u>13,898,533</u> | <u>(382,900)</u> | <u>13,515,633</u> |
| Change in net assets | | | | 798,107 | (36,482) | 761,625 |
| Net assets, beginning | | | | 86,629,015 | 3,755,284 | 90,384,299 |
| Net assets, ending | | | | <u>\$ 87,427,122</u> | <u>\$ 3,718,802</u> | <u>\$ 91,145,924</u> |

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

STARR COUNTY, TEXAS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2012

| | <u>General</u> | <u>Road & Bridge</u> | <u>Debt Service</u> |
|--------------------------------------|----------------------|----------------------------------|-------------------------|
| ASSETS | | | |
| Cash | \$ 921,686 | \$ - | \$ 344,276 |
| Investments | 378,148 | - | 2,869,674 |
| Taxes receivables (net of allowance) | 6,735,705 | 2,578,179 | 582,071 |
| Accounts receivable | 79,258 | - | - |
| Accrued receivables | 4 | - | 1,180 |
| Due from other funds | 2,191,824 | 409,524 | 38,656 |
| Due from other governments | 332,841 | - | - |
| Other assets | 560,745 | - | - |
| | <u>\$ 11,200,211</u> | <u>\$ 2,987,703</u> | <u>\$ 3,835,857</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Accounts payable | \$ 259,070 | \$ 336,242 | \$ - |
| Bank overdraft | - | 128,119 | - |
| Other liabilities | 40,856 | - | - |
| Accrued liabilities | 58,045 | - | - |
| Due to other funds | 186,870 | 375,872 | 45 |
| Due to other governments | 18,058 | - | - |
| Deferred revenue | 6,660,506 | 2,723,787 | 576,161 |
| | <u>7,223,405</u> | <u>3,564,020</u> | <u>576,206</u> |
| Fund balances: | | | |
| Restricted | 560,745 | - | - |
| Committed | - | - | 3,259,651 |
| Assigned | - | - | - |
| Unassigned | 3,416,061 | (576,317) | - |
| | <u>3,976,806</u> | <u>(576,317)</u> | <u>3,259,651</u> |
| | <u>\$ 11,200,211</u> | <u>\$ 2,987,703</u> | <u>\$ 3,835,857</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 |
|--------------------------------|--------------------------------|
| \$ 2,583,648 | \$ 3,849,610 |
| 256,572 | 3,504,394 |
| 74,528 | 9,970,483 |
| 20,097 | 99,355 |
| - | 1,184 |
| 719,586 | 3,359,590 |
| 793,467 | 1,126,308 |
| - | 560,745 |
| <u>\$ 4,447,898</u> | <u>\$ 22,471,669</u> |
| | |
| \$ 530,286 | \$ 1,125,598 |
| 48,617 | 176,736 |
| - | 40,856 |
| 117,318 | 175,363 |
| 1,547,378 | 2,110,165 |
| 106,363 | 124,421 |
| <u>378,361</u> | <u>10,338,815</u> |
| <u>2,728,323</u> | <u>14,091,954</u> |
| | |
| - | 560,745 |
| 1,134,713 | 4,394,364 |
| 584,862 | 584,862 |
| - | 2,839,744 |
| <u>1,719,575</u> | <u>8,379,715</u> |
| <u>\$ 4,447,898</u> | |
| | 72,568,961 |
| | 9,858,446 |
| | <u>(3,380,000)</u> |
| | <u>\$ 87,427,122</u> |

STARR COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | <u>General</u> | <u>Road & Bridge</u> | <u>Debt Service</u> |
|--|---------------------|----------------------------------|-------------------------|
| REVENUES | | | |
| Taxes | \$ 8,450,053 | \$ 3,380,710 | \$ 560,721 |
| Intergovernmental | 399,616 | 781,097 | - |
| Charges for services | 4,132,781 | 77,945 | - |
| Fines and forfeits | 209,518 | 676,896 | - |
| Interest | 128,082 | 2,177 | 9,962 |
| Miscellaneous | 105,822 | 3,060 | - |
| Total revenues | <u>13,425,872</u> | <u>4,921,885</u> | <u>570,683</u> |
| EXPENDITURES | | | |
| General administration | 4,213,406 | - | - |
| Judicial | 1,723,080 | - | - |
| Legal | 789,206 | - | - |
| Financial administration | 932,579 | - | - |
| Public facilities | 220,790 | - | - |
| Public safety | 5,882,227 | - | - |
| Health and welfare | 903,828 | - | - |
| Conservation agriculture | 125,909 | - | - |
| Highways and streets | - | 5,498,201 | - |
| Debt service: | | | |
| Principal retirements | - | - | 435,000 |
| Interest and fiscal charges | - | - | 135,227 |
| Total expenditures | <u>14,791,025</u> | <u>5,498,201</u> | <u>570,227</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(1,365,153)</u> | <u>(576,316)</u> | <u>456</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 613,852 | 1,297,771 | - |
| Operating transfers out | (2,461,923) | - | - |
| Total other financing sources (uses) | <u>(1,848,071)</u> | <u>1,297,771</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>(3,213,224)</u> | <u>721,455</u> | <u>456</u> |
| FUND BALANCES, BEGINNING OF YEAR | <u>7,190,030</u> | <u>(1,297,772)</u> | <u>3,259,195</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 3,976,806</u> | <u>\$ (576,317)</u> | <u>\$ 3,259,651</u> |

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

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 353,939 | \$ 12,745,423 |
| 5,099,812 | 6,280,525 |
| - | 4,210,726 |
| 143,270 | 1,029,684 |
| 4,603 | 144,824 |
| 30,600 | 139,482 |
| <u>5,632,224</u> | <u>24,550,664</u> |
| - | 4,213,406 |
| - | 1,723,080 |
| - | 789,206 |
| - | 932,579 |
| 275,094 | 495,884 |
| 2,988,510 | 8,870,737 |
| 891,248 | 1,795,076 |
| - | 125,909 |
| 1,236,416 | 6,734,617 |
| - | 435,000 |
| - | 135,227 |
| <u>5,391,268</u> | <u>26,250,721</u> |
| <u>240,956</u> | <u>(1,700,057)</u> |
| 892,260 | 2,803,883 |
| - | (2,461,923) |
| <u>892,260</u> | <u>341,960</u> |
| 1,133,216 | (1,358,097) |
| <u>586,359</u> | <u>9,737,812</u> |
| <u>\$ 1,719,575</u> | <u>\$ 8,379,715</u> |

(This page intentionally left blank.)

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, 2012

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) \$ (1,358,097)

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. 1,194,360

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. 435,000

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. 526,844

Change in net assets of governmental activities (page 10) \$ 798,107

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

(This page intentionally left blank.)

STARR COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance with |
|--|---------------------|---------------------|---------------------|--|
| | Original | Final | | Final Budget Favorable (Unfavorable) |
| REVENUES | | | | |
| Taxes | \$ 8,374,055 | \$ 8,374,055 | \$ 8,450,053 | \$ 75,998 |
| Intergovernmental | 270,000 | 312,221 | 399,616 | 87,395 |
| Charges for services | 4,492,200 | 4,492,200 | 4,132,781 | (359,419) |
| Fines and forfeits | 123,000 | 123,000 | 209,518 | 86,518 |
| Interest | - | - | 128,082 | 128,082 |
| Miscellaneous | 81,000 | 100,370 | 105,822 | 5,452 |
| Total revenues | <u>13,340,255</u> | <u>13,401,846</u> | <u>13,425,872</u> | <u>24,026</u> |
| EXPENDITURES | | | | |
| General administration | 4,768,674 | 4,769,644 | 4,213,406 | 556,238 |
| Judicial | 1,705,205 | 1,715,255 | 1,723,080 | (7,825) |
| Legal | 695,253 | 695,298 | 789,206 | (93,908) |
| Financial administration | 959,121 | 959,121 | 932,579 | 26,542 |
| Public facilities | 250,350 | 250,350 | 220,790 | 29,560 |
| Public safety | 5,591,143 | 5,647,664 | 5,882,227 | (234,563) |
| Health and welfare | 881,231 | 883,231 | 903,828 | (20,597) |
| Conservation agriculture | 130,335 | 130,335 | 125,909 | 4,426 |
| Total expenditures | <u>14,981,312</u> | <u>15,050,898</u> | <u>14,791,025</u> | <u>259,873</u> |
| (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(1,641,057)</u> | <u>(1,649,052)</u> | <u>(1,365,153)</u> | <u>283,899</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | 1,011,940 | 1,011,940 | 613,852 | (398,088) |
| Operating transfers out | - | - | (2,461,923) | (2,461,923) |
| Total other financing sources (uses) | <u>1,011,940</u> | <u>1,011,940</u> | <u>(1,848,071)</u> | <u>(2,860,011)</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES | <u>(629,117)</u> | <u>(637,112)</u> | <u>(3,213,224)</u> | <u>(2,576,112)</u> |
| FUND BALANCE, BEGINNING OF YEAR | <u>7,190,030</u> | <u>7,190,030</u> | <u>7,190,030</u> | <u>-</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 6,560,913</u> | <u>\$ 6,552,918</u> | <u>\$ 3,976,806</u> | <u>\$ (2,576,112)</u> |

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

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

SEPTEMBER 30, 2012

| ASSETS | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | Totals |
|--|--|------------------|---------------------|--------------------|
| | International Bridge | Gas System | Transfer Station | |
| CURRENT ASSETS | | | | |
| Cash on hand | \$ 7,766 | \$ 300 | \$ - | \$ 8,066 |
| Cash on deposit | 290,870 | 31,170 | 409 | 322,449 |
| Investments - unrestricted | 659,077 | - | - | 659,077 |
| Investments - restricted for customer deposits | - | - | - | - |
| Due from other governments | - | - | - | - |
| Accounts receivable | - | 50,055 | - | 50,055 |
| Accounts receivable - landfill | - | - | - | - |
| Accounts receivable - disconnects | - | 15,685 | - | 15,685 |
| Allowance for uncollectibles | - | (9,805) | - | (9,805) |
| Accrued interest receivable | 303 | 114 | - | 417 |
| Supplies inventory | - | 45,690 | - | 45,690 |
| Prepaid insurance | 66,303 | 62 | - | 66,365 |
| Restricted cash for customer deposits | - | 101,266 | - | 101,266 |
| Total current assets | <u>1,024,319</u> | <u>234,537</u> | <u>409</u> | <u>1,259,265</u> |
| NON-CURRENT ASSETS | | | | |
| Land | 1,396,530 | 10,000 | - | 1,406,530 |
| Buildings | 5,345,988 | 20,390 | 1,645,942 | 7,012,320 |
| Landfill closure cost | - | - | 21,000 | 21,000 |
| Original purchase - distribution system | - | 550,000 | - | 550,000 |
| Gas distribution system | - | 21,562 | - | 21,562 |
| Office furniture and equipment | 805,442 | 16,217 | - | 821,659 |
| Transportation equipment | - | 32,981 | - | 32,981 |
| Machinery and equipment | - | 74,300 | 238,729 | 313,029 |
| Accumulated depreciation | <u>(4,149,724)</u> | <u>(701,847)</u> | <u>(198,624)</u> | <u>(5,050,195)</u> |
| Total non-current assets | <u>3,398,236</u> | <u>23,603</u> | <u>1,707,047</u> | <u>5,128,886</u> |
| Total assets | <u>4,422,555</u> | <u>258,140</u> | <u>1,707,456</u> | <u>6,388,151</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

SEPTEMBER 30, 2012

(Continued)

| | BUSINESS-TYPE ACTIVITIES - | | | Totals |
|---|----------------------------|---------------------|---------------------|---------------------|
| | International Bridge | Gas System | Transfer Station | |
| CURRENT LIABILITIES | | | | |
| Bank overdraft | - | - | - | - |
| Accounts payable | 6,955 | 35,668 | - | 42,623 |
| Customer deposits payable | - | - | - | - |
| Sales tax payable | - | 1,509 | - | 1,509 |
| Due to other funds | 3,791 | 654,945 | 306,795 | 965,531 |
| Due to other governments | 213,575 | - | - | 213,575 |
| Accrued liabilities | - | - | - | - |
| Current maturities of notes payable | - | - | 1,344,845 | 1,344,845 |
| Total current liabilities | <u>224,321</u> | <u>692,122</u> | <u>1,651,640</u> | <u>2,568,083</u> |
| NON-CURRENT LIABILITIES | | | | |
| Notes payable, net of current maturities | - | 101,266 | - | 101,266 |
| Total non-current liabilities | <u>-</u> | <u>101,266</u> | <u>-</u> | <u>101,266</u> |
| Total liabilities | <u>224,321</u> | <u>793,388</u> | <u>1,651,640</u> | <u>2,669,349</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 3,398,236 | 23,603 | 362,202 | 3,784,041 |
| Unrestricted | <u>799,998</u> | <u>(558,851)</u> | <u>(306,386)</u> | <u>(65,239)</u> |
| Total net assets | <u>\$ 4,198,234</u> | <u>\$ (535,248)</u> | <u>\$ 55,816</u> | <u>\$ 3,718,802</u> |

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

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

SEPTEMBER 30, 2012

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | Totals |
|--|--|----------------|---------------------|------------------|
| | International Bridge | Gas System | Transfer Station | |
| OPERATING REVENUES | | | | |
| Natural gas sales | \$ - | \$ 636,392 | \$ - | \$ 636,392 |
| Charge for services | 1,871,968 | - | 736,735 | 2,608,703 |
| Penalties | - | 9,440 | - | 9,440 |
| Connect fees | - | 4,830 | - | 4,830 |
| Rentals | 55,504 | - | - | 55,504 |
| Excess on peso exchange | 1,971 | - | - | 1,971 |
| Miscellaneous | - | 18,418 | 65 | 18,483 |
| Total operating revenues | <u>1,929,443</u> | <u>669,080</u> | <u>736,800</u> | <u>3,335,323</u> |
| COST OF REVENUE PRODUCING ITEMS | | | | |
| Natural gas purchases | - | 212,598 | - | 212,598 |
| Total cost of revenue producing items | <u>-</u> | <u>212,598</u> | <u>-</u> | <u>212,598</u> |
| Gross profit | <u>1,929,443</u> | <u>456,482</u> | <u>736,800</u> | <u>3,122,725</u> |
| OPERATING EXPENSES | | | | |
| Gas loss | - | 31,495 | - | 31,495 |
| Bad debt expense | - | 923 | - | 923 |
| Computer lease | - | - | - | - |
| Equipment lease | - | - | 21,771 | 21,771 |
| Equipment rental | - | - | - | - |
| Depreciation | 184,469 | 4,004 | 106,792 | 295,265 |
| Group insurance | 64,119 | 30,145 | 13,534 | 107,798 |
| Insurance | 103,003 | 288 | 12,777 | 116,068 |
| Worker's compensation | 20,789 | 7,698 | - | 28,487 |
| Legal and professional | 16,300 | - | - | 16,300 |
| Office and building supplies | - | 4,760 | 5,861 | 10,621 |
| Participation costs - City of Roma | 281,832 | - | - | 281,832 |
| Payroll tax expense | 41,786 | 14,702 | - | 56,488 |
| Postage and freight | - | 5,008 | - | 5,008 |
| Repairs and maintenance | 32,858 | 2,250 | - | 35,108 |
| Retirement | 37,040 | 12,688 | - | 49,728 |
| Salaries and wages | 487,035 | 200,977 | 180,108 | 868,120 |
| Supplies | 19,768 | 42,255 | - | 62,023 |
| Telephone | 2,640 | 4,554 | - | 7,194 |
| Travel and entertainment | 682 | - | 1,282 | 1,964 |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

(Continued)

| | BUSINESS-TYPE ACTIVITIES - | | | Totals |
|---|----------------------------|---------------------|---------------------|---------------------|
| | International Bridge | Gas System | Transfer Station | |
| OPERATING EXPENSES (Continued) | | | | |
| Truck repairs, maintenance and supplies | - | 8,753 | 40,558 | 49,311 |
| Truck fuel | - | 15,111 | 16,894 | 32,005 |
| Hauling costs | - | - | 579,817 | 579,817 |
| Uniforms | 11,791 | 4,449 | - | 16,240 |
| Utilities | 21,964 | 5,925 | 780 | 28,669 |
| Regulatory fees | - | 1,766 | - | 1,766 |
| Tire recycling fees | - | - | - | - |
| Capital outlay | - | 2,045 | 14,932 | 16,977 |
| Bank fees | - | 2,355 | 21,801 | 24,156 |
| Miscellaneous expenses | - | 24,127 | 1,216 | 25,343 |
| Total operating expenses | <u>1,326,076</u> | <u>426,278</u> | <u>1,018,123</u> | <u>2,770,477</u> |
| OPERATING INCOME | <u>603,367</u> | <u>30,204</u> | <u>(281,323)</u> | <u>352,248</u> |
| NON-OPERATING REVENUE (EXPENSES) | | | | |
| Interest revenue (expense) | 1,903 | 738 | (46,556) | (43,915) |
| Gain (loss) on sale of assets | - | 2,975 | - | 2,975 |
| Bond interest expenses and agent fees | (5,830) | - | - | (5,830) |
| Amortization of bonds | - | - | - | - |
| Total non-operating revenue (expenses) | <u>(3,927)</u> | <u>3,713</u> | <u>(46,556)</u> | <u>(46,770)</u> |
| Income before other financing sources | <u>599,440</u> | <u>33,917</u> | <u>(327,879)</u> | <u>305,478</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfer in | - | - | 271,892 | 271,892 |
| Operating transfer out | (613,852) | - | - | (613,852) |
| Total other financing sources (uses) | <u>(613,852)</u> | <u>-</u> | <u>271,892</u> | <u>(341,960)</u> |
| CHANGES IN NET ASSETS | <u>(14,412)</u> | <u>33,917</u> | <u>(55,987)</u> | <u>(36,482)</u> |
| TOTAL NET ASSETS, BEGINNING | <u>4,212,646</u> | <u>(569,165)</u> | <u>111,803</u> | <u>3,755,284</u> |
| Prior period adjustment | - | - | - | - |
| TOTAL NET ASSETS, ENDING | <u>\$ 4,198,234</u> | <u>\$ (535,248)</u> | <u>\$ 55,816</u> | <u>\$ 3,718,802</u> |

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

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | |
|--|--|-------------------|---------------------|---------------------|
| | International Bridge | Gas System | Transfer Station | Totals |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Operating income | \$ 603,367 | \$ 30,204 | \$ (281,323) | \$ 352,248 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation | 184,469 | 4,004 | 106,792 | 295,265 |
| (Increase) decrease in accounts receivable | 68,257 | 8,831 | 85,215 | 162,303 |
| (Increase) decrease in accounts receivable - landfill | - | 44,688 | - | 44,688 |
| (Increase) decrease in accounts receivable - disconnects | - | (1,038) | - | (1,038) |
| (Increase) decrease in allowance for uncollectible disconnects | - | 923 | - | 923 |
| (Increase) decrease in accrued interest receivable | 390 | 93 | - | 483 |
| (Increase) decrease in supplies inventory | - | (1,967) | - | (1,967) |
| (Increase) decrease in prepaid insurance | (5,076) | - | - | (5,076) |
| (Increase) decrease in due from other funds | - | - | - | - |
| Increase (decrease) in accounts payable | (11,277) | (96,192) | - | (107,469) |
| Increase (decrease) in sales tax payable | - | (294) | - | (294) |
| Increase (decrease) in customer deposit payable | - | 473 | - | 473 |
| Increase (decrease) in due to other funds | 203,739 | 38,876 | (164,305) | 78,310 |
| Net cash provided by operating activities | <u>1,043,869</u> | <u>28,601</u> | <u>(253,621)</u> | <u>818,849</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Operating transfers in (out) | (613,852) | - | 271,892 | (341,960) |
| Net cash provided by noncapital financing activities | <u>(613,852)</u> | <u>-</u> | <u>271,892</u> | <u>(341,960)</u> |
| CASH FLOWS FROM (TO) CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Proceeds from loans | - | - | - | - |
| Bond principal payment | (205,000) | - | (50,741) | (255,741) |
| Acquisition of property and equipment | - | - | - | - |
| Disposal of property and equipment | - | 15,000 | - | 15,000 |
| Proceeds from sale of capital assets | - | 2,975 | - | 2,975 |
| Interest and fees paid | (5,830) | 738 | - | (5,092) |
| Net cash provided by (applied to) financing activities | <u>(210,830)</u> | <u>18,713</u> | <u>(50,741)</u> | <u>(242,858)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | 1,903 | - | - | 1,903 |
| Interest expense | - | - | (46,556) | (46,556) |
| Net cash provided (used) by investing activities | <u>1,903</u> | <u>-</u> | <u>(46,556)</u> | <u>(44,653)</u> |
| NET INCREASE (DECREASE) IN CASH | 221,090 | 47,314 | (79,026) | 189,378 |
| CASH BALANCES, BEGINNING OF YEAR | 736,623 | 85,422 | 79,435 | 901,480 |
| CASH BALANCES, END OF YEAR | <u>\$ 957,713</u> | <u>\$ 132,736</u> | <u>\$ 409</u> | <u>\$ 1,090,858</u> |
| RECONCILIATION OF CASH BALANCES | | | | |
| Cash on hand | \$ 7,766 | \$ 300 | \$ - | \$ 8,066 |
| Cash on deposit | 290,870 | - | 409 | 291,279 |
| Investments - unrestricted | 659,077 | 31,170 | - | 690,247 |
| Investments - restricted for customer deposits | - | 101,266 | - | 101,266 |
| Bank overdraft | - | - | - | - |
| Cash balances | <u>\$ 957,713</u> | <u>\$ 132,736</u> | <u>\$ 409</u> | <u>\$ 1,090,858</u> |

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

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

SEPTEMBER 30, 2012

ASSETS

| | | |
|----------------------|----|-------------------|
| Cash | \$ | 6,734,672 |
| Investments | | 2,421,617 |
| Accounts receivable | | 80,528 |
| Due from other funds | | 749,072 |
| Other assets | | <u>370,861</u> |
| Total assets | \$ | <u>10,356,750</u> |

LIABILITIES

| | | |
|--------------------------|----|-------------------|
| Due to other funds | \$ | 1,032,967 |
| Due to other governments | | 671,981 |
| Funds held in escrow | | 4,418,526 |
| Accounts payable | | 138,707 |
| Other liabilities | | <u>4,094,569</u> |
| Total liabilities | \$ | <u>10,356,750</u> |

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

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

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 three 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.

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

Capital Projects Funds are used to account, on a project basis, for projects financed by the proceeds from bond issues or other financing sources. The capital funds utilize the modified accrual basis of accounting.

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, Gas System and Landfill, and Solid Waste Transfer Station 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, 2011 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. Fund Balance Classifications

The County uses the following criteria when classifying fund balances amounts:

Nonspendable – amounts not in spendable from or that are legally or contractually earmarked for a specific use. Examples include inventories and endowment principal.

Restricted – amounts that have been legally separated for a specific purpose by law or external funding source. Examples include grants, capital acquisitions, and long-term debt.

Committed – amounts that require Board action to be used for a specific purpose. Examples include capital expenditures, self-insurance, and campus activity funds. Formal action to commit funds must occur prior to fiscal year end and can only be modified or removed by the same action.

Assigned – amounts that do not require Board approval but are intended to be used for a specific purpose, as determined by the Superintendent or his designee. These amounts do not meet the criteria to be classified as restricted or committed.

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

N. Fund Balance Classifications (Continued)

Unassigned – residual amount in the general fund that is available to finance operating expenditures. In other funds, this classification is used only to report a deficit balance resulting from over-spending for specific purposes for which amounts had been restricted, committed, or assigned, as applicable.

O. 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.

P. 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).

Q. 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 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.

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

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

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". The detail of this \$1,194,360 is as follows:

| | |
|---|---------------------|
| Capital outlay - additions | \$ 2,367,214 |
| Capital assets - dispositions | (60,815) |
| Depreciation expense | <u>(1,112,039)</u> |
| Net adjustment to increase <i>net changes in fund balance -- total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i> (Exhibit C-3) | <u>\$ 1,194,360</u> |

Another element of the reconciliation states that, "The net effect of various transactions involving debt principal payment to increase net assets." The detail of this \$435,000 is as follows:

| | |
|---|-------------------|
| Debt principal payment | <u>\$ 435,000</u> |
| Net adjustment to increase <i>net changes in fund balance -- total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i> (Exhibit C-3) | <u>\$ 435,000</u> |

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 last element of the reconciliation states that, "Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting." The detail of this \$486,274 is as follows:

| | |
|---|-------------------|
| Various reclassifications | <u>\$ 526,844</u> |
| Net adjustment to increase <i>net changes in fund balance -- total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i> (Exhibit C-3) | <u>\$ 526,844</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.

3. **LEGAL COMPLIANCE – BUDGETS** (Continued)

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, 2012:

- (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, 2012, the carrying amount of the County's deposits was \$3,995,323 and total bank balances equaled \$4,400,882. Bank balances of \$250,000 are covered by federal depository insurance and the remaining \$4,150,882 were covered by collateral pledged in the County's name.

During the year ended September 30, 2012, the County had entered into an agreement with Lone Star National Bank for a letter of credit, through the bank of New York Mellon, to cover deposits in excess of FDIC coverage. The letter of credit, however, does not constitute collateral pledged in the County's name.

(The remainder of this page was intentionally left blank.)

5. DEPOSITS AND INVESTMENTS (Continued)

The fair values of investments at September 30, 2012 are summarized as follows:

| | <u>Rate</u> | <u>Maturity</u> | <u>Fair Value</u> |
|-------------------------|-------------|-----------------|---------------------|
| <u>General Fund</u> | | | |
| Certificate of Deposit | 0.20% | 02/27/13 | \$ 378,148 |
| | | | <u>\$ 378,148</u> |
| <u>Special Revenue</u> | | | |
| Certificate of Deposit | 0.20% | 01/19/13 | \$ 256,572 |
| | | | <u>\$ 256,572</u> |
| <u>Debt Service</u> | | | |
| Certificate of Deposit | 0.20% | 02/12/13 | \$ 119,029 |
| Certificate of Deposit | 0.20% | 02/22/13 | 629,717 |
| Certificate of Deposit | 0.20% | 04/04/13 | 359,607 |
| Certificate of Deposit | 0.20% | 12/28/12 | 673,746 |
| Certificate of Deposit | 0.30% | 04/01/13 | 376,332 |
| Certificate of Deposit | 0.20% | 02/12/13 | 198,099 |
| Certificate of Deposit | 0.20% | 01/19/13 | 513,143 |
| | | | <u>\$ 2,869,673</u> |
| <u>Enterprise Funds</u> | | | |
| Certificate of Deposit | 0.50% | 01/13/13 | \$ 103,672 |
| Certificate of Deposit | 0.20% | 04/04/13 | 659,077 |
| | | | <u>\$ 762,749</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.

During the year ended September 30, 2012, 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 2012 fiscal year tax rate was .4601 per \$100 for the general fund, .0300 per \$100 for the debt service fund, .1891 per \$100 for the FM and Lateral Road tax, and .0200 per \$100 for the Drainage District, 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, 2012 recorded under governmental activities.

| | Balance <u>09/30/11</u> | <u>Additions</u> | <u>Retirements</u> | Balance <u>09/30/12</u> |
|---|----------------------------|------------------|---------------------|----------------------------|
| G.O. Refunding, Series 2004 | \$ 205,000 | \$ - | \$ (205,000) | \$ - |
| Certificates of Obligation, Series 2004 | <u>3,610,000</u> | <u>-</u> | <u>(230,000)</u> | <u>3,380,000</u> |
| Total Long-Term Debt | <u>\$ 4,230,000</u> | <u>\$ -</u> | <u>\$ (435,000)</u> | <u>\$ 3,380,000</u> |

The annual requirements to repay all outstanding debt, as of September 30, 2012, are as follows:

| Year Ended | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------|---------------------|-------------------|---------------------|
| <u>September 30,</u> | | | |
| 2013 | \$ 450,000 | \$ 117,856 | \$ 567,856 |
| 2014 | 445,000 | 117,856 | 562,856 |
| 2015 | 460,000 | 100,056 | 560,056 |
| 2016 | 480,000 | 81,656 | 561,656 |
| 2017 | 500,000 | 62,456 | 562,456 |
| 2018-2019 | <u>1,045,000</u> | <u>64,113</u> | <u>1,109,113</u> |
| Total | <u>\$ 3,380,000</u> | <u>\$ 543,993</u> | <u>\$ 3,923,993</u> |

8. CAPITAL ASSETS

Capital asset activity for the County for the year ended September 30, 2012, under governmental activities was as follows:

| | Primary Government | | | | Balance 09/30/12 |
|--------------------------------|------------------------|-----------------------|---------------------|-------------|------------------------|
| | Balance | Changes During Year | | | |
| | 09/30/11 | Additions | Deletions | Adjustments | |
| Land | \$ 1,171,990 | \$ 60,000 | \$ - | \$ - | \$ 1,231,990 |
| Construction in progress | 265,449 | - | - | (265,449) | - |
| Buildings and improvements | 16,551,090 | 311,840 | - | 265,449 | 17,128,379 |
| Furniture and equipment | 7,926,665 | 1,084,113 | (176,884) | - | 8,833,894 |
| Infrastructure | 55,861,698 | 911,261 | - | - | 56,772,959 |
| Total at historic cost | <u>\$ 81,776,892</u> | <u>\$ 2,367,214</u> | <u>\$ (176,884)</u> | <u>\$ -</u> | <u>\$ 83,967,222</u> |
| Less accumulated depreciation: | | | | | |
| Buildings and improvements | \$ (6,528,229) | \$ (331,789) | \$ - | \$ - | \$ (6,860,018) |
| Furniture and equipment | (3,874,062) | (780,250) | 116,069 | - | (4,538,243) |
| Total accumulated depreciation | <u>\$ (10,402,291)</u> | <u>\$ (1,112,039)</u> | <u>\$ 116,069</u> | <u>\$ -</u> | <u>\$ (11,398,261)</u> |
| Governmental activities | | | | | |
| Capital assets, net | <u>\$ 71,374,601</u> | <u>\$ 1,255,175</u> | <u>\$ (60,815)</u> | <u>\$ -</u> | <u>\$ 72,568,961</u> |

Depreciation expense for FY 2012 was charged to functions/programs of the County as follows:

| | |
|--------------------------|---------------------|
| General administration | \$ 318,695 |
| Judicial | 130,331 |
| Legal | 52,965 |
| Financial administration | 70,539 |
| Public facilities | 16,700 |
| Public safety | 444,922 |
| Health and welfare | 68,364 |
| Conservation agriculture | 9,523 |
| Totals | <u>\$ 1,112,039</u> |

9. REVENUE BONDS-NOTES 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, 2012:

| | Balance | | | Balance |
|---------------------------------|-------------------|------------------|--------------------|-----------------|
| <u>Int. Toll Bridge System:</u> | <u>09/30/11</u> | <u>Additions</u> | <u>Retirements</u> | <u>09/30/12</u> |
| Note payable | \$ 205,000 | \$ - | \$ 205,000 | \$ - |
| Total | <u>\$ 205,000</u> | <u>\$ -</u> | <u>\$ 205,000</u> | <u>\$ -</u> |

9. **REVENUE BONDS-NOTES PAYABLE OF ENTERPRISE FUNDS** (Continued)

Revenue notes payable of the Enterprise Funds at September 30, 2012 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 and with a zero balance at fiscal year-end: \$ -0-

There are no future annual requirements to retire the above revenue bonds.

Starr County has a promissory note with Lone Star National Bank maturing on January 24, 2016. The note is to be used to pay for the cost of construction and installation of the County's Solid Waste Disposal Transfer Station. The promissory note is collateralized by four certificates of deposit (and any renewals or extensions thereof), in Starr County's name and on deposit with Lone Star National Bank. At September 30, 2012, the note balance was \$1,344,845 and the per annum rate of interest is a variable interest rate equal to the highest Prime Rate quoted by the Wall Street Journal, plus 0.00%, commencing at 3.25%.

Short term notes payable of the Enterprise Funds at September 30, 2012 consisted of the following:

Solid Waste Transfer Station Fund note payable to Lone Star National Bank: 1,344,845
Notes Payable at 9/30/12: \$ 1,344,845

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, 2012 was as follows:

| | <u>International Toll Bridge</u> | <u>Gas System and Landfill</u> | <u>Solid Waste Transfer Station</u> | <u>Total</u> |
|--|--------------------------------------|------------------------------------|---|--------------|
| Operating revenues | \$ 1,929,443 | \$ 669,080 | \$ 736,800 | \$ 3,335,323 |
| Depreciation and amortization expense | (184,469) | (4,004) | (106,792) | (295,265) |
| Operating income | 603,367 | 30,204 | (281,323) | 352,248 |
| Operating transfers in (out) | (613,852) | - | 271,892 | (341,960) |
| Net income or (loss) | (14,412) | 33,917 | (55,987) | (36,482) |
| Invested in capital assets, net | 3,398,236 | 23,603 | 1,707,047 | 5,128,886 |
| Unrestricted net assets | 799,998 | (558,851) | (1,651,231) | (1,410,084) |
| Notes payable - net of current | - | - | 1,344,845 | 1,344,845 |

11. FIXED ASSETS OF PROPRIETARY FUNDS

Fixed assets of Proprietary Funds (Enterprise Funds) at September 30, 2012 consisted of the following:

| | International <u>Bridge</u> | Gas <u>System</u> | Transfer <u>Station</u> | <u>Total</u> |
|--|--------------------------------|----------------------|----------------------------|---------------------|
| Land | \$ 1,396,530 | \$ 10,000 | \$ - | \$ 1,406,530 |
| Landfill closure costs | - | - | 21,000 | 21,000 |
| Buildings and improvements | 5,345,988 | 20,390 | 1,645,942 | 7,012,320 |
| Gas distribution system | - | 571,562 | - | 571,562 |
| Machinery, furniture and equipment | <u>805,442</u> | <u>123,498</u> | <u>238,729</u> | <u>1,167,669</u> |
| Total at historic cost | <u>7,547,960</u> | <u>725,450</u> | <u>1,905,671</u> | <u>10,179,081</u> |
| Less: | | | | |
| Accumulated depreciation | <u>(4,149,724)</u> | <u>(701,847)</u> | <u>(198,624)</u> | <u>(5,050,195)</u> |
| Fixed assets, net of accumulated depreciation | <u>\$ 3,398,236</u> | <u>\$ 23,603</u> | <u>\$ 1,707,047</u> | <u>\$ 5,128,886</u> |

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.

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, 2012, consisted of the following individual fund receivables and payables:

| | <u>Due from</u> | <u>Due to</u> |
|-----------------------------|---------------------|---------------------|
| General fund: | | |
| Special revenue funds | \$ 1,014,206 | \$ 5,881 |
| Debt service fund | - | 34,219 |
| Capital projects fund | - | - |
| Enterprise funds | 673,609 | - |
| Trust and agency funds | <u>504,010</u> | <u>146,770</u> |
| Total general fund | <u>\$ 2,191,825</u> | <u>\$ 186,870</u> |
| Special revenue funds: | | |
| General fund | \$ 5,881 | \$ 1,014,206 |
| Special revenue funds | 396,543 | 396,543 |
| Trust and agency funds | <u>434,766</u> | <u>512,504</u> |
| Total special revenue funds | <u>\$ 837,190</u> | <u>\$ 1,923,253</u> |
| Debt service fund: | | |
| General fund | \$ 34,219 | \$ - |
| Trust and agency funds | <u>4,437</u> | <u>45</u> |
| Total debt service fund | <u>\$ 38,656</u> | <u>\$ 45</u> |
| Capital projects fund: | | |
| General fund | \$ - | \$ - |
| Enterprise funds | <u>291,921</u> | <u>-</u> |
| Total capital project fund | <u>\$ 291,921</u> | <u>\$ -</u> |

16. **INTERFUND RECEIVABLES AND PAYABLES** (Continued)

| | <u>Due from</u> | <u>Due to</u> |
|------------------------------|---------------------|---------------------|
| Enterprise funds: | | |
| General fund | \$ - | \$ 673,609 |
| Capital projects fund | - | 291,921 |
| Total enterprise funds | <u>\$ -</u> | <u>\$ 965,530</u> |
| Trust and agency funds: | | |
| General fund | \$ 146,770 | \$ 504,010 |
| Special revenue funds | 512,504 | 434,766 |
| Debt service fund | 45 | 4,437 |
| Trust and agency funds | 89,753 | 89,753 |
| Total trust and agency funds | <u>\$ 749,072</u> | <u>\$ 1,032,966</u> |
| Totals | <u>\$ 4,108,664</u> | <u>\$ 4,108,664</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 reclassifications 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 624 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.

17. **PENSION PLAN** (Continued)

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 7.78% 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 2011, Starr County's annual pension of \$974,791 for TCDRS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2012 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 5.4% 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, 2011 was 20 years.

Schedule of Funding Progress

| | a | b | b - a | a / b | c | (b - a) / c |
|--------------------|---------------------------|-----------------------------|---------------------|--------------|-----------------|---|
| Fiscal Year Ending | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
| 09/30/09 | \$ 16,282,437 | \$ 20,832,811 | \$ 4,550,374 | 78.16% | \$ 13,117,272 | 34.69% |
| 09/30/10 | \$ 18,041,954 | \$ 22,833,883 | \$ 4,791,929 | 79.01% | \$ 13,453,063 | 35.62% |
| 09/30/11 | \$ 19,209,969 | \$ 24,261,302 | \$ 5,051,333 | 79.01% | \$ 12,975,145 | 35.62% |

Schedule of Employer Contributions

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------|---------------------------|-------------------------------|------------------------|
| 09/30/09 | \$ 1,043,886 | 100.00% | - |
| 09/30/10 | \$ 1,033,139 | 100.00% | - |
| 09/30/11 | \$ 974,791 | 100.00% | - |

18. **CONTINGENCIES**

During the 2010-2011 fiscal year, the County engaged an independent accounting firm to conduct an investigation regarding property tax receipts. It was found through a special audit that monies were collected and not deposited into the County's bank account. In addition to the special audit, the Starr County Sheriff's office has been conducting an investigation. As of June 21, 2013, the investigation is ongoing and a final determination regarding any financial loss to the County has not been made.

(This Page Intentionally Left Blank.)

**BUDGETARY COMPARISON
REPORTING**

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|--|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Current ad valorem | \$ 7,219,055 | \$ 7,219,055 | \$ 7,506,806 | \$ 287,751 |
| Delinquent ad valorem | 1,100,000 | 1,100,000 | 854,472 | (245,528) |
| Late rendition penalty | - | - | 10,976 | 10,976 |
| Alcoholic beverage licenses | 25,000 | 25,000 | 19,004 | (5,996) |
| Subdivision fees | 30,000 | 30,000 | 11,347 | (18,653) |
| Federal payment in lieu of taxes | - | - | 47,448 | 47,448 |
| State grant elderly | 20,000 | 20,000 | - | (20,000) |
| Nutrition program grant | 250,000 | 250,000 | 234,753 | (15,247) |
| Texas task force on indigent defense grant | - | - | 32,303 | 32,303 |
| TX dept family and protective services | - | - | 44,213 | 44,213 |
| Contribution - county attorney's office | - | - | 44,750 | 44,750 |
| State soil and water conservation board | - | - | 17,776 | 17,776 |
| 911 addressing grant | - | 42,221 | 25,821 | (16,400) |
| Fees of office | 1,950,000 | 1,950,000 | 1,742,808 | (207,192) |
| Detention center | 2,500,000 | 2,500,000 | 2,355,597 | (144,403) |
| Detention center - cities | 15,000 | 15,000 | 16,620 | 1,620 |
| Juvenile detention center | 20,000 | 20,000 | 2,775 | (17,225) |
| El Cenizo adult day care rents | 7,200 | 7,200 | 7,200 | - |
| Child support - attorney general | - | - | 5,213 | 5,213 |
| Chapter 19 - voter registration | - | - | 2,568 | 2,568 |
| Library fines | - | - | 5,205 | 5,205 |
| Rentals | 8,000 | 8,000 | 14,990 | 6,990 |
| State salary supplement | 70,000 | 70,000 | 176,373 | 106,373 |
| Hotel taxes | 45,000 | 45,000 | - | (45,000) |
| Bond forfeitures | - | - | 12,950 | 12,950 |
| Interest | - | - | 128,082 | 128,082 |
| Donations | - | 15,200 | 16,200 | 1,000 |
| Sale of cemetery plots | 8,000 | 8,000 | 6,050 | (1,950) |
| Miscellaneous (sheriff) | 1,000 | 1,000 | - | (1,000) |
| Miscellaneous (other) | - | - | 15,000 | 15,000 |
| Miscellaneous (auction) | 2,000 | 6,170 | 8,220 | 2,050 |
| Miscellaneous | 70,000 | 70,000 | 55,816 | (14,184) |
| Tow truck registration fees | - | - | 2,350 | 2,350 |
| Elderly transportation | - | - | 2,186 | 2,186 |
| Total revenues | <u>\$ 13,340,255</u> | <u>\$ 13,401,846</u> | <u>\$ 13,425,872</u> | <u>\$ 24,026</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|------------------------------------|------------------|----------------|----------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| General administration: | | | | |
| County judge: | | | | |
| Salary of official | \$ 67,324 | \$ 67,324 | \$ 67,324 | \$ - |
| Supplemental salary of official | 15,000 | 15,000 | 15,000 | - |
| Salary of administrative assistant | 77,268 | 77,268 | 77,268 | - |
| Salary of secretary | 30,156 | 33,156 | 31,755 | 1,401 |
| Salary of clerk | 25,568 | 32,068 | 30,637 | 1,431 |
| Salary of courthouse security | 85,955 | 80,955 | 47,491 | 33,464 |
| Dog kennel supervisor | 3,090 | 3,090 | - | 3,090 |
| Automation coordinator | 70,179 | 70,179 | 68,565 | 1,614 |
| Annex receptionist | 40,900 | 40,900 | 29,118 | 11,782 |
| Food inspector | 48,956 | 48,956 | 45,136 | 3,820 |
| Payroll taxes | 35,526 | 35,526 | 31,028 | 4,498 |
| Employee retirement | 34,969 | 34,969 | 29,288 | 5,681 |
| Office supplies | 7,500 | 7,500 | 6,592 | 908 |
| Auto expense | 45,000 | 34,000 | 15,885 | 18,115 |
| Telephone | | 9,000 | 8,300 | 700 |
| Travel and seminar | 10,000 | 11,350 | 11,200 | 150 |
| Bonds and insurance | 300 | 300 | 100 | 200 |
| Dues and subscriptions | 2,000 | 2,000 | - | 2,000 |
| Capital outlay-equipment | 9,425 | 9,425 | - | 9,425 |
| Miscellaneous | 10,000 | 7,000 | 1,201 | 5,799 |
| Contingencies | 10,000 | 10,000 | 7,475 | 2,525 |
| Dog kennel | - | - | - | - |
| Total county judge | <u>629,116</u> | <u>629,966</u> | <u>523,363</u> | <u>106,603</u> |
| County clerk: | | | | |
| Salary of official | 39,506 | 39,506 | 39,506 | - |
| Salary of chief clerk | 26,224 | 26,224 | 26,224 | - |
| Salary of clerk | 25,641 | 25,641 | 26,780 | (1,139) |
| Salaries of deputies | 87,955 | 87,955 | 86,282 | 1,673 |
| Payroll taxes | 13,719 | 13,718 | 12,874 | 844 |
| Employee retirement | 13,503 | 13,503 | 13,734 | (231) |
| Office supplies | 14,520 | 15,498 | 13,653 | 1,845 |
| Telephone | 50 | 50 | 180 | (130) |
| Travel and seminars | 2,500 | 1,602 | 1,564 | 38 |
| Binding expense | 4,000 | 3,441 | 3,440 | 1 |
| Bonds and insurance | 700 | 1,260 | 1,200 | 60 |
| Operational system fee | 34,200 | 34,200 | 33,325 | 875 |
| Total county clerk | <u>262,518</u> | <u>262,598</u> | <u>258,762</u> | <u>3,836</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|---------|---------|---------------|
| | Original | Final | | (Unfavorable) |
| Personnel department: | | | | |
| Salary of supervisor | 30,508 | 30,508 | 24,750 | 5,758 |
| Salary of secretary/manager | 21,902 | 21,902 | 24,500 | (2,598) |
| Salary of benefits clerk | 22,196 | 22,196 | 21,750 | 446 |
| Salary of loss benefits clerk | 22,454 | 22,454 | 16,491 | 5,963 |
| Payroll taxes | 7,425 | 7,425 | 6,310 | 1,115 |
| Employee retirement | 7,309 | 7,309 | 6,676 | 633 |
| Office supplies | 5,000 | 5,040 | 3,020 | 2,020 |
| Travel and seminars | 3,500 | 3,500 | 3,236 | 264 |
| Rental - copier | 1,000 | 1,000 | 998 | 2 |
| Capital outlay | 500 | 500 | 99 | 401 |
| Total personnel department | 121,794 | 121,834 | 107,830 | 14,004 |
| Planning department: | | | | |
| Salary of Subdivision regulation inspector | 31,570 | 31,570 | 27,927 | 3,643 |
| Salary of field worker | 23,776 | 23,776 | 22,858 | 918 |
| Payroll taxes | 4,234 | 4,234 | 3,807 | 427 |
| Employee retirement | 4,168 | 4,168 | 3,712 | 456 |
| Office supplies | 2,000 | 800 | 606 | 194 |
| Travel and seminars | 800 | 800 | 642 | 158 |
| Auto expense | 1,000 | 2,200 | 2,137 | 63 |
| Dues & subscriptions | 100 | 100 | 200 | (100) |
| Total planning department | 67,648 | 67,648 | 61,889 | 5,759 |
| Elections administrator: | | | | |
| Salary of clerk | 64,072 | 64,072 | 57,562 | 6,510 |
| Payroll taxes | 4,901 | 4,901 | 4,397 | 504 |
| Employee retirement | 4,825 | 4,825 | 3,774 | 1,051 |
| Office supplies | 10,000 | 9,000 | 5,822 | 3,178 |
| Telephone | 1,500 | 1,500 | 900 | 600 |
| Travel and seminars | 3,000 | 4,500 | 4,255 | 245 |
| Public notices | 1,000 | 1,000 | 915 | 85 |
| Bonds and insurance | 500 | - | - | - |
| Miscellaneous | 1,000 | 1,000 | 1,001 | (1) |
| Capital outlay | 500 | 500 | - | 500 |
| Total elections administrator | 91,298 | 91,298 | 78,626 | 12,672 |
| General fund county wide: | | | | |
| Texas workforce commission | 65,000 | 115,000 | 121,740 | (6,740) |
| Workers compensation | 200,000 | 165,000 | 40,106 | 124,894 |
| Postage | 150,000 | 150,000 | 74,840 | 75,160 |
| Legal fees and settlements | 100,000 | 100,000 | 61,717 | 38,283 |
| Audit services | 70,000 | 70,000 | 36,000 | 34,000 |
| Payroll report processing | 8,000 | 8,000 | 5,691 | 2,309 |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|---------------------------------------|------------------|------------------|------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| General administration: (continued) | | | | |
| General fund county wide: (continued) | | | | |
| Appraisal district fees | 330,000 | 330,000 | 330,000 | - |
| Contractual services | 130,000 | 130,000 | 94,820 | 35,180 |
| Drug testing fees | 8,000 | 8,000 | 8,845 | (845) |
| Autopsies | 40,000 | 48,000 | 43,323 | 4,677 |
| Bidding & notices | 20,000 | 20,000 | 12,824 | 7,176 |
| Telephone-DPS license department | 150 | 150 | - | 150 |
| Building rent-DPS license department | 100 | 100 | - | 100 |
| Equipment rental-copiers | 60,000 | 60,000 | 29,262 | 30,738 |
| Computer payments | 15,000 | 15,000 | 10,184 | 4,816 |
| Insurance | 80,000 | 167,000 | 165,511 | 1,489 |
| Texas department of human services | 10,000 | 10,000 | 10,231 | (231) |
| Historical commission | 2,000 | 2,000 | - | 2,000 |
| Industrial development | 100,000 | 100,000 | 95,500 | 4,500 |
| Errors and omissions-insurance | 80,000 | 43,000 | 42,531 | 469 |
| Rural fire calls | 5,000 | 5,000 | - | 5,000 |
| Computer update | 30,000 | 30,000 | 26,254 | 3,746 |
| Capital outlay | 120,000 | 67,000 | 61,880 | 5,120 |
| Group insurance | 1,648,050 | 1,648,050 | 1,527,771 | 120,279 |
| Salary - election workers | - | - | 78,887 | (78,887) |
| Self Help Center expense | 20,000 | 20,000 | 20,000 | - |
| Unreimbursed grant expenditures | - | - | 3,600 | (3,600) |
| Miscellaneous | 20,000 | 23,000 | 25,999 | (2,999) |
| Infrastructure development | 100,000 | 100,000 | 86,485 | 13,515 |
| Elections expense | 80,000 | 50,000 | 59,473 | (9,473) |
| Salary - visiting judges | 5,000 | 5,000 | 3,611 | 1,389 |
| Payroll taxes | - | 7,000 | 6,139 | 861 |
| Telephone | 100,000 | 100,000 | 99,449 | 551 |
| Total general fund county wide | <u>3,596,300</u> | <u>3,596,300</u> | <u>3,182,936</u> | <u>413,364</u> |
| Total general administration | <u>4,768,674</u> | <u>4,769,644</u> | <u>4,213,406</u> | <u>556,238</u> |
| Judicial: | | | | |
| County court-at-law: | | | | |
| Salary of official | 140,320 | 140,320 | 140,320 | - |
| Salary of court coordinator | 29,617 | 29,617 | 29,617 | - |
| Salary of court reporter | 38,725 | 38,725 | 38,725 | - |
| Salary of administrative assistant | 29,471 | 29,471 | 29,471 | - |
| Payroll taxes | 18,217 | 18,217 | 15,691 | 2,526 |
| Employee retirement | 17,932 | 17,932 | 18,367 | (435) |
| Office supplies | 1,500 | 1,500 | 1,237 | 263 |
| Court appointed counselors | - | - | 37,125 | (37,125) |
| Visiting reporter | 21,000 | 21,000 | - | 21,000 |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|---|------------------|----------------|----------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| General administration: (continued) | | | | |
| Judicial: (continued) | | | | |
| Telephone | 200 | 200 | - | 200 |
| Travel and seminars | 100 | 100 | 2,041 | (1,941) |
| Bonds and insurance | 1,500 | 1,500 | - | 1,500 |
| Petit jurors | 50 | 50 | - | 50 |
| Other juror expense | 4,000 | 4,000 | - | 4,000 |
| Court ordered psychological evaluations | 1,000 | 1,000 | - | 1,000 |
| Court Appointed Attorney - Ad Litem | 500 | 500 | 12,824 | (12,324) |
| Miscellaneous | 1,000 | 1,000 | - | 1,000 |
| Total county court-at-law | <u>305,132</u> | <u>305,132</u> | <u>325,418</u> | <u>(20,286)</u> |
| 229th district court: | | | | |
| Salary Official | 5,150 | 5,150 | 5,150 | - |
| Salary of court reporter | 43,993 | 43,993 | 46,193 | (2,200) |
| Salary of court coordinator | 26,091 | 26,091 | 26,091 | - |
| Salary of court clerk | 46,560 | 46,560 | 46,560 | - |
| Court ordered psychological evaluations | 500 | 500 | 1,200 | (700) |
| Salary of interpreter | 8,137 | 8,137 | 8,137 | - |
| Salary of part time clerk | 8,137 | 8,137 | 8,137 | - |
| Payroll taxes | 10,562 | 10,562 | 9,749 | 813 |
| Employee retirement | 10,397 | 10,397 | 10,452 | (55) |
| Office supplies | 4,000 | 4,000 | 3,455 | 545 |
| Court-appointed counselors | 25,000 | 25,000 | 52,230 | (27,230) |
| Court appointed Attorney-Ad Litem | 60,000 | 60,000 | 79,287 | (19,287) |
| Visiting reporter | 4,000 | 4,000 | 4,601 | (601) |
| Telephone | 3,500 | 3,500 | 1,611 | 1,889 |
| Travel and seminars | 5,000 | 5,000 | 7,582 | (2,582) |
| Dues and subscriptions | 200 | 200 | - | 200 |
| Petit jurors | 20,000 | 20,000 | 20,726 | (726) |
| Other juror expense | 2,500 | 2,500 | 374 | 2,126 |
| Capital outlay | 500 | 500 | - | 500 |
| Total 229th district court | <u>284,227</u> | <u>284,227</u> | <u>331,535</u> | <u>(47,308)</u> |
| 381st district court: | | | | |
| Salary of official | 5,150 | 5,150 | 5,000 | 150 |
| Salary of court reporter | 68,513 | 68,513 | 68,513 | - |
| Salary of court coordinator | 70,594 | 70,594 | 70,594 | - |
| Salary of court bailiff | 23,115 | 23,115 | 23,115 | - |
| Salary of interpreter | 8,137 | 8,137 | 8,137 | - |
| Payroll taxes | 13,426 | 13,426 | 12,697 | 729 |
| Employee retirement | 13,216 | 13,216 | 13,139 | 77 |
| Office supplies | 8,000 | 8,000 | 8,385 | (385) |
| Court-appointed attorney -CPS | - | - | 20,107 | (20,107) |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|---|------------------|---------|---------|---------------|
| | Original | Final | | (Unfavorable) |
| General administration: (continued) | | | | |
| 381st district court: (continued) | | | | |
| Court-appointed counselors | 40,000 | 50,000 | 43,419 | 6,581 |
| Visiting reporter | 3,000 | 3,000 | 3,000 | - |
| Telephone | 500 | 500 | - | 500 |
| Travel and seminars | 4,000 | 4,000 | 3,225 | 775 |
| Jury commission | 300 | 300 | 100 | 200 |
| Petit jurors | 35,000 | 35,000 | 10,060 | 24,940 |
| Other juror expense | 4,000 | 4,000 | 2,517 | 1,483 |
| Court ordered psychological evaluations | 1,000 | 1,200 | 563 | 637 |
| Miscellaneous | 3,000 | 2,800 | 2,853 | (53) |
| Total 381st district court | 300,951 | 310,951 | 295,424 | 15,527 |
| District clerk: | | | | |
| Salary of official | 39,506 | 39,506 | 39,506 | - |
| Salary of chief clerk | 26,224 | 26,224 | 26,224 | - |
| Salary of clerks | 180,850 | 180,850 | 155,752 | 25,098 |
| Payroll taxes | - | - | 16,521 | (16,521) |
| Employee retirement | 18,567 | 18,567 | 15,495 | 3,072 |
| Office supplies | 10,000 | 10,050 | 10,049 | 1 |
| Microfilming | 1,000 | - | - | - |
| Telephone | 750 | 750 | 114 | 636 |
| Travel and seminars | 1,500 | 2,100 | 2,085 | 15 |
| Binding expense | 1,000 | 400 | - | 400 |
| Repair & maintenance-equipment | 1,000 | - | - | - |
| Printer Lease | 750 | - | - | - |
| Bonds and insurance | 1,000 | 1,000 | 800 | 200 |
| Miscellaneous | 500 | - | - | - |
| Capital outlay | - | 3,250 | 2,930 | 320 |
| Dues and subscriptions | 200 | 200 | - | 200 |
| Total district clerk | 282,847 | 282,897 | 269,476 | 13,421 |
| Justice of the peace pct. 1: | | | | |
| Salary of official | 31,349 | 31,349 | 31,952 | (603) |
| Salary of secretary | 25,002 | 25,002 | 4,880 | 20,122 |
| Payroll taxes | 4,311 | 4,311 | 2,798 | 1,513 |
| Employee retirement | 4,243 | 4,243 | 1,865 | 2,378 |
| Office supplies | 1,000 | 1,000 | 927 | 73 |
| Telephone | 1,600 | 1,600 | 1,489 | 111 |
| Travel and seminars | 1,500 | 1,500 | 1,174 | 326 |
| Bonds and insurance | 175 | 175 | 100 | 75 |
| Juror expense | 100 | 100 | - | 100 |
| Internet service | 1,750 | 1,750 | 1,743 | 7 |
| Total justice of the peace pct. 1 | 71,030 | 71,030 | 46,928 | 24,102 |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|-----------------------------------|------------------|--------|--------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| Justice of the peace pct. 2: | | | | |
| Salary of official | 28,525 | 28,525 | 28,525 | - |
| Salary of secretary | 23,894 | 23,894 | 22,708 | 1,186 |
| Payroll taxes | 4,010 | 4,010 | 3,280 | 730 |
| Employee retirement | 3,947 | 3,947 | 3,948 | (1) |
| Office supplies | 1,200 | 1,200 | 1,217 | (17) |
| Telephone | 1,000 | 1,000 | 1,345 | (345) |
| Travel and seminars | 1,000 | 1,000 | 1,000 | - |
| Juror expense | 100 | 100 | - | 100 |
| Bonds and insurance | 175 | 175 | 300 | (125) |
| Internet service | 1,750 | 1,750 | 1,429 | 321 |
| Total justice of the peace pct. 2 | 65,601 | 65,601 | 63,752 | 1,849 |
| Justice of the peace pct. 3: | | | | |
| Salary of official | 28,525 | 28,525 | 28,525 | - |
| Salary of secretary | 23,894 | 23,894 | 23,894 | - |
| Payroll taxes | 4,010 | 4,010 | 3,857 | 153 |
| Employee retirement | 3,947 | 3,947 | 4,043 | (96) |
| Office supplies | 1,400 | 1,400 | 669 | 731 |
| Telephone | 1,000 | 1,000 | 1,142 | (142) |
| Internet service | 1,750 | 1,750 | 1,664 | 86 |
| Travel and seminars | 1,000 | 1,000 | 998 | 2 |
| Bonds and insurance | 175 | 175 | 200 | (25) |
| Juror expense | 100 | 100 | - | 100 |
| Total justice of the peace pct. 3 | 65,801 | 65,801 | 64,992 | 809 |
| Justice of the peace pct. 4: | | | | |
| Salary of official | 31,349 | 31,349 | 30,746 | 603 |
| Salary of secretary | 24,374 | 24,374 | 23,624 | 750 |
| Payroll taxes | 4,263 | 4,263 | 4,006 | 257 |
| Employee retirement | 4,196 | 4,196 | 4,146 | 50 |
| Office supplies | 2,000 | 2,000 | 1,867 | 133 |
| Travel and seminars | 1,200 | 1,675 | 1,588 | 87 |
| Juror expense | 300 | - | - | - |
| Bonds and insurance | 175 | - | - | - |
| Total justice of the peace pct. 4 | 67,857 | 67,857 | 65,977 | 1,880 |
| Justice of the peace pct. 5: | | | | |
| Salary of official | 31,349 | 31,349 | 31,349 | - |
| Clerk | 19,450 | 19,450 | 18,767 | 683 |
| Payroll taxes | 3,886 | 3,886 | 3,468 | 418 |
| Employee retirement | 3,825 | 3,825 | 3,865 | (40) |
| Office supplies | 1,200 | 1,650 | 533 | 1,117 |
| Telephone | 1,000 | 1,500 | 1,636 | (136) |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|---------------|---------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| General administration: (continued) | | | | |
| Justice of the peace pct. 5: (continued) | | | | |
| Travel and seminars | 1,300 | 625 | 563 | 62 |
| Juror expense | 100 | - | - | - |
| Bonds and insurance | 175 | - | 100 | (100) |
| Total justice of the peace pct. 5 | <u>62,285</u> | <u>62,285</u> | <u>60,281</u> | <u>2,004</u> |
| Justice of the peace pct. 6: | | | | |
| Salary of official | 31,349 | 31,349 | 31,349 | - |
| Salary of secretary | 25,002 | 25,002 | 25,002 | - |
| Payroll taxes | 4,311 | 4,311 | 3,947 | 364 |
| Employee retirement | 4,243 | 4,243 | 4,346 | (103) |
| Office supplies | 1,500 | 1,500 | 1,899 | (399) |
| Telephone | 1,800 | 1,800 | 1,862 | (62) |
| Travel and seminars | 1,300 | 2,050 | 1,288 | 762 |
| Copier lease | 350 | - | - | - |
| Juror expense | 100 | - | - | - |
| Bonds and insurance | 300 | - | 300 | (300) |
| Internet service | 1,500 | 1,500 | 1,379 | 121 |
| Total justice of the peace pct. 6 | <u>71,755</u> | <u>71,755</u> | <u>71,372</u> | <u>383</u> |
| Justice of the peace pct. 7: | | | | |
| Salary of official | 28,525 | 28,525 | 28,525 | - |
| Salary of secretary | 21,870 | 21,870 | 21,864 | 6 |
| Payroll taxes | 3,855 | 3,855 | 3,818 | 37 |
| Employee retirement | 3,795 | 3,795 | 3,886 | (91) |
| Office supplies | 1,000 | 1,000 | 1,000 | - |
| Telephone | 1,300 | 1,300 | 1,865 | (565) |
| Travel and seminars | 1,100 | 1,600 | 1,527 | 73 |
| Rental copier | 500 | - | - | - |
| Bonds and insurance | 175 | 175 | 200 | (25) |
| Juror expense | 100 | 100 | - | 100 |
| Internet service | 1,000 | 1,000 | 1,000 | - |
| Total justice of the peace pct. 7 | <u>63,220</u> | <u>63,220</u> | <u>63,685</u> | <u>(465)</u> |
| Justice of the peace pct. 8: | | | | |
| Salary of official | 28,525 | 28,525 | 28,525 | - |
| Salary of secretary | 22,894 | 22,894 | 22,894 | - |
| Payroll taxes | 3,933 | 3,933 | 3,833 | 100 |
| Employee retirement | 3,872 | 3,872 | 3,966 | (94) |
| Office supplies | 1,200 | 2,696 | 1,154 | 1,542 |
| Telephone | 1,000 | - | 905 | (905) |
| Travel and seminars | 1,200 | 979 | 1,149 | (170) |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|-----------|-----------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| General administration: (continued) | | | | |
| Justice of the peace pct. 8: (continued) | | | | |
| Juror expense | 100 | - | - | - |
| Bonds and insurance | 275 | 100 | 200 | (100) |
| Internet service | 1,500 | 1,500 | 1,614 | (114) |
| Total justice of the peace pct. 8 | 64,499 | 64,499 | 64,240 | 259 |
| | | | | |
| Total judicial | 1,705,205 | 1,715,255 | 1,723,080 | (7,825) |
| | | | | |
| Legal: | | | | |
| County attorney: | | | | |
| Salary of official | 57,217 | 57,217 | 57,217 | - |
| Supplemental salary of official | 25,000 | 25,000 | 25,425 | (425) |
| Salary of assistant county attorney | 56,192 | 56,192 | 50,188 | 6,004 |
| Other salaries | 86,927 | 86,927 | 164,562 | (77,635) |
| CPS Attorney | 21,250 | 21,250 | 54,857 | (33,607) |
| Payroll taxes | 18,864 | 18,864 | 25,773 | (6,909) |
| Employee retirement | 18,568 | 18,568 | 25,223 | (6,655) |
| Office supplies | 3,000 | 3,000 | 2,059 | 941 |
| Supplies other | 500 | 500 | 203 | 297 |
| Repairs and maintenance-autos | 1,000 | 1,000 | 884 | 116 |
| Fuel and oil | 6,000 | 6,000 | 5,592 | 408 |
| Travel and seminars | 1,000 | 1,000 | - | 1,000 |
| Equipment rental-copiers | 6,500 | 6,500 | 6,123 | 377 |
| Bonds and insurance | 500 | 500 | 700 | (200) |
| Dues and subscriptions | 250 | 250 | 250 | - |
| Capital outlay | 500 | 500 | 500 | - |
| Service of citations | 3,000 | 3,000 | 3,000 | - |
| Total county attorney | 306,268 | 306,268 | 422,556 | (116,288) |
| | | | | |
| District attorney: | | | | |
| Supplemental salary of official | 11,672 | 11,672 | 12,032 | (360) |
| Salaries - supplement account | - | - | 26,144 | (26,144) |
| Salaries of assistants | 107,879 | 107,879 | 71,128 | 36,751 |
| Salaries of investigators | 39,745 | 39,745 | 38,118 | 1,627 |
| Salaries-secretaries | 94,752 | 94,752 | 77,611 | 17,141 |
| Other salaries | 61,185 | 61,185 | 75,334 | (14,149) |
| Payroll taxes | 24,115 | 24,115 | 20,071 | 4,044 |
| Employee retirement | 23,737 | 23,737 | 21,086 | 2,651 |
| Office supplies | 5,000 | 5,845 | 5,174 | 671 |
| Repairs and maintenance-autos | 2,000 | 2,000 | 2,030 | (30) |
| Transcripts for trials and appeals | 2,500 | 700 | 676 | 24 |
| Telephone | 1,000 | 1,000 | 1,018 | (18) |
| Travel and seminars | 3,500 | 5,500 | 5,519 | (19) |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|---------------------------------------|------------------|----------------|----------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| General administration: (continued) | | | | |
| District attorney: (continued) | | | | |
| Computer maintenance | 1,000 | 1,000 | 954 | 46 |
| Equipment rental-copier | 7,000 | 7,000 | 6,943 | 57 |
| Bonds and insurance | 300 | - | - | - |
| Dues and subscriptions | 1,500 | 1,850 | 1,832 | 18 |
| Capital outlay | 1,500 | - | - | - |
| Miscellaneous | 600 | 1,050 | 1,781 | (731) |
| Total district attorney | <u>388,985</u> | <u>389,030</u> | <u>366,650</u> | <u>22,380</u> |
| Total legal | <u>695,253</u> | <u>695,298</u> | <u>789,206</u> | <u>(93,908)</u> |
| Financial administration: | | | | |
| County auditor: | | | | |
| Salary of official | 60,708 | 60,708 | 60,708 | - |
| Salary of accountant | 43,871 | 47,694 | 47,694 | - |
| Salary of assistant | 41,503 | 30,003 | - | 30,003 |
| Salary of special programs bookkeeper | 27,073 | 30,900 | 30,900 | - |
| Salary of clerks | 93,700 | 93,700 | 71,688 | 22,012 |
| Payroll taxes | 20,415 | 20,415 | 15,157 | 5,258 |
| Employee retirement | 20,094 | 20,094 | 16,279 | 3,815 |
| Office supplies | 3,500 | 3,500 | 2,977 | 523 |
| Travel and seminars | 1,000 | 1,100 | 1,024 | 76 |
| Repairs and maintenance-equipment | 500 | 500 | - | 500 |
| Equipment rental | 2,000 | 2,000 | 540 | 1,460 |
| Bonds and insurance | 200 | 200 | - | 200 |
| Dues and subscriptions | 300 | 300 | - | 300 |
| Miscellaneous | 200 | 200 | 102 | 98 |
| Capital outlay | 1,000 | 4,750 | 4,397 | 353 |
| Total county auditor | <u>316,064</u> | <u>316,064</u> | <u>251,466</u> | <u>64,598</u> |
| County treasurer: | | | | |
| Salary of official | 39,506 | 39,506 | 39,506 | - |
| Salary of chief deputy | 26,249 | 26,249 | 26,249 | - |
| Salary of clerk | 47,289 | 47,289 | 47,288 | 1 |
| Payroll taxes | 8,648 | 8,648 | 8,511 | 137 |
| Employee retirement | 8,512 | 8,512 | 8,719 | (207) |
| Office supplies | 3,500 | 4,000 | 2,755 | 1,245 |
| Telephone | 100 | 100 | - | 100 |
| Travel and seminars | 3,000 | 3,500 | 3,498 | 2 |
| Bonds and insurance | 1,000 | 1,000 | 300 | 700 |
| Dues and subscriptions | 100 | 100 | - | 100 |
| Capital outlay | 1,000 | - | - | - |
| Total county treasurer | <u>138,904</u> | <u>138,904</u> | <u>136,826</u> | <u>2,078</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|----------------------------------|------------------|----------------|----------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| Tax collector: | | | | |
| Salary of official | 41,441 | 41,441 | 41,441 | - |
| Salary of chief deputy | 26,224 | 26,224 | 26,224 | - |
| Salary of chief deputy-tax | 26,224 | 26,224 | 26,098 | 126 |
| Salaries of deputies | 190,117 | 190,117 | 225,706 | (35,589) |
| Clerk | 3,948 | 3,948 | 6,526 | (2,578) |
| Payroll taxes | 22,028 | 22,028 | 23,533 | (1,505) |
| Employee retirement | 21,683 | 21,683 | 24,973 | (3,290) |
| Office supplies | 18,000 | 18,000 | 16,190 | 1,810 |
| Telephone | 1,800 | 1,800 | 2,098 | (298) |
| Travel and seminars | 2,500 | 4,363 | 4,823 | (460) |
| Printing | 2,500 | 2,500 | 2,500 | - |
| Bonds and insurance | 500 | 500 | 2,100 | (1,600) |
| Dues and subscriptions | 700 | 125 | 125 | - |
| Miscellaneous | 500 | 212 | 212 | - |
| Capital outlay | 1,000 | - | - | - |
| Total tax collector | <u>359,165</u> | <u>359,165</u> | <u>402,549</u> | <u>(43,384)</u> |
| Compliance and Collections: | | | | |
| Collections Supervisor | 29,394 | 29,394 | 29,761 | (367) |
| Collection Specialist | 48,100 | 48,100 | 48,808 | (708) |
| Clerk | 40,572 | 40,572 | 38,000 | 2,572 |
| Payroll taxes | 9,032 | 9,032 | 8,389 | 643 |
| Retirement | 8,890 | 8,890 | 8,787 | 103 |
| Office Supplies | 4,000 | 5,000 | 4,905 | 95 |
| Travel & Seminars | 2,000 | 2,000 | 1,762 | 238 |
| Dues & Subscriptions | 500 | 500 | 600 | (100) |
| Auto expense | 2,000 | 1,250 | 526 | 724 |
| Miscellaneous | 500 | 250 | 200 | 50 |
| Total Compliance and Collections | <u>144,988</u> | <u>144,988</u> | <u>141,738</u> | <u>3,250</u> |
| Total financial administration | <u>959,121</u> | <u>959,121</u> | <u>932,579</u> | <u>26,542</u> |
| Public facilities: | | | | |
| Building maintenance: | | | | |
| Salary of janitor | 63,658 | 63,658 | 59,853 | 3,805 |
| Salary of yardman | 22,509 | 22,509 | 21,567 | 942 |
| Salary of janitor (new floor) | 21,351 | 21,351 | 19,816 | 1,535 |
| Salary of annex janitors | 40,900 | 40,900 | 40,801 | 99 |
| Salary of annex yardman | 19,450 | 19,450 | 16,458 | 2,992 |
| Payroll taxes | 12,842 | 12,842 | 11,780 | 1,062 |
| Employee retirement | 12,640 | 12,640 | 12,210 | 430 |
| Employee uniforms | 2,000 | 2,000 | 714 | 1,286 |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|-----------------------------------|------------------|----------------|----------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| Public facilities: (continued) | | | | |
| Building maintenance: (continued) | | | | |
| Cleaning and sanitation supplies | 16,000 | 16,000 | 12,427 | 3,573 |
| Small tools | 3,000 | 3,000 | 352 | 2,648 |
| Repairs and maintenance-buildings | 18,000 | 18,000 | 14,257 | 3,743 |
| Repairs and maintenance-elevator | 7,000 | 7,000 | 6,203 | 797 |
| Repairs and maintenance-equipment | 11,000 | 11,000 | 4,352 | 6,648 |
| Total building maintenance | <u>250,350</u> | <u>250,350</u> | <u>220,790</u> | <u>29,560</u> |
| Total public facilities | <u>250,350</u> | <u>250,350</u> | <u>220,790</u> | <u>29,560</u> |
| Public safety: | | | | |
| Fire station pct. 1: | | | | |
| Salary of employee | 101,253 | 101,253 | 101,904 | (651) |
| Payroll taxes | 7,746 | 7,746 | 7,757 | (11) |
| Employee retirement | 7,624 | 7,624 | 6,729 | 895 |
| Fuel and oil | 8,000 | 18,000 | 17,999 | 1 |
| Cleaning and sanitation | 1,000 | 743 | 489 | 254 |
| Telephone | 2,000 | 2,000 | 1,850 | 150 |
| Travel and seminars | 1,500 | - | - | - |
| Repairs and maintenance-equipment | 20,000 | 20,000 | 20,000 | - |
| Equipment rentals | 12,000 | - | - | - |
| Insurance-liability | 1,200 | - | - | - |
| Insurance-firemen | 2,500 | - | - | - |
| Miscellaneous | 5,000 | 14,900 | 14,818 | 82 |
| Capital outlay-equipment | 10,000 | 7,557 | 7,556 | 1 |
| Total fire station pct. 1 | <u>179,823</u> | <u>179,823</u> | <u>179,102</u> | <u>721</u> |
| Fire station pct. 2: | | | | |
| Salary of employee | 113,889 | 89,524 | 91,234 | (1,710) |
| Assistant chief | 22,075 | - | - | - |
| Payroll taxes | 10,401 | 10,401 | 6,785 | 3,616 |
| Employee retirement | 10,238 | 10,238 | 6,012 | 4,226 |
| Fuel and oil | 15,000 | 14,745 | 14,744 | 1 |
| Telephone | 3,000 | 4,680 | 4,711 | (31) |
| Travel and seminars | 1,000 | 1,070 | 1,067 | 3 |
| Repair and maintenance-equipment | 14,000 | 14,075 | 14,075 | - |
| Capital outlay-equipment | 30,000 | 74,870 | 74,833 | 37 |
| Total fire station pct. 2 | <u>219,603</u> | <u>219,603</u> | <u>213,461</u> | <u>6,142</u> |
| Fire station pct. 3: | | | | |
| Salary of employee | 105,535 | 105,535 | 89,010 | 16,525 |
| Night watchman | - | - | 17,139 | (17,139) |
| Payroll taxes | 8,073 | 8,073 | 7,961 | 112 |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|-----------------------------------|------------------|----------------|----------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| Public safety: (continued) | | | | |
| Fire station pct. 3: (continued) | | | | |
| Employee retirement | 7,947 | 7,947 | 8,135 | (188) |
| Fuel and oil | 8,000 | 10,100 | 10,072 | 28 |
| Telephone | 3,000 | 900 | 900 | - |
| Travel and seminars | 1,000 | - | - | - |
| Repairs and maintenance-equipment | 7,000 | 8,000 | 8,000 | - |
| Insurance-liability | 2,000 | 2,000 | 2,000 | - |
| Insurance-firemen | 3,000 | 3,000 | 2,586 | 414 |
| Miscellaneous | 2,500 | 2,500 | 2,468 | 32 |
| Capital outlay-equipment | 10,000 | 10,000 | 9,584 | 416 |
| Capital outlay-building | 4,000 | 4,000 | 3,893 | 107 |
| Total fire station pct. 3 | <u>162,055</u> | <u>162,055</u> | <u>161,748</u> | <u>307</u> |
| Fire station pct. 4: | | | | |
| Salary of employee | | 97,831 | 78,151 | 19,680 |
| Salary of firemen | 94,263 | - | - | - |
| Payroll taxes | 7,211 | 7,211 | 5,422 | 1,789 |
| Employee retirement | 7,098 | 5,530 | 5,659 | (129) |
| Uniform rental | 4,000 | 4,000 | 3,456 | 544 |
| Fuel and oil | 22,000 | 22,000 | 20,812 | 1,188 |
| Telephone | 3,000 | 4,500 | 3,913 | 587 |
| Travel and seminars | 1,000 | - | - | - |
| Repair and maintenance-equipment | 8,000 | 17,950 | 16,600 | 1,350 |
| Equipment rental | 5,000 | 5,000 | - | 5,000 |
| Insurance-liability | 4,000 | 4,000 | 3,945 | 55 |
| Insurance- fireman | 1,000 | - | - | - |
| Miscellaneous | 7,000 | 7,000 | 6,871 | 129 |
| Capital outlay-equipment | 24,000 | 25,750 | 29,318 | (3,568) |
| Total fire station pct. 4 | <u>187,572</u> | <u>200,772</u> | <u>174,147</u> | <u>26,625</u> |
| Constables: | | | | |
| Salary of constable Pct. 1 | 26,295 | 26,295 | 26,295 | - |
| Salary of constable Pct. 2 | 26,295 | 26,295 | 26,295 | - |
| Salary of constable Pct. 3 | 26,295 | 26,295 | 26,295 | - |
| Salary of constable Pct. 4 | 26,295 | 26,295 | 26,295 | - |
| Salary of constable Pct. 5 | 26,295 | 26,295 | 26,295 | - |
| Salary of constable Pct. 6 | 26,295 | 26,295 | 26,295 | - |
| Salary of constable Pct. 7 | 26,295 | 26,295 | 26,295 | - |
| Salary of constable Pct. 8 | 26,295 | 26,295 | 26,295 | - |
| Payroll taxes | 16,096 | 16,096 | 15,073 | 1,023 |
| Employee retirement | 15,840 | 15,840 | 16,224 | (384) |
| Travel and seminars | 4,000 | 4,100 | 1,040 | 3,060 |
| Fuel and oil | 32,500 | 32,400 | 23,130 | 9,270 |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|------------------|------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| Public safety: (continued) | | | | |
| Constables: (continued) | | | | |
| Telephone | - | - | - | - |
| Bonds and insurance | - | - | 400 | (400) |
| Repairs & Maintenance - Autos | 6,500 | 6,500 | 648 | 5,852 |
| Repairs and maintenance - equipment | 1,000 | 1,000 | 3,499 | (2,499) |
| Total constables | <u>286,296</u> | <u>286,296</u> | <u>270,374</u> | <u>15,922</u> |
| Sheriff's department: | | | | |
| Salary of official | 71,372 | 71,372 | 71,372 | - |
| Supplement official | 15,450 | 15,450 | 15,450 | - |
| Salary of chief deputy | 47,134 | 47,134 | 47,134 | - |
| Salary of deputies | 496,373 | 496,373 | 559,854 | (63,481) |
| Salary of clerk | 22,128 | 22,128 | 21,873 | 255 |
| Salary of dispatchers | 167,820 | 167,820 | 152,049 | 15,771 |
| Salary of investigators | 203,787 | 203,787 | 183,936 | 19,851 |
| Salary of captain | 37,924 | 37,924 | 42,987 | (5,063) |
| Salary of sergeants | 101,896 | 101,896 | 101,899 | (3) |
| Salary of corporals | 34,482 | 34,482 | 80,071 | (45,589) |
| Salary of warrants | 32,691 | 32,691 | - | 32,691 |
| Salary of part-time dispatcher | 20,891 | 20,891 | 14,227 | 6,664 |
| Salary of lieutenant | 35,616 | 35,616 | 7,838 | 27,778 |
| Task Force Officer | 32,960 | 32,960 | 32,960 | - |
| Payroll taxes | 101,020 | 101,020 | 98,414 | 2,606 |
| Employee retirement | 99,436 | 99,436 | 100,984 | (1,548) |
| Uniforms | 7,000 | 7,000 | 6,904 | 96 |
| Office supplies | 9,500 | 9,500 | 9,243 | 257 |
| Fuel and oil | 150,000 | 150,000 | 147,864 | 2,136 |
| Firearm supplies | 3,000 | 3,000 | 2,954 | 46 |
| Telephone | 50,000 | 50,000 | 66,551 | (16,551) |
| Travel and seminars | 1,500 | 1,500 | 1,500 | - |
| School instructors expense | 1,000 | 1,000 | 936 | 64 |
| Repairs and maintenance-equipment | 8,000 | 8,000 | 7,261 | 739 |
| Repairs and maintenance-communications equipment | 7,000 | 7,000 | 6,769 | 231 |
| Rental of department files-storage | 4,000 | 4,000 | 3,064 | 936 |
| Repairs and maintenance-autos | 30,000 | 30,000 | 29,955 | 45 |
| Rental of copier equipment | 4,500 | 4,500 | 2,909 | 1,591 |
| Bonds and insurance | 200 | 200 | - | 200 |
| Radio Tower | 6,000 | 6,000 | 4,000 | 2,000 |
| Starr Co Tactical Command Suburban | 5,000 | 5,000 | - | 5,000 |
| Total sheriff's department | <u>1,807,680</u> | <u>1,807,680</u> | <u>1,820,958</u> | <u>(13,278)</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|---|------------------|---------|--------------|---------------|
| | Original | Final | | (Unfavorable) |
| 229th judicial district adult probation: | | | | |
| Supplemental salaries of secretaries | 8,611 | 8,611 | 7,582 | 1,029 |
| Payroll taxes | 659 | 659 | 539 | 120 |
| Employee retirement | 648 | 648 | 585 | 63 |
| Miscellaneous | - | - | - | - |
| Total 229th judicial district adult probation | 9,918 | 9,918 | 8,706 | 1,212 |
| 229th district juvenile probation: | | | | |
| County's contribution | 87,000 | 87,000 | 87,000 | - |
| Residential placements | 46,450 | 46,450 | 31,725 | 14,725 |
| Total 229th district juvenile probation | 133,450 | 133,450 | 118,725 | 14,725 |
| Contribution to Texas DPS: | | | | |
| Salary of clerks | 22,559 | 22,559 | 22,559 | - |
| Payroll taxes | 1,726 | 1,726 | 1,726 | - |
| Employee retirement | 1,698 | 1,698 | 1,740 | (42) |
| Telephone | 3,000 | 3,000 | 2,276 | 724 |
| Equipment rentals | 4,000 | 4,000 | 393 | 3,607 |
| Miscellaneous | 500 | 500 | 1,574 | (1,074) |
| Total contribution to Texas DPS | 33,483 | 33,483 | 30,268 | 3,215 |
| Detention center: | | | | |
| Salary of captain | 37,064 | 37,064 | 31,362.00 | 5,702 |
| Salary of jailers | 870,000 | 870,000 | 1,036,061.00 | (166,061) |
| Salary of corporals | 48,979 | 48,979 | 47,583.00 | 1,396 |
| Salary of cooks | 41,573 | 41,573 | 32,858.00 | 8,715 |
| Salary of office manager | 27,501 | 27,501 | 27,501.00 | - |
| Salary of sergeants | 101,934 | 101,934 | 103,152.00 | (1,218) |
| Salary of bookkeeper | 27,501 | 27,501 | 27,501.00 | - |
| Salary of maintenance | 45,171 | 45,171 | 0.00 | 45,171 |
| Salary of mechanic | 22,585 | 22,585 | 68,777.00 | (46,192) |
| Salary of lieutenants | 28,281 | 28,281 | 28,281.00 | - |
| Payroll taxes | 95,670 | 95,670 | 103,207.00 | (7,537) |
| Employee retirement | 94,169 | 94,169 | 104,044.00 | (9,875) |
| Office supplies | 15,000 | 15,000 | 14,628.00 | 372 |
| Cleaning and sanitation | 30,000 | 30,000 | 36,262.00 | (6,262) |
| Food consumption | 345,000 | 345,000 | 488,843 | (143,843) |
| Camera supplies | 1,000 | 1,000 | - | 1,000 |
| Uniforms | 12,000 | 12,000 | 9,215 | 2,785 |
| Personal hygiene-inmates | 12,000 | 12,000 | 11,870 | 130 |
| Pharmacy | 35,000 | 35,000 | 31,756 | 3,244 |
| Medical services | 25,000 | 25,000 | 14,378 | 10,622 |
| Contract medical service | 100,000 | 100,000 | 97,600 | 2,400 |
| Telephone | 2,000 | 2,000 | 3,264 | (1,264) |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|------------------|------------------|------------------|
| | Original | Final | | (Unfavorable) |
| Public safety: (continued) | | | | |
| Detention center: (continued) | | | | |
| Transport of inmates | 8,000 | 8,000 | 3,258 | 4,742 |
| School and training | 2,000 | 2,000 | 1,940 | 60 |
| Utilities | 100,000 | 100,000 | 58,426 | 41,574 |
| Repairs and maintenance-buildings | 60,000 | 60,000 | 60,449 | (449) |
| Repairs and maintenance-equipment | 30,000 | 30,000 | 28,980 | 1,020 |
| Rental-copier | 5,000 | 5,000 | 3,555 | 1,445 |
| Insurance-buildings | 25,000 | 25,000 | 24,903 | 97 |
| Jail inspection expense | 1,000 | 1,000 | - | 1,000 |
| Capital outlay-equipment | 15,000 | 15,000 | 9,951 | 5,049 |
| Capital outlay-communications equipment | 3,000 | 3,000 | 3,000 | - |
| Trustee fees-jail lease | 1,000 | 1,000 | - | 1,000 |
| Total detention center | <u>2,267,428</u> | <u>2,267,428</u> | <u>2,512,605</u> | <u>(245,177)</u> |
| Starr county juvenile detention center: | | | | |
| Salary of guards | 153,526 | 153,526 | 155,847 | (2,321) |
| Salary of part-time guards | 87,407 | 84,707 | 92,749 | (8,042) |
| Detention director | 4,738 | 4,738 | 4,874 | (136) |
| Detention supervisor | 2,369 | - | - | - |
| Secretary stipend | 1,339 | 1,339 | 1,339 | - |
| Payroll taxes | 19,078 | 19,078 | 19,217 | (139) |
| Employee retirement | 18,778 | 18,778 | 13,337 | 5,441 |
| Linen/Uniforms | 400 | - | - | - |
| Restraints | 100 | - | - | - |
| Office supplies | 4,000 | 9,000 | 7,174 | 1,826 |
| Telephone | 2,000 | 2,000 | 3,025 | (1,025) |
| Medical services | 500 | - | - | - |
| Repairs and maintenance | 1,500 | 3,869 | 4,600 | (731) |
| Insurance-liability | 100 | 100 | - | 100 |
| Miscellaneous | 1,000 | 2,100 | 1,974 | 126 |
| Travel and seminars | 7,000 | 5,700 | 5,692 | 8 |
| Total starr county juvenile detention center | <u>303,835</u> | <u>304,935</u> | <u>309,828</u> | <u>(4,893)</u> |
| 9-1-1 Services: | | | | |
| Salary of clerk | - | 23,672 | 24,007 | (335) |
| Payroll taxes | - | 1,622 | 1,811 | (189) |
| Group insurance | - | 4,200 | 4,879 | (679) |
| Employee retirement | - | 1,410 | 1,791 | (381) |
| Workers compensation | - | 61 | - | 61 |
| Unemployment insurance | - | 270 | - | 270 |
| Training | - | 2,894 | 2,081 | 813 |
| Maintenance & repairs | - | 1,221 | 965 | 256 |
| Other | - | 1,159 | - | 1,159 |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|-----------|-----------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| Public safety: (continued) | | | | |
| 9-1-1 Services: (continued) | | | | |
| Travel - mileage | - | 2,000 | 453 | 1,547 |
| Supplies | - | 2,575 | 1,233 | 1,342 |
| Street sign replacement | - | 1,137 | - | 1,137 |
| Total 9-1-1 services | - | 42,221 | 37,220 | 5,001 |
| County wide services: | | | | |
| Salary of fire department administrator | - | - | 39,130 | (39,130) |
| Payroll taxes | - | - | 2,937 | (2,937) |
| Employment retirement | - | - | 3,018 | (3,018) |
| Total county wide services | - | - | 45,085 | (45,085) |
| Total public safety | 5,591,143 | 5,647,664 | 5,882,227 | (234,563) |
| 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 | - | 8,000 |
| Federal and state programs coordinator: | | | | |
| Salary of department head | 56,779 | 56,779 | 56,780 | (1) |
| Salary of program manager | 112,856 | 112,856 | 0 | 112,856 |
| Salary part-time projects clerk | 26,164 | 26,164 | 56,942 | (30,778) |
| Salary of project manager | - | - | 86,001 | (86,001) |
| Payroll taxes | 14,978 | 14,978 | 15,104 | (126) |
| Employee retirement | 14,744 | 14,744 | 12,475 | 2,269 |
| Office supplies | 7,000 | 7,000 | 4,977 | 2,023 |
| Telephone | 1,500 | 1,500 | 2,700 | (1,200) |
| Travel and seminars | 4,000 | 5,250 | 5,508 | (258) |
| Repairs and maintenance equipment | 1,300 | 1,300 | 567 | 733 |
| Capital outlay | 500 | - | - | - |
| Dues and subscriptions | 750 | - | - | - |
| Total federal & state programs coordinator | 240,571 | 240,571 | 241,054 | (483) |
| Elderly programs: | | | | |
| Salary of coordinator | 23,766 | 23,766 | 23,766 | - |
| Salary of transportation director | 22,763 | 22,763 | 22,763 | - |
| Payroll taxes | 3,559 | 3,559 | 3,446 | 113 |
| Employee retirement | 3,504 | 3,504 | 3,589 | (85) |
| Office supplies | 500 | 25 | 22 | 3 |
| Fuel and oil | 20,000 | 14,772 | 14,767 | 5 |
| Repair and maintenance-autos | 2,000 | 3,040 | 2,933 | 107 |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|------------------------------------|------------------|----------------|----------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| Health and welfare: (continued) | | | | |
| Elderly programs: (continued) | | | | |
| Bonds and insurance | 500 | - | - | - |
| Total elderly programs | <u>76,592</u> | <u>71,429</u> | <u>71,286</u> | <u>143</u> |
| Nutrition program pct. 1: | | | | |
| Salary of site manager | 24,350 | 24,350 | 24,308 | 42 |
| Salary of part-time help | 72,621 | 72,621 | 78,478 | (5,857) |
| Payroll taxes | 7,418 | 7,418 | 7,863 | (445) |
| Employee retirement | 7,302 | 7,302 | 7,593 | (291) |
| Contractual | 25,000 | 25,000 | 24,564 | 436 |
| Consumables | 5,000 | - | 0 | - |
| Repairs and maintenance - auto | 2,000 | 2,000 | 2,000 | - |
| Fuel and oil | 5,000 | 10,000 | 9,995 | 5 |
| Miscellaneous | 10,000 | 10,000 | 9,487 | 513 |
| Food pantry expense | 15,000 | 15,000 | - | 15,000 |
| Total nutrition program pct. 1 | <u>173,691</u> | <u>173,691</u> | <u>164,288</u> | <u>9,403</u> |
| Nutrition program pct. 2: | | | | |
| Salary of program administrator | 19,964 | 19,964 | 19,964 | - |
| Salary of administrative assistant | 19,803 | 24,518 | 23,778 | 740 |
| Salary of part-time help | 39,841 | 19,286 | 19,065 | 221 |
| Payroll taxes | 6,090 | 6,090 | 4,658 | 1,432 |
| Employee retirement | 5,994 | 5,994 | 4,652 | 1,342 |
| Contractual | 45,000 | 61,915 | 60,940 | 975 |
| Consumables | 5,000 | 4,095 | 4,093 | 2 |
| Fuel and oil | - | 5,163 | 5,163 | - |
| Repairs and maintenance - auto | 500 | 330 | 330 | - |
| Food pantry expense | 20,000 | 20,000 | 20,000 | - |
| Total nutrition program pct. 2 | <u>162,192</u> | <u>167,355</u> | <u>162,643</u> | <u>4,712</u> |
| Nutrition program pct. 3: | | | | |
| Salary of site manager | 18,706 | 18,706 | 30,858 | (12,152) |
| Rental building coordinator | 1,411 | 1,411 | 1,288 | 123 |
| Payroll taxes | 1,539 | 1,539 | 2,351 | (812) |
| Employee retirement | 1,515 | 1,515 | 2,473 | (958) |
| Contractual | 12,000 | 12,000 | 11,807 | 193 |
| Consumables | 2,000 | 2,000 | 1,355 | 645 |
| Fuel and oil | 3,000 | 3,000 | 2,892 | 108 |
| Repairs and maintenance - auto | 1,000 | 1,000 | 694 | 306 |
| Miscellaneous | 2,000 | 2,000 | 925 | 1,075 |
| Food pantry | 20,000 | 20,000 | 20,000 | - |
| Total nutrition program pct. 3 | <u>63,171</u> | <u>63,171</u> | <u>74,643</u> | <u>(11,472)</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|---|------------------------|------------------------|------------------------|---------------------|
| | Original | Final | | (Unfavorable) |
| Nutrition program pct. 4: | | | | |
| Salary of site manager | 22,554 | 22,554 | 24,301 | (1,747) |
| Salary of assistant | 23,918 | 23,918 | 40,687 | (16,769) |
| Salary of part-time help | 3,028 | 3,028 | - | 3,028 |
| Payroll taxes | 3,787 | 3,787 | 4,965 | (1,178) |
| Employee retirement | 3,727 | 3,727 | 4,058 | (331) |
| Contractual | 60,000 | 60,000 | 77,068 | (17,068) |
| Consumables | 7,000 | 7,000 | 3,854 | 3,146 |
| Fuel and oil | 17,000 | 17,000 | 11,097 | 5,903 |
| Repairs and maintenance-autos | 1,000 | 1,000 | 916 | 84 |
| Food pantry expense (to self-help) | 15,000 | 17,000 | 22,968 | (5,968) |
| Total nutrition program pct. 4 | <u>157,014</u> | <u>159,014</u> | <u>189,914</u> | <u>(30,900)</u> |
| Total health and welfare | <u>881,231</u> | <u>883,231</u> | <u>903,828</u> | <u>(20,597)</u> |
| Conservation agriculture: | | | | |
| Extension service: | | | | |
| Supplemental salary of county agent | 13,675 | 13,675 | 13,675 | - |
| Supplemental salary of home demo agent | 13,675 | 13,675 | 13,675 | - |
| Salary of secretary | 26,438 | 26,438 | 22,379 | 4,059 |
| Salary of clerk | 25,206 | 25,206 | 26,084 | (878) |
| Payroll taxes | 6,043 | 6,043 | 5,719 | 324 |
| Employee retirement | 5,948 | 5,948 | 5,404 | 544 |
| Dues | 800 | 800 | 405 | 395 |
| Office supplies and postage | 5,550 | 5,624 | 5,659 | (35) |
| Custodial supplies | 850 | 427 | 427 | - |
| Demonstration materials | 850 | 665 | 958 | (293) |
| Computer update | 1,850 | 2,199 | 2,679 | (480) |
| Tele-communications update | 850 | 850 | 824 | 26 |
| Telephone | 3,100 | 3,100 | 2,775 | 325 |
| Mileage | 14,800 | 14,800 | 14,800 | - |
| Travel and seminars | 6,000 | 6,185 | 5,718 | 467 |
| Repairs and maintenance-equipment | 1,350 | 1,350 | 1,386 | (36) |
| Equipment rental-copier | 3,350 | 3,350 | 3,342 | 8 |
| Total extension service | <u>130,335</u> | <u>130,335</u> | <u>125,909</u> | <u>4,426</u> |
| Total conservation agriculture | <u>130,335</u> | <u>130,335</u> | <u>125,909</u> | <u>4,426</u> |
| Total expenditures - all departments: | <u>14,981,312</u> | <u>15,050,898</u> | <u>14,791,025</u> | <u>259,873</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES | <u>(1,641,057)</u> | <u>(1,649,052)</u> | <u>(1,365,153)</u> | <u>283,899</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance |
|---|---------------------|---------------------|---------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 1,011,940 | 1,011,940 | 613,852 | (398,088) |
| Transfers out | - | - | (2,461,923) | (2,461,923) |
| Total other financing sources (uses) | <u>1,011,940</u> | <u>1,011,940</u> | <u>(1,848,071)</u> | <u>(2,860,011)</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | (629,117) | (637,112) | (3,213,224) | (2,576,112) |
| FUND BALANCE, BEGINNING | <u>7,190,030</u> | <u>7,190,030</u> | <u>7,190,030</u> | - |
| FUND BALANCE, ENDING | <u>\$ 6,560,913</u> | <u>\$ 6,552,918</u> | <u>\$ 3,976,806</u> | <u>\$ (2,576,112)</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

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

DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Current taxes | \$ 548,456 | \$ 548,456 | 491,872 | \$ (56,584) |
| Delinquent taxes | - | - | 68,849 | 68,849 |
| Interest | - | - | 9,962 | 9,962 |
| Total revenues | <u>548,456</u> | <u>548,456</u> | <u>570,683</u> | <u>22,227</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal retirement | 545,456 | 545,456 | 435,000 | 110,456 |
| Interest | - | - | 133,719 | (133,719) |
| Fiscal agent fees | 3,000 | 3,000 | 1,508 | 1,492 |
| Total expenditures | <u>548,456</u> | <u>548,456</u> | <u>570,227</u> | <u>(21,771)</u> |
| EXCESS OF REVENUE OVER EXPENDITURES | <u>-</u> | <u>-</u> | <u>456</u> | <u>456</u> |
| FUND BALANCE, BEGINNING OF YEAR | <u>3,259,195</u> | <u>3,259,195</u> | <u>3,259,195</u> | <u>-</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 3,259,195</u> | <u>\$ 3,259,195</u> | <u>\$ 3,259,651</u> | <u>\$ 456</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS
DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | Budgeted Amounts | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---|------------------|--------------|--------------|---|
| | Original | Final | | (Unfavorable) |
| REVENUES | | | | |
| Current ad valorem | \$ 4,722,355 | \$ 4,722,355 | \$ 3,051,047 | \$ (1,671,308) |
| Delinquent ad valorem | 450,000 | 450,000 | 329,663 | (120,337) |
| Motor vehicle licenses | 620,000 | 620,000 | 781,097 | 161,097 |
| Lateral road credit | 50,000 | 50,000 | 24,524 | (25,476) |
| Gross weight/ axle fees | - | - | 53,421 | 53,421 |
| Fines and forfeitures | 250,000 | 250,000 | 676,896 | 426,896 |
| Interest | - | - | 2,177 | 2,177 |
| State salary supplements | 25,000 | 25,000 | - | (25,000) |
| Auction | 5,000 | 6,370 | 1,370 | (5,000) |
| Miscellaneous | 5,000 | 5,000 | - | (5,000) |
| Donations | - | 1,690 | 1,690 | - |
| Total revenues | 6,127,355 | 6,130,415 | 4,921,885 | (1,208,530) |
| EXPENDITURES | | | | |
| Commissioner Pct. 1: | | | | |
| Salary of official | 67,324 | 67,324 | 67,324 | - |
| Salary of foreman | 26,822 | 26,822 | 26,696 | 126 |
| Salary of supervisor | 23,391 | 23,391 | 20,488 | 2,903 |
| Salary of street maintenance supervisor | 19,830 | 19,830 | 13,170 | 6,660 |
| Salary of head clerk | 22,794 | 22,794 | 26,788 | (3,994) |
| Salaries of clerical | 53,541 | 53,541 | 97,693 | (44,152) |
| Salaries-janitorial | 21,879 | 1,879 | - | 1,879 |
| Salaries of street maintenance | 75,298 | 75,298 | 90,812 | (15,514) |
| Salaries of timekeeper/policy manager | 18,594 | 18,594 | 25,758 | (7,164) |
| Salaries of park maintenance | 28,663 | 28,663 | 14,960 | 13,703 |
| Salaries of drivers and other duties | 73,554 | 73,554 | 11,619 | 61,935 |
| Salaries of night watchman | 31,100 | 100 | - | 100 |
| Salaries of road employees | 30,472 | 30,472 | 93,508 | (63,036) |
| Roadhands | 23,115 | 23,115 | - | 23,115 |
| Payroll taxes | 39,503 | 39,503 | 36,221 | 3,282 |
| Employee retirement | 38,883 | 38,883 | 34,681 | 4,202 |
| Office supplies | 4,000 | 4,020 | 3,921 | 99 |
| Fuel and oil | 80,000 | 90,000 | 90,000 | - |
| Telephone | 10,000 | 11,400 | 11,636 | (236) |
| Travel and seminars | 2,000 | 200 | 190 | 10 |
| Repairs and maintenance equipment | 65,000 | 65,000 | 64,923 | 77 |
| Rental - machinery | 10,000 | 10,000 | 10,000 | - |
| Repairs and maintenance-roads & bridges | 75,157 | 121,157 | 123,557 | (2,400) |
| Welding supplies | 4,000 | - | - | - |
| Contract work-hauling | 15,000 | 15,000 | 14,282 | 718 |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

(Continued)

| | Budgeted Amounts | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---------------------------------------|------------------|----------------|----------------|---|
| | Original | Final | | |
| EXPENDITURES (continued) | | | | |
| Commissioner Pct. 1: (continued) | | | | |
| Contract work-other | 15,000 | 15,000 | 15,000 | - |
| Bonds and insurance | 1,000 | 100 | 100 | - |
| Miscellaneous | 15,000 | 16,800 | 15,806 | 994 |
| Capital outlay | 20,000 | 20,000 | 20,000 | - |
| Capital outlay-parks and comm. ctrs | 35,000 | 33,500 | 33,500 | - |
| Capital outlay-equipment | 28,000 | 28,000 | 28,000 | - |
| Contingencies | 4,000 | 4,000 | 2,763 | 1,237 |
| Total commissioner pct. 1 | <u>977,920</u> | <u>977,940</u> | <u>993,396</u> | <u>(15,456)</u> |
| Commissioner Pct. 2: | | | | |
| Salary of official | 67,324 | 67,324 | 67,324 | - |
| Salary of administrative assistant | 30,000 | 30,000 | 30,000 | - |
| Salary of superintendent | 31,500 | 31,500 | 31,500 | - |
| Salary of director of public works | 28,500 | - | - | - |
| Salary of supervisor | 23,666 | 23,666 | 23,666 | - |
| Salary of administrative aide | 26,659 | - | - | - |
| Salary of special event coordinator | 18,155 | 18,155 | 18,155 | - |
| Salary of head librarian | 16,282 | 16,722 | 16,717 | 5 |
| Salary of equipment mechanic | 23,307 | 21,117 | 21,116 | 1 |
| Salary of parks supervisor | 22,564 | 22,564 | 22,564 | - |
| Salary of waste management supervisor | 22,417 | 22,417 | 22,417 | - |
| Salary of welder | 23,947 | 23,947 | 23,947 | - |
| Salary of foreman | 24,666 | 24,666 | 24,666 | - |
| Salary equipment operator | 23,815 | 23,815 | 23,815 | - |
| Salary equipment operator I | 19,250 | - | - | - |
| Secretary | 23,500 | 9,205 | 9,203 | 2 |
| Salary of timekeeper clerk | - | - | - | - |
| Other salaries | 112,270 | 96,520 | 96,194 | 326 |
| Night watchman | - | - | - | - |
| Salary of library clerk | 37,992 | 29,907 | 30,483 | (576) |
| Food pantry personnel | 31,415 | 42,640 | 42,828 | (188) |
| Payroll taxes | 46,453 | 46,453 | 38,782 | 7,671 |
| Employee retirement | 45,724 | 45,724 | 30,655 | 15,069 |
| Uniform rental | 300 | - | - | - |
| Office supplies | 3,000 | 3,000 | 2,949 | 51 |
| Consultant fees | 5,000 | - | - | - |
| Fuel and oil | 86,700 | 70,700 | 70,620 | 80 |
| Telephone | 6,500 | 9,625 | 9,671 | (46) |
| Travel and seminars | 5,000 | 4,190 | 4,190 | - |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

(Continued)

| | Budgeted Amounts | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|-----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| EXPENDITURES (continued) | | | | |
| Commissioner Pct. 2: (continued) | | | | |
| Repairs and maint-building | 20,000 | 19,915 | 19,892 | 23 |
| Repairs and maint-equipment | 66,000 | 57,920 | 58,662 | (742) |
| Repairs and maint-roads & bridges | 18,100 | 17,995 | 17,993 | 2 |
| Radio lease | 3,000 | 2,855 | 2,855 | - |
| Contract work | 31,300 | 31,300 | 31,295 | 5 |
| Bonds and insurance | 9,000 | 100 | 100 | - |
| Dues and subscriptions | 1,000 | - | - | - |
| Miscellaneous | 3,000 | 3,795 | 3,827 | (32) |
| Parks and community centers | 26,730 | 30,810 | 30,869 | (59) |
| Capital outlay | 41,000 | 178,589 | 178,427 | 162 |
| Contingencies | 4,000 | 1,900 | 1,893 | 7 |
| Total commissioner pct. 2 | <u>1,029,036</u> | <u>1,029,036</u> | <u>1,007,275</u> | <u>21,761</u> |
| Commissioner Pct. 3: | | | | |
| Salary of official | 67,324 | 67,324 | 67,324 | - |
| Salaries of secretary & foreman | 53,172 | 53,172 | 63,385 | (10,213) |
| Other salaries | 224,231 | 240,931 | 271,554 | (30,623) |
| Nightwatchmen | 49,984 | 49,984 | 23,151 | 26,833 |
| Roadhands | 101,924 | 101,924 | 161,518 | (59,594) |
| Temporary help | 46,908 | 46,908 | 59,713 | (12,805) |
| Payroll taxes | 41,581 | 41,581 | 47,031 | (5,450) |
| Employee retirement | 40,929 | 40,929 | 43,225 | (2,296) |
| Office supplies | 1,000 | 1,000 | 981 | 19 |
| Fuel and oil | 60,000 | 105,000 | 104,999 | 1 |
| Telephone | 10,000 | 13,000 | 12,712 | 288 |
| Travel and seminars | 6,000 | - | 0 | - |
| Repairs and maint-buildings | 50,000 | 29,000 | 28,972 | 28 |
| Repairs and maint-equipment | 96,000 | 82,610 | 82,610 | - |
| Repairs and maint-roads & bridges | 231,000 | 224,263 | 224,023 | 240 |
| Miscellaneous | 41,000 | 30,581 | 30,240 | 341 |
| Parks and community centers | 14,000 | - | 0 | - |
| Lease payments | 74,000 | 73,852 | 73,851 | 1 |
| Contingencies | 4,000 | 2,685 | 2,685 | - |
| Bonds and insurance | - | 100 | 100 | - |
| Capital outlay | 67,400 | 76,109 | 76,079 | 30 |
| Total commissioner pct. 3 | <u>1,280,453</u> | <u>1,280,953</u> | <u>1,374,153</u> | <u>(93,200)</u> |
| Commissioner Pct. 4: | | | | |
| Salary of official | 67,324 | 67,324 | 67,324 | - |
| Salaries of secretary | 24,542 | 24,542 | 24,542 | - |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

(Continued)

| | Budgeted Amounts | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---------------------------------------|------------------|-----------|-----------|---|
| | Original | Final | | |
| EXPENDITURES (continued) | | | | |
| Commissioner Pct. 4: (continued) | | | | |
| Salary of foreman | 44,963 | 13,213 | 13,213 | - |
| Other salaries | 338,576 | 388,576 | 392,978 | (4,402) |
| Payroll taxes | 36,369 | 36,369 | 36,748 | (379) |
| Employee retirement | 35,798 | 34,498 | 34,433 | 65 |
| Uniform rental | 10,000 | 10,000 | 7,841 | 2,159 |
| Office supplies | 6,000 | 4,800 | 4,747 | 53 |
| Fuel and oil | 85,000 | 75,000 | 76,729 | (1,729) |
| Telephone | 12,000 | 13,690 | 13,838 | (148) |
| Travel and seminars | 1,000 | 3,000 | 3,312 | (312) |
| Bonds and insurance | 1,000 | - | - | - |
| Repairs and maint-equipment | 74,500 | 74,500 | 58,858 | 15,642 |
| Repairs and maint-roads & bridges | 79,000 | 59,000 | 35,715 | 23,285 |
| Lease payments-machinery | 70,000 | 47,399 | 47,399 | - |
| Miscellaneous | 38,200 | 16,200 | 13,116 | 3,084 |
| Fire protection | 25,000 | - | 0 | - |
| Parks and community centers | 20,000 | 18,848 | 18,657 | 191 |
| Contingencies | 4,000 | 64,000 | 62,673 | 1,327 |
| Capital outlay | 92,158 | 126,161 | 135,576 | (9,415) |
| Total commissioner pct. 4 | 1,065,430 | 1,077,120 | 1,047,699 | 29,421 |
| Flood control: | | | | |
| Precinct #1 channels | 9,000 | 9,000 | 9,000 | - |
| Precinct #2 channels | 7,900 | 7,900 | 7,900 | - |
| Precinct #3 channels | 15,000 | 15,000 | 15,000 | - |
| Precinct #4 channels | 10,000 | - | - | - |
| Total flood control | 41,900 | 31,900 | 31,900 | - |
| Road & Bridge Fund County Wide: | | | | |
| Appraisal district fees | 60,000 | 31,000 | 30,780 | 220 |
| Breathalyzer services | 10,000 | 10,000 | 10,000 | - |
| Bidding and notices | 5,000 | 5,000 | - | 5,000 |
| Utilities | 850,000 | 919,000 | 935,483 | (16,483) |
| Commissioner's part/nutrition program | 60,000 | 60,000 | - | 60,000 |
| Dues and subscriptions | 8,000 | 8,000 | 7,515 | 485 |
| Suspension bridge match | 10,500 | 10,500 | - | 10,500 |
| Right-of-ways and emergency | 100,000 | 60,000 | 60,000 | - |
| Total road & bridge fund county wide | 1,103,500 | 1,103,500 | 1,043,778 | 59,722 |
| Total expenditures | 5,498,239 | 5,500,449 | 5,498,201 | 2,248 |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

(Continued)

| | Budgeted Amounts | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>629,116</u> | <u>629,966</u> | <u>(576,316)</u> | <u>(1,206,282)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | 1,297,771 | 1,297,771 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>1,297,771</u> | <u>1,297,771</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | 629,116 | 629,966 | 721,455 | 91,489 |
| FUND BALANCE, BEGINNING | <u>(1,297,772)</u> | <u>(1,297,772)</u> | <u>(1,297,772)</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ (668,656)</u> | <u>\$ (667,806)</u> | <u>\$ (576,317)</u> | <u>\$ 91,489</u> |

(This Page Intentionally Left Blank.)

SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

FIDUCIARY FUNDS

(This Page Intentionally Left Blank.)

**NONMAJOR
GOVERNMENTAL FUNDS**

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2012

(Continued)

| ASSETS | Special Revenue Funds | | |
|--|-----------------------|----------------------------------|-----------------|
| | Self-Help Center | Operation Stonegarden 2009 | CACST 5310 |
| Cash | \$ 19,278 | \$ 74,620 | \$ 2,706 |
| Investments | - | - | - |
| Taxes receivable (net of allowance) | - | - | - |
| Accounts receivable | - | - | - |
| Due from other funds | - | 321,363 | - |
| Due from other governments | 45,235 | - | - |
| Total assets | \$ 64,513 | \$ 395,983 | \$ 2,706 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 13,473 | \$ 329,707 | \$ - |
| Bank overdraft | - | - | - |
| Accrued liabilities | - | - | - |
| Due to other funds | 31,823 | 57,589 | 38 |
| Due to other governments | 19,217 | 8,687 | - |
| Deferred revenue | - | - | 2,668 |
| Total liabilities | 64,513 | 395,983 | 2,706 |
| Assigned | - | - | - |
| Restricted | - | - | - |
| Total fund balances | - | - | - |
| Total liabilities and fund balances | \$ 64,513 | \$ 395,983 | \$ 2,706 |

| Archive Management Fee Fund | U. S. Department of Agriculture FHA Grant Housing Preservation | HIDTA Grants District Attorney | Surcharge Fund |
|-----------------------------------|---|-----------------------------------|-------------------|
| \$ 4,890 | \$ 6,776 | \$ 207,667 | \$ 11,522 |
| - | - | - | - |
| - | - | - | - |
| 5,698 | - | - | 5,460 |
| - | - | 43,634 | - |
| <u>\$ 10,588</u> | <u>\$ 6,776</u> | <u>\$ 251,301</u> | <u>\$ 16,982</u> |
| | | | |
| \$ - | \$ - | \$ 8,338 | \$ 219 |
| - | - | - | - |
| - | - | - | - |
| 34 | - | 240,335 | 308 |
| - | - | - | - |
| - | 6,776 | 2,628 | - |
| <u>34</u> | <u>6,776</u> | <u>251,301</u> | <u>527</u> |
| | | | |
| - | - | - | - |
| 10,554 | - | - | 16,455 |
| <u>10,554</u> | <u>-</u> | <u>-</u> | <u>16,455</u> |
| | | | |
| \$ 10,588 | \$ 6,776 | \$ 251,301 | \$ 16,982 |

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2012

(Continued)

| ASSETS | Special Revenue Funds | | |
|--|------------------------|--------------------------------|-------------------------------|
| | Law Library Fund | Courthouse Security Fund | Border Prosecution Unit |
| Cash | \$ 141,559 | \$ 180,125 | \$ 42,546 |
| Investments | - | - | - |
| Taxes receivable (net of allowance) | - | - | - |
| Accounts receivable | - | - | - |
| Due from other funds | 9,011 | 3,943 | 1 |
| Due from other governments | - | - | 22,751 |
| Total assets | \$ 150,570 | \$ 184,068 | \$ 65,298 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 489 | \$ - | \$ 173 |
| Bank overdraft | - | - | - |
| Accrued liabilities | - | - | 4,371 |
| Due to other funds | - | - | 60,681 |
| Due to other governments | - | - | - |
| Deferred revenue | - | - | 73 |
| Total liabilities | 489 | - | 65,298 |
| Assigned | - | - | - |
| Restricted | 150,081 | 184,068 | - |
| Total fund balances | 150,081 | 184,068 | - |
| Total liabilities and fund balances | \$ 150,570 | \$ 184,068 | \$ 65,298 |

| Management & Preservation Fund | LEOSE Fund | Starr Co Violent Crimes Unit Border Star | FEMA |
|--------------------------------------|------------------|--|--------------|
| \$ 55,316 | \$ 14,190 | \$ 105,632 | \$ 55 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| 3,755 | - | - | - |
| - | - | 62,171 | - |
| <u>\$ 59,071</u> | <u>\$ 14,190</u> | <u>\$ 167,803</u> | <u>\$ 55</u> |
| \$ - | \$ - | \$ 35,422 | \$ - |
| - | - | - | - |
| - | - | 11,882 | - |
| - | 44 | 94,166 | 55 |
| - | - | 23,333 | - |
| - | - | 1,794 | - |
| - | 44 | 166,597 | 55 |
| - | - | - | - |
| <u>59,071</u> | <u>14,146</u> | <u>1,206</u> | <u>-</u> |
| <u>59,071</u> | <u>14,146</u> | <u>1,206</u> | <u>-</u> |
| <u>\$ 59,071</u> | <u>\$ 14,190</u> | <u>\$ 167,803</u> | <u>\$ 55</u> |

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2012

(Continued)

| ASSETS | Special Revenue Funds | | |
|--|----------------------------------|-----------------------------------|--------------------------------------|
| | Nutrition Program & Food Bank | Los Olmos Watershed Project | Sheriff's Operation Linebacker |
| Cash | \$ 5,331 | \$ 203,918 | \$ 28,468 |
| Investments | - | - | - |
| Taxes receivable (net of allowance) | - | - | - |
| Accounts receivable | - | - | - |
| Due from other funds | - | - | - |
| Due from other governments | - | - | - |
| Total assets | \$ 5,331 | \$ 203,918 | \$ 28,468 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 3,491 | \$ - | \$ - |
| Bank overdraft | - | - | - |
| Accrued liabilities | - | - | - |
| Due to other funds | 1,840 | - | 28,468 |
| Due to other governments | - | - | - |
| Deferred revenue | - | 203,918 | - |
| Total liabilities | 5,331 | 203,918 | 28,468 |
| Assigned | - | - | - |
| Restricted | - | - | - |
| Total fund balances | - | - | - |
| Total liabilities and fund balances | \$ 5,331 | \$ 203,918 | \$ 28,468 |

| Community Facilities Loan & Grant San Isidro Project | TDRA Contract #R729620 | Justice Court Technology Fund | Border Interdiction Unit Border Star |
|--|------------------------------|-------------------------------------|---|
| \$ 14,708 | \$ 15,779 | \$ 37,149 | \$ 2,344 |
| - | - | - | - |
| - | - | - | - |
| - | - | 1,486 | 490 |
| - | - | - | 19,369 |
| <u>\$ 14,708</u> | <u>\$ 15,779</u> | <u>\$ 38,635</u> | <u>\$ 22,203</u> |
| | | | |
| \$ - | \$ - | \$ 340 | \$ 2,230 |
| - | - | - | - |
| 84,000 | - | - | 9,092 |
| 9,868 | 15,779 | 108 | 10,881 |
| - | - | - | - |
| 4,840 | - | - | - |
| <u>98,708</u> | <u>15,779</u> | <u>448</u> | <u>22,203</u> |
| | | | |
| - | - | - | - |
| (84,000) | - | 38,187 | - |
| | | | |
| (84,000) | - | 38,187 | - |
| <u>\$ 14,708</u> | <u>\$ 15,779</u> | <u>\$ 38,635</u> | <u>\$ 22,203</u> |

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2012

(Continued)

| ASSETS | Special Revenue Funds | | |
|--|--|---------------------------|--------------------------------|
| | Victims of Domestic Violence Assistance Prog WF-08-V30-17244-05 | LBSP 11 Border Star II | Homeland Security Grants |
| | | | |
| Cash | \$ 2,288 | \$ 13,494 | \$ 25 |
| Investments | - | - | - |
| Taxes receivable (net of allowance) | - | - | - |
| Accounts receivable | - | - | - |
| Due from other funds | 4,333 | - | - |
| Due from other governments | 25,485 | - | 17,112 |
| Total assets | \$ 32,106 | \$ 13,494 | \$ 17,137 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ - | \$ - | \$ 17,112 |
| Bank overdraft | - | - | - |
| Accrued liabilities | 6,088 | - | - |
| Due to other funds | 26,018 | 13,494 | 6 |
| Due to other governments | - | - | - |
| Deferred revenue | - | - | 19 |
| Total liabilities | 32,106 | 13,494 | 17,137 |
| Assigned | - | - | - |
| Restricted | - | - | - |
| Total fund balances | - | - | - |
| Total liabilities and fund balances | \$ 32,106 | \$ 13,494 | \$ 17,137 |

| TDHCA HOME HBA #1001239 | ORCA TXCDBG #727449 | Crime Victims Asst. Program VA-10-V30-19034-04 | TDHCA Home Program #1001187 |
|-------------------------------|---------------------------|--|-----------------------------------|
| \$ 33,531 | \$ 22,277 | \$ 5,577 | \$ 38,712 |
| - | - | - | - |
| - | - | - | - |
| 20,000 | - | - | - |
| - | - | - | - |
| 69,064 | - | 11,337 | 8,318 |
| <u>\$ 122,595</u> | <u>\$ 22,277</u> | <u>\$ 16,914</u> | <u>\$ 47,030</u> |
| \$ - | \$ - | \$ 85 | \$ - |
| - | - | - | - |
| - | - | 1,885 | - |
| 122,595 | 22,277 | 14,944 | 47,030 |
| - | - | - | - |
| - | - | - | - |
| <u>122,595</u> | <u>22,277</u> | <u>16,914</u> | <u>47,030</u> |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>\$ 122,595</u> | <u>\$ 22,277</u> | <u>\$ 16,914</u> | <u>\$ 47,030</u> |

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2012

(Continued)

| ASSETS | Special Revenue Funds | | |
|--|-------------------------------|---|--------------------------|
| | United Way Impact Grant | Drug Related Public Corruption Task Force | TDRA Contract #710015 |
| Cash | \$ 433 | \$ 146 | \$ - |
| Investments | - | - | - |
| Taxes receivable (net of allowance) | - | - | - |
| Accounts receivable | - | - | - |
| Due from other funds | - | - | - |
| Due from other governments | - | - | 280,474 |
| Total assets | \$ 433 | \$ 146 | \$ 280,474 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ - | \$ - | \$ 119,206 |
| Bank overdraft | - | - | 48,617 |
| Accrued liabilities | - | - | - |
| Due to other funds | - | 146 | 112,651 |
| Due to other governments | - | - | - |
| Deferred revenue | 433 | - | - |
| Total liabilities | 433 | 146 | 280,474 |
| Assigned | - | - | - |
| Restricted | - | - | - |
| Total fund balances | - | - | - |
| Total liabilities and fund balances | \$ 433 | \$ 146 | \$ 280,474 |

| Operation Stonegarden 2010 2010-55-T0-0008 | TDHCA Disaster Relief HOME #1000793 | TXDOT Border Colonia Access 3rd Call | TXCDBG Disaster Relief #729037 |
|--|---|--|--------------------------------------|
| \$ 399,762 | \$ 28 | \$ 112,845 | \$ 53 |
| - | - | - | - |
| - | - | - | - |
| 63,551 | - | - | - |
| 6,416 | - | - | - |
| <u>\$ 469,729</u> | <u>\$ 28</u> | <u>\$ 112,845</u> | <u>\$ 53</u> |
| | | | |
| \$ - | \$ - | \$ - | \$ - |
| - | - | - | - |
| - | - | - | - |
| 433,067 | 28 | 35,592 | 53 |
| 36,662 | - | - | - |
| - | - | 77,253 | - |
| <u>469,729</u> | <u>28</u> | <u>112,845</u> | <u>53</u> |
| | | | |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>\$ 469,729</u> | <u>\$ 28</u> | <u>\$ 112,845</u> | <u>\$ 53</u> |

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2012

(Continued)

| ASSETS | Special Revenue Funds | | |
|--|--|------------------------------|--|
| | Joint Law Enforcement Operations - Sheriff & US Marshalls | Drainage District Fund | Joint Investigations - I.C.E. & Sheriff Fund |
| Cash | \$ 1 | \$ 741,619 | \$ 2,005 |
| Investments | - | - | - |
| Taxes receivable (net of allowance) | - | 74,528 | - |
| Accounts receivable | - | - | - |
| Due from other funds | 2,517 | 1,657 | - |
| Due from other governments | 2,904 | - | - |
| Total assets | \$ 5,422 | \$ 817,804 | \$ 2,005 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ - | \$ - | \$ - |
| Bank overdraft | - | - | - |
| Accrued liabilities | - | - | - |
| Due to other funds | 5,422 | - | 1,305 |
| Due to other governments | - | - | - |
| Deferred revenue | - | 72,859 | 700 |
| Total liabilities | 5,422 | 72,859 | 2,005 |
| Assigned | - | - | - |
| Restricted | - | 744,945 | - |
| Total fund balances | - | 744,945 | - |
| Total liabilities and fund balances | \$ 5,422 | \$ 817,804 | \$ 2,005 |

EXHIBIT H-1

| HAVA Grants CFDA# 90.401 Fund | ARRA Local JAG 2009-SB-B9-3282 Fund | LBSP-12 Fund | FY2011 Operation Stonegarden 12-MCAMCA-01-002 Fund |
|-------------------------------------|---|------------------|---|
| \$ - | \$ - | \$ - | \$ - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| 4,400 | - | - | - |
| - | 28,470 | 27,267 | 123,460 |
| <u>\$ 4,400</u> | <u>\$ 28,470</u> | <u>\$ 27,267</u> | <u>\$ 123,460</u> |
| \$ - | \$ - | \$ - | \$ - |
| - | - | - | - |
| - | - | - | - |
| - | 28,470 | 27,267 | 104,996 |
| - | - | - | 18,464 |
| 4,400 | - | - | - |
| <u>4,400</u> | <u>28,470</u> | <u>27,267</u> | <u>123,460</u> |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>\$ 4,400</u> | <u>\$ 28,470</u> | <u>\$ 27,267</u> | <u>\$ 123,460</u> |

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2012

(Continued)

| | Special Revenue Funds | | |
|--|--|--|---------------------------------------|
| | BEECC/NADBNK SWEF Grant TX0360 Fund | TDRA Contract #DR5010179 Transferred to GLO | Operation Stonegarden 2008 Fund |
| ASSETS | | | |
| Cash | \$ 1 | \$ - | \$ - |
| Investments | - | - | - |
| Taxes receivable (net of allowance) | - | - | - |
| Accounts receivable | - | - | - |
| Due from other funds | - | - | - |
| Due from other governments | - | - | - |
| Total assets | \$ 1 | \$ - | \$ - |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 1 | \$ - | \$ - |
| Bank overdraft | - | - | - |
| Accrued liabilities | - | - | - |
| Due to other funds | - | - | - |
| Due to other governments | - | - | - |
| Deferred revenue | - | - | - |
| Total liabilities | 1 | - | - |
| Assigned | - | - | - |
| Restricted | - | - | - |
| Total fund balances | - | - | - |
| Total liabilities and fund balances | \$ 1 | \$ - | \$ - |

EXHIBIT H-1

| Border Security Equipment and Technology Fund | Total Special Revenue Funds | Capital Projects Fund "Construction 2004" | Total Nonmajor Governmental Funds |
|---|--------------------------------------|--|--|
| \$ - | \$ 2,547,376 | \$ 36,272 | \$ 2,583,648 |
| - | - | 256,572 | 256,572 |
| - | 74,528.00 | - | 74,528 |
| - | 20,000.00 | 97 | 20,097 |
| - | 427,665.00 | 291,921 | 719,586 |
| - | 793,467.00 | - | 793,467 |
| <u>\$ -</u> | <u>\$ 3,863,036</u> | <u>\$ 584,862</u> | <u>\$ 4,447,898</u> |
| \$ - | \$ 530,286 | \$ - | \$ 530,286 |
| - | 48,617 | - | 48,617 |
| - | 117,318 | - | 117,318 |
| - | 1,547,378 | - | 1,547,378 |
| - | 106,363 | - | 106,363 |
| - | 378,361 | - | 378,361 |
| - | <u>2,728,323</u> | - | <u>2,728,323</u> |
| - | - | 584,862 | 584,862 |
| - | <u>1,134,713</u> | - | <u>1,134,713</u> |
| - | 1,134,713 | 584,862 | 1,719,575 |
| <u>\$ -</u> | <u>\$ 3,863,036</u> | <u>\$ 584,862</u> | <u>\$ 4,447,898</u> |

STARR COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

(Continued)

| | Special Revenue Funds | | |
|--|-----------------------|----------------------------------|---------------|
| | Self-Help Center | Operation Stonegarden 2009 | CACST 5310 |
| REVENUES | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental | 59,538 | 518,819 | 31,314 |
| Fines and forfeitures | - | - | - |
| Interest income | 99 | - | - |
| Miscellaneous | - | - | - |
| Total revenues | <u>59,637</u> | <u>518,819</u> | <u>31,314</u> |
| EXPENDITURES | | | |
| Highways and streets | - | - | 31,314 |
| Health and welfare | 152,519 | - | - |
| Public safety | - | 518,819 | - |
| Public facilities | - | - | - |
| Total expenditures | <u>152,519</u> | <u>518,819</u> | <u>31,314</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(92,882)</u> | <u>-</u> | <u>-</u> |
| OTHER FINANCING SOURCES | | | |
| Operating transfers in (out) | 745,651 | - | - |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <u>(652,769)</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| Archive Management Fee Fund | U. S. Department of Agriculture FHA Grant Housing Preservation | HIDTA Grants District Attorney | Surcharge Fund |
|-----------------------------------|---|-----------------------------------|-------------------|
| \$ - | \$ - | \$ - | \$ - |
| - | - | 406,512 | - |
| 35,875 | - | - | 36,017 |
| 105 | - | - | 21 |
| - | - | - | - |
| <u>35,980</u> | <u>-</u> | <u>406,512</u> | <u>36,038</u> |
| - | - | - | - |
| - | - | - | - |
| - | - | 406,512 | - |
| <u>80,447</u> | <u>-</u> | <u>-</u> | <u>26,646</u> |
| <u>80,447</u> | <u>-</u> | <u>406,512</u> | <u>26,646</u> |
| <u>(44,467)</u> | <u>-</u> | <u>-</u> | <u>9,392</u> |
| - | - | - | - |
| <u>55,021</u> | <u>-</u> | <u>-</u> | <u>7,063</u> |
| <u>\$ 10,554</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,455</u> |

STARR COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

(Continued)

| | Special Revenue Funds | | |
|--|------------------------|--------------------------------|-------------------------------|
| | Law Library Fund | Courthouse Security Fund | Border Prosecution Unit |
| REVENUES | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | 36,794 |
| Fines and forfeitures | 15,600 | 18,773 | - |
| Interest income | 342 | 429 | - |
| Miscellaneous | - | - | - |
| Total revenues | <u>15,942</u> | <u>19,202</u> | <u>36,794</u> |
| EXPENDITURES | | | |
| Highways and streets | - | - | - |
| Health and welfare | - | - | - |
| Public safety | - | - | 36,794 |
| Public facilities | 2,132 | 3,901 | - |
| Total expenditures | <u>2,132</u> | <u>3,901</u> | <u>36,794</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>13,810</u> | <u>15,301</u> | <u>-</u> |
| OTHER FINANCING SOURCES | | | |
| Operating transfers in (out) | - | - | - |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <u>136,271</u> | <u>168,767</u> | <u>-</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ 150,081</u> | <u>\$ 184,068</u> | <u>\$ -</u> |

| Management & Preservation Fund | LEOSE Fund | Starr Co Violent Crimes Unit Border Star | FEMA |
|--------------------------------|------------------|--|-------------|
| \$ - | \$ - | \$ - | \$ - |
| - | - | 483,222 | - |
| 11,036 | - | - | - |
| 118 | - | - | - |
| - | - | - | - |
| <u>11,154</u> | <u>-</u> | <u>483,222</u> | <u>-</u> |
| - | - | - | - |
| - | - | - | - |
| - | 4,649 | 483,221 | - |
| - | - | - | - |
| <u>-</u> | <u>4,649</u> | <u>483,221</u> | <u>-</u> |
| 11,154 | (4,649) | 1 | - |
| - | - | - | - |
| <u>47,917</u> | <u>18,795</u> | <u>1,205</u> | <u>-</u> |
| <u>\$ 59,071</u> | <u>\$ 14,146</u> | <u>\$ 1,206</u> | <u>\$ -</u> |

STARR COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

(Continued)

| | Special Revenue Funds | | |
|--|----------------------------------|-----------------------------------|--------------------------------------|
| | Nutrition Program & Food Bank | Los Olmos Watershed Project | Sheriff's Operation Linebacker |
| REVENUES | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental | 103,115 | - | 5,564 |
| Fines and forfeitures | - | - | - |
| Interest income | 14 | - | - |
| Miscellaneous | - | - | - |
| Total revenues | <u>103,129</u> | <u>-</u> | <u>5,564</u> |
| EXPENDITURES | | | |
| Highways and streets | - | - | - |
| Health and welfare | 147,341 | - | - |
| Public safety | - | - | 5,564 |
| Public facilities | - | - | - |
| Total expenditures | <u>147,341</u> | <u>-</u> | <u>5,564</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(44,212)</u> | <u>-</u> | <u>-</u> |
| OTHER FINANCING SOURCES | | | |
| Operating transfers in (out) | 146,609 | - | - |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <u>(102,397)</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| Community Facilities Loan & Grant San Isidro Project | TDRA Contract #R729620 | Justice Court Technology Fund | Border Interdiction Unit Border Star |
|--|------------------------------|-------------------------------------|---|
| \$ - | \$ - | \$ - | \$ - |
| 170,710 | 1,480 | - | 279,323 |
| - | - | 9,872 | - |
| - | - | - | - |
| - | - | - | - |
| <u>170,710</u> | <u>1,480</u> | <u>9,872</u> | <u>279,323</u> |
| - | - | - | - |
| - | 1,480 | - | - |
| - | - | - | 279,323 |
| <u>149,710</u> | <u>-</u> | <u>12,258</u> | <u>-</u> |
| <u>149,710</u> | <u>1,480</u> | <u>12,258</u> | <u>279,323</u> |
| <u>21,000</u> | <u>-</u> | <u>(2,386)</u> | <u>-</u> |
| - | - | - | - |
| <u>(105,000)</u> | <u>-</u> | <u>40,573</u> | <u>-</u> |
| <u>\$ (84,000)</u> | <u>\$ -</u> | <u>\$ 38,187</u> | <u>\$ -</u> |

STARR COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

(Continued)

| | Special Revenue Funds | | |
|--|--|-----------------------------|--------------------------------|
| | Victims of Domestic Violence Assistance Prog | LBSP 2011 Border Star II | Homeland Security Grants |
| REVENUES | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental | 152,135 | 18,836 | 22,985 |
| Fines and forfeitures | - | - | - |
| Interest income | - | 204 | - |
| Miscellaneous | - | - | - |
| Total revenues | <u>152,135</u> | <u>19,040</u> | <u>22,985</u> |
| EXPENDITURES | | | |
| Highways and streets | - | - | - |
| Health and welfare | - | - | - |
| Public safety | 152,135 | 19,040 | 22,985 |
| Public facilities | - | - | - |
| Total expenditures | <u>152,135</u> | <u>19,040</u> | <u>22,985</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>-</u> | <u>-</u> | <u>-</u> |
| OTHER FINANCING SOURCES | | | |
| Operating transfers in (out) | - | - | - |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| TDHCA HOME HBA #1001239 | ORCA TXCDBG #727449 | Crime Victims Asst Program | TDHCA Home Program #1001187 |
|-------------------------------|---------------------------|-------------------------------|-----------------------------------|
| \$ - | \$ - | \$ - | \$ - |
| 130,864 | - | 68,052 | 265,681 |
| - | - | 16,097 | - |
| - | - | 916 | - |
| - | - | - | - |
| <u>130,864</u> | <u>-</u> | <u>85,065</u> | <u>265,681</u> |
| - | - | - | - |
| 130,864 | - | - | 265,681 |
| - | - | 85,065 | - |
| - | - | - | - |
| <u>130,864</u> | <u>-</u> | <u>85,065</u> | <u>265,681</u> |
| - | - | - | - |
| - | - | - | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

STARR COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

(Continued)

| | Special Revenue Funds | | |
|--|-------------------------------|---|--------------------------|
| | United Way Impact Grant | Drug Related Public Corruption Task Force | TDRA Contract #710015 |
| REVENUES | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental | 1,027 | 34,950 | 287,333 |
| Fines and forfeitures | - | - | - |
| Interest income | 4 | - | - |
| Miscellaneous | - | - | - |
| Total revenues | <u>1,031</u> | <u>34,950</u> | <u>287,333</u> |
| EXPENDITURES | | | |
| Highways and streets | - | - | 287,333 |
| Health and welfare | 1,031 | - | - |
| Public safety | - | 34,950 | - |
| Public facilities | - | - | - |
| Total expenditures | <u>1,031</u> | <u>34,950</u> | <u>287,333</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>-</u> | <u>-</u> | <u>-</u> |
| OTHER FINANCING SOURCES | | | |
| Operating transfers in (out) | - | - | - |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| OPSG 2010 Fund | TDHCA Disaster Relief HOME #1000793 | TXDOT Border Colonia Access 3rd Call | TXCDBG Disaster Relief #729037 |
|----------------------|---|--|--------------------------------------|
| \$ - | \$ - | \$ - | \$ - |
| 715,982 | - | 854,942 | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>715,982</u> | <u>-</u> | <u>854,942</u> | <u>-</u> |
| - | - | 854,942 | - |
| - | - | - | - |
| 715,982 | - | - | - |
| - | - | - | - |
| <u>715,982</u> | <u>-</u> | <u>854,942</u> | <u>-</u> |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

STARR COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

(Continued)

| REVENUES | Special Revenue Funds | | |
|--|--|------------------------------|--|
| | Joint Law Enforcement Operations - Sheriff & US Marshalls | Drainage District Fund | Joint Investigations - I.C.E. & Sheriff Fund |
| Taxes | \$ - | \$ 353,939 | \$ - |
| Intergovernmental | 10,588 | - | 9,341 |
| Fines and forfeitures | - | - | - |
| Interest income | - | 1,495 | - |
| Miscellaneous | - | - | - |
| Total revenues | 10,588 | 355,434 | 9,341 |
| EXPENDITURES | | | |
| Highways and streets | - | - | - |
| Health and welfare | - | - | - |
| Public safety | 10,588 | - | 9,341 |
| Public facilities | - | - | - |
| Total expenditures | 10,588 | - | 9,341 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | 355,434 | - |
| OTHER FINANCING SOURCES | | | |
| Operating transfers in (out) | - | - | - |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | - | 389,511 | - |
| FUND BALANCE (DEFICIT), END OF YEAR | \$ - | \$ 744,945 | \$ - |

| HAVA Grants CFDA# 90.401 Fund | ARRA Local JAG 2009-SB-B9-3282 Fund | LBSP-12 Fund | FY2011 Operation Stonegarden 12-MCAMCA-01-002 Fund |
|-------------------------------------|---|-----------------|---|
| \$ - | \$ - | \$ - | \$ - |
| 3,757 | 28,470 | 27,267 | 165,065 |
| - | - | - | - |
| - | - | - | - |
| 30,600 | - | - | - |
| <u>34,357</u> | <u>28,470</u> | <u>27,267</u> | <u>165,065</u> |
| 34,357 | 28,470 | - | - |
| - | - | 27,267 | 165,065 |
| - | - | - | - |
| - | - | - | - |
| <u>34,357</u> | <u>28,470</u> | <u>27,267</u> | <u>165,065</u> |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

STARR COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

(Continued)

| | Special Revenue Funds | | |
|--|--|---|----------------------|
| | BEECC/NADBNK SWEP Grant TX0360 Fund | TDRA Contract #DR5010179 Transferred to GLO | OPSG 2008 Fund |
| REVENUES | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental | - | 9,089 | 194,453 |
| Fines and forfeitures | - | - | - |
| Interest income | - | - | - |
| Miscellaneous | - | - | - |
| Total revenues | - | 9,089 | 194,453 |
| EXPENDITURES | | | |
| Highways and streets | - | - | - |
| Health and welfare | - | - | - |
| Public safety | - | 9,089 | 194,453 |
| Public facilities | - | - | - |
| Total expenditures | - | 9,089 | 194,453 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | - | - |
| OTHER FINANCING SOURCES | | | |
| Operating transfers in (out) | - | - | - |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | - | - | - |
| FUND BALANCE (DEFICIT), END OF YEAR | \$ - | \$ - | \$ - |

| Border Security Equipment and Technology Fund | Total Special Revenue Funds | Capital Projects Fund "Construction 2004" | Total Nonmajor Governmental Funds |
|---|--------------------------------------|--|--|
| \$ - | \$ 353,939 | \$ - | \$ 353,939 |
| 2,604 | 5,099,812 | - | 5,099,812 |
| - | 143,270 | - | 143,270 |
| - | 3,747 | 856 | 4,603 |
| - | 30,600 | - | 30,600 |
| <u>2,604</u> | <u>5,631,368</u> | <u>856</u> | <u>5,632,224</u> |
| - | 1,236,416 | - | 1,236,416 |
| - | 891,248 | - | 891,248 |
| - | 2,988,510 | - | 2,988,510 |
| - | 275,094 | - | 275,094 |
| - | <u>5,391,268</u> | - | <u>5,391,268</u> |
| <u>2,604</u> | <u>240,100</u> | <u>856</u> | <u>240,956</u> |
| - | 892,260 | - | 892,260 |
| <u>(2,604)</u> | <u>2,353</u> | <u>584,006</u> | <u>586,359</u> |
| <u>\$ -</u> | <u>\$ 1,134,713</u> | <u>\$ 584,862</u> | <u>\$ 1,719,575</u> |

(This Page Intentionally Left Blank.)

FIDUCIARY FUNDS

STARR COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

SEPTEMBER 30, 2012

(Continued)

| | Border Area Narcotics Task Force - Forfeiture | Treasurer's Office Pending Forfeiture | Tertiary Care Fund |
|--------------------------|---|---|--------------------------|
| ASSETS | | | |
| Cash | \$ 14,099 | \$ - | \$ 3,919 |
| Investments | - | - | - |
| Accounts receivable | - | - | - |
| Due from other funds | 71,736 | - | 167 |
| Other assets | - | - | - |
| | - | - | - |
| Total assets | \$ 85,835 | \$ - | \$ 4,086 |
| LIABILITIES | | | |
| Due to other funds | \$ - | \$ - | \$ 1,928 |
| Due to other governments | - | - | 1,911 |
| Funds held in escrow | - | - | - |
| Accounts payable | - | - | - |
| Other liabilities | 85,835 | - | 247 |
| | 85,835 | - | 247 |
| Total liabilities | \$ 85,835 | \$ - | \$ 4,086 |

EXHIBIT H-3

| 229th Judicial District Probation Fund | Juvenile Probation & Restitution Fund | County Attorney Fund | District Attorney Fund | County Clerk Fund |
|--|---|----------------------------|------------------------------|-------------------------|
| \$ 43,276 | \$ 4,450 | \$ 174,146 | \$ 2,062,141 | \$ 1,855,876 |
| - | - | - | 143,332 | - |
| - | - | - | 4,000 | - |
| - | - | - | 336,618 | - |
| - | - | - | - | - |
| <u>\$ 43,276</u> | <u>\$ 4,450</u> | <u>\$ 174,146</u> | <u>\$ 2,546,091</u> | <u>\$ 1,855,876</u> |
| \$ - | \$ - | \$ 4,333 | \$ 1,858 | \$ 268,650 |
| 32,594 | - | - | - | - |
| - | - | - | 1,244,870 | 317,470 |
| - | - | - | 138,694 | - |
| <u>10,682</u> | <u>4,450</u> | <u>169,813</u> | <u>1,160,669</u> | <u>1,269,756</u> |
| <u>\$ 43,276</u> | <u>\$ 4,450</u> | <u>\$ 174,146</u> | <u>\$ 2,546,091</u> | <u>\$ 1,855,876</u> |

STARR COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

SEPTEMBER 30, 2012

(Continued)

| | Detention Center Fund | Motor Vehicle Tax Fund | Tax Assessor Collector Fund |
|--------------------------|-----------------------------|------------------------------|-----------------------------------|
| ASSETS | <hr/> | <hr/> | <hr/> |
| Cash | \$ 213,063 | \$ 429,097 | \$ 199,384 |
| Investments | - | - | - |
| Accounts receivable | - | 28,424 | 48,104 |
| Due from other funds | - | 182 | 26,706 |
| Other assets | - | 216,653 | 154,096 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | \$ 213,063 | \$ 674,356 | \$ 428,290 |
| | <hr/> | <hr/> | <hr/> |
| LIABILITIES | | | |
| Due to other funds | \$ - | \$ 317,708 | \$ 260,647 |
| Due to other governments | - | 356,648 | 51,771 |
| Funds held in escrow | 38,337 | - | - |
| Accounts payable | - | - | - |
| Other liabilities | 174,726 | - | 115,872 |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities | \$ 213,063 | \$ 674,356 | \$ 428,290 |
| | <hr/> | <hr/> | <hr/> |

EXHIBIT H-3

| District Clerk's Fund | District Clerk's Investment Trust Fund | Sheriff's Department Fund | Planning Department Fund | Consolidated Court Cost Fund |
|-----------------------|--|---------------------------|--------------------------|------------------------------|
| \$ 841,950 | \$ - | \$ 684,377 | \$ 265 | \$ 149,932 |
| - | 1,880,117 | 398,168 | - | - |
| - | - | - | - | - |
| - | - | 104,581 | - | 62,494 |
| - | - | - | 13 | - |
| <u>\$ 841,950</u> | <u>\$ 1,880,117</u> | <u>\$ 1,187,126</u> | <u>\$ 278</u> | <u>\$ 212,426</u> |
| \$ 87,844 | \$ - | \$ - | \$ 265 | \$ 50,037 |
| - | - | - | - | 90,508 |
| 754,106 | 1,880,117 | 183,626 | - | - |
| - | - | - | 13 | - |
| - | - | 1,003,500 | - | 71,881 |
| <u>\$ 841,950</u> | <u>\$ 1,880,117</u> | <u>\$ 1,187,126</u> | <u>\$ 278</u> | <u>\$ 212,426</u> |

STARR COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

SEPTEMBER 30, 2012

(Continued)

| | Retirement System Fund | Jury Fund | TNRCC Inspection Fees Fund |
|--------------------------|------------------------------|---------------------|----------------------------------|
| ASSETS | <u> </u> | <u> </u> | <u> </u> |
| Cash | \$ 1,868 | \$ 1,011 | \$ 1,090 |
| Investments | - | - | - |
| Accounts receivable | - | - | - |
| Due from other funds | 137,931 | 8,288 | - |
| Other assets | <u>-</u> | <u>-</u> | <u>100</u> |
| Total assets | <u>\$ 139,799</u> | <u>\$ 9,299</u> | <u>\$ 1,190</u> |
| LIABILITIES | | | |
| Due to other funds | \$ 1,868 | \$ - | \$ 60 |
| Due to other governments | 137,931 | - | 250 |
| Funds held in escrow | - | - | - |
| Accounts payable | - | - | - |
| Other liabilities | <u>-</u> | <u>9,299</u> | <u>880</u> |
| Total liabilities | <u>\$ 139,799</u> | <u>\$ 9,299</u> | <u>\$ 1,190</u> |

EXHIBIT H-3

| Justice of the Peace Fund | Fourth Court of Appeals Fund | Total |
|---------------------------------|------------------------------------|----------------------|
| \$ 54,549 | \$ 179 | \$ 6,734,672 |
| - | - | 2,421,617 |
| - | - | 80,528 |
| - | 368 | 749,071 |
| - | - | 370,862 |
| <u>\$ 54,549</u> | <u>\$ 547</u> | <u>\$ 10,356,750</u> |
| \$ 37,767 | \$ 2 | 1,032,967 |
| - | 368 | 671,981 |
| - | - | 4,418,526 |
| - | - | 138,707 |
| <u>16,782</u> | <u>177</u> | <u>4,094,569</u> |
| <u>\$ 54,549</u> | <u>\$ 547</u> | <u>\$ 10,356,750</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2012

TREASURER'S OFFICE PENDING FORFEITURE

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|--------------------|-------------------------------|-------------|---------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 1,148,477 | \$ - | \$ 1,148,477 | \$ - |
| Total assets | <u>\$ 1,148,477</u> | <u>\$ -</u> | <u>\$ 1,148,477</u> | <u>\$ -</u> |
| LIABILITIES | | | | |
| Other liabilities | \$ 1,148,477 | \$ - | \$ 1,148,477 | \$ - |
| Total liabilities | <u>\$ 1,148,477</u> | <u>\$ -</u> | <u>\$ 1,148,477</u> | <u>\$ -</u> |

229th JUDICIAL DISTRICT PROBATION FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|--------------------------|-------------------------------|-------------------|-------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 92,590 | \$ 389,093 | \$ 438,407 | \$ 43,276 |
| Accounts receivable | 17 | - | 17 | - |
| Due from other funds | 2,943 | - | 2,943 | - |
| Total assets | <u>\$ 95,550</u> | <u>\$ 389,093</u> | <u>\$ 441,367</u> | <u>\$ 43,276</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ - | \$ - | \$ - | \$ - |
| Due to other governments | 85,006 | 388,938 | 441,350 | 32,594 |
| Other liabilities | 10,544 | 155 | 17 | 10,682 |
| Total liabilities | <u>\$ 95,550</u> | <u>\$ 389,093</u> | <u>\$ 441,367</u> | <u>\$ 43,276</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2012
(Continued)

JUVENILE PROBATION & RESTITUTION FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|--------------------|-------------------------------|-----------------|-----------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 3,817 | \$ 4,259 | \$ 3,626 | \$ 4,450 |
| Total assets | <u>\$ 3,817</u> | <u>\$ 4,259</u> | <u>\$ 3,626</u> | <u>\$ 4,450</u> |
| LIABILITIES | | | | |
| Other liabilities | \$ 3,817 | \$ 4,259 | \$ 3,626 | \$ 4,450 |
| Total liabilities | <u>\$ 3,817</u> | <u>\$ 4,259</u> | <u>\$ 3,626</u> | <u>\$ 4,450</u> |

COUNTY ATTORNEY FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|----------------------|-------------------------------|-------------------|-------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 84,487 | \$ 354,028 | \$ 264,369 | \$ 174,146 |
| Accounts receivable | 1 | - | 1 | - |
| Due from other funds | 32,005 | - | 32,005 | - |
| Total assets | <u>\$ 116,493</u> | <u>\$ 354,028</u> | <u>\$ 296,375</u> | <u>\$ 174,146</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ 4,333 | \$ - | \$ - | \$ 4,333 |
| Other liabilities | 112,160 | 354,028 | 296,375 | 169,813 |
| Total liabilities | <u>\$ 116,493</u> | <u>\$ 354,028</u> | <u>\$ 296,375</u> | <u>\$ 174,146</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2012

(Continued)

DISTRICT ATTORNEY FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|-----------------------|-------------------------------|---------------------|---------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 2,503,422 | \$ 1,644,655 | \$ 2,085,936 | \$ 2,062,141 |
| Investments | 142,657 | 675 | - | 143,332 |
| Due from other funds | 334,000 | 2,618 | - | 336,618 |
| Accounts receivable | - | 4,000 | - | 4,000 |
| Total assets | <u>\$ 2,980,079</u> | <u>\$ 1,651,948</u> | <u>\$ 2,085,936</u> | <u>\$ 2,546,091</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 15,184 | \$ 138,695 | \$ 15,185 | \$ 138,694 |
| Due to other funds | 34,499 | 1,858 | 34,499 | 1,858 |
| Funds held for others | 1,291,133 | 758,220 | 804,483 | 1,244,870 |
| Other liabilities | 1,639,263 | 753,175 | 1,231,769 | 1,160,669 |
| Total liabilities | <u>\$ 2,980,079</u> | <u>\$ 1,651,948</u> | <u>\$ 2,085,936</u> | <u>\$ 2,546,091</u> |

COUNTY CLERK FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|-----------------------|-------------------------------|---------------------|---------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 1,878,008 | \$ 1,271,839 | \$ 1,293,971 | \$ 1,855,876 |
| Total assets | <u>\$ 1,878,008</u> | <u>\$ 1,271,839</u> | <u>\$ 1,293,971</u> | <u>\$ 1,855,876</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ 543,459 | \$ 217,610 | \$ 492,419 | \$ 268,650 |
| Funds held for others | 315,572 | 2,506 | 608 | 317,470 |
| Other liabilities | 1,018,977 | 1,051,723 | 800,944 | 1,269,756 |
| Total liabilities | <u>\$ 1,878,008</u> | <u>\$ 1,271,839</u> | <u>\$ 1,293,971</u> | <u>\$ 1,855,876</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2012

(Continued)

DETENTION CENTER FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|-----------------------|-------------------------------|---------------------|-------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 185,295 | \$ 1,024,674 | \$ 996,906 | \$ 213,063 |
| Total assets | <u>\$ 185,295</u> | <u>\$ 1,024,674</u> | <u>\$ 996,906</u> | <u>\$ 213,063</u> |
| LIABILITIES | | | | |
| Funds held for others | \$ 12,915 | \$ 683,620 | \$ 658,198 | \$ 38,337 |
| Other liabilities | 172,380 | 341,054 | 338,708 | 174,726 |
| Total liabilities | <u>\$ 185,295</u> | <u>\$ 1,024,674</u> | <u>\$ 996,906</u> | <u>\$ 213,063</u> |

MOTOR VEHICLE TAX FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|--------------------------|-------------------------------|---------------------|---------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 739,867 | \$ 7,277,964 | \$ 7,588,734 | \$ 429,097 |
| Accounts receivable | 28,191 | 374 | 141 | 28,424 |
| Due from other funds | 183 | - | 1 | 182 |
| Other assets | - | 216,653 | - | 216,653 |
| Total assets | <u>\$ 768,241</u> | <u>\$ 7,494,991</u> | <u>\$ 7,588,876</u> | <u>\$ 674,356</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ 71,788 | \$ 317,708 | \$ 71,788 | \$ 317,708 |
| Due to other governments | 487,557 | 356,648 | 487,557 | 356,648 |
| Other liabilities | 208,896 | 6,820,635 | 7,029,531 | - |
| Total liabilities | <u>\$ 768,241</u> | <u>\$ 7,494,991</u> | <u>\$ 7,588,876</u> | <u>\$ 674,356</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2012
(Continued)

TAX ASSESSOR COLLECTOR FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|--------------------------|-------------------------------|----------------------|----------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 214,099 | \$ 20,820,743 | \$ 20,835,458 | \$ 199,384 |
| Accounts receivable | 48,104 | - | - | 48,104 |
| Due from other funds | 23,633 | 42,530 | 39,457 | 26,706 |
| Other assets | 144,550 | 15,868 | 6,322 | 154,096 |
| Total assets | <u>\$ 430,386</u> | <u>\$ 20,879,141</u> | <u>\$ 20,881,237</u> | <u>\$ 428,290</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ 257,563 | \$ 13,480,722 | \$ 13,477,638 | \$ 260,647 |
| Due to other governments | 57,434 | 6,946,631 | 6,952,294 | 51,771 |
| Other liabilities | 115,389 | 451,788 | 451,305 | 115,872 |
| Total liabilities | <u>\$ 430,386</u> | <u>\$ 20,879,141</u> | <u>\$ 20,881,237</u> | <u>\$ 428,290</u> |

DISTRICT CLERK'S FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|-----------------------|-------------------------------|-------------------|-------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 816,774 | \$ 274,561 | \$ 249,385 | \$ 841,950 |
| Total assets | <u>\$ 816,774</u> | <u>\$ 274,561</u> | <u>\$ 249,385</u> | <u>\$ 841,950</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ 162,195 | \$ 87,844 | \$ 162,195 | \$ 87,844 |
| Funds held for others | 654,579 | 186,717 | 87,190 | 754,106 |
| Total liabilities | <u>\$ 816,774</u> | <u>\$ 274,561</u> | <u>\$ 249,385</u> | <u>\$ 841,950</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2012

(Continued)

DISTRICT CLERK'S INVESTMENT TRUST FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|-----------------------|-------------------------------|-------------------|-------------------|----------------------------------|
| ASSETS | | | | |
| Investments | \$ 1,855,137 | \$ 144,091 | \$ 119,111 | \$ 1,880,117 |
| Total assets | <u>\$ 1,855,137</u> | <u>\$ 144,091</u> | <u>\$ 119,111</u> | <u>\$ 1,880,117</u> |
| LIABILITIES | | | | |
| Funds held for others | \$ 1,855,137 | \$ 144,091 | \$ 119,111 | \$ 1,880,117 |
| Total liabilities | <u>\$ 1,855,137</u> | <u>\$ 144,091</u> | <u>\$ 119,111</u> | <u>\$ 1,880,117</u> |

SHERIFF'S DEPARTMENT FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|-----------------------|-------------------------------|-------------------|-------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 618,233 | \$ 615,851 | \$ 549,707 | \$ 684,377 |
| Investments | 397,171 | 997 | - | 398,168 |
| Due from other funds | 152,157 | 59,458 | 107,034 | 104,581 |
| Total assets | <u>\$ 1,167,561</u> | <u>\$ 676,306</u> | <u>\$ 656,741</u> | <u>\$ 1,187,126</u> |
| LIABILITIES | | | | |
| Funds held for others | \$ 177,899 | \$ 6,527 | \$ 800 | \$ 183,626 |
| Other liabilities | 989,662 | 669,779 | 655,941 | 1,003,500 |
| Total liabilities | <u>\$ 1,167,561</u> | <u>\$ 676,306</u> | <u>\$ 656,741</u> | <u>\$ 1,187,126</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2012

(Continued)

PLANNING DEPARTMENT FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|--------------------|-------------------------------|-----------------|-----------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 339 | \$ 989 | \$ 1,063 | \$ 265 |
| Other assets | 100 | 13 | 100 | 13 |
| Total assets | <u>\$ 439</u> | <u>\$ 1,002</u> | <u>\$ 1,163</u> | <u>\$ 278</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 100 | \$ 1,001 | \$ 1,088 | \$ 13 |
| Due to other funds | 339 | 1 | 75 | 265 |
| Total liabilities | <u>\$ 439</u> | <u>\$ 1,002</u> | <u>\$ 1,163</u> | <u>\$ 278</u> |

CONSOLIDATED COURT COST FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|--------------------------|-------------------------------|-------------------|-------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 95,039 | \$ 372,377 | \$ 317,484 | \$ 149,932 |
| Due from other funds | 131,872 | 62,494 | 131,872 | 62,494 |
| Total assets | <u>\$ 226,911</u> | <u>\$ 434,871</u> | <u>\$ 449,356</u> | <u>\$ 212,426</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ 14,064 | \$ 50,037 | \$ 14,064 | \$ 50,037 |
| Due to other governments | 54,325 | 339,568 | 303,385 | 90,508 |
| Other liabilities | 158,522 | 45,266 | 131,907 | 71,881 |
| Total liabilities | <u>\$ 226,911</u> | <u>\$ 434,871</u> | <u>\$ 449,356</u> | <u>\$ 212,426</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2012

(Continued)

RETIREMENT SYSTEM FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|--------------------------|-------------------------------|---------------------|---------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 1,821 | \$ 1,726,448 | \$ 1,726,401 | \$ 1,868 |
| Due from other funds | 127,786 | 137,931 | 127,786 | 137,931 |
| Total assets | <u>\$ 129,607</u> | <u>\$ 1,864,379</u> | <u>\$ 1,854,187</u> | <u>\$ 139,799</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ 1,821 | \$ 47 | \$ - | \$ 1,868 |
| Due to other governments | 127,786 | 1,864,332 | 1,854,187 | 137,931 |
| Total liabilities | <u>\$ 129,607</u> | <u>\$ 1,864,379</u> | <u>\$ 1,854,187</u> | <u>\$ 139,799</u> |

JUSTICE OF THE PEACE FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|--------------------|-------------------------------|-------------------|-------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 60,148 | \$ 306,650 | \$ 312,249 | \$ 54,549 |
| Total assets | <u>\$ 60,148</u> | <u>\$ 306,650</u> | <u>\$ 312,249</u> | <u>\$ 54,549</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ 28,980 | \$ 29,592 | \$ 20,805 | \$ 37,767 |
| Other liabilities | 31,168 | 277,058 | 291,444 | 16,782 |
| Total liabilities | <u>\$ 60,148</u> | <u>\$ 306,650</u> | <u>\$ 312,249</u> | <u>\$ 54,549</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2012

(Continued)

FOURTH COURT OF APPEALS FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|--------------------------|-------------------------------|-----------------|-----------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 178 | \$ 1,421 | \$ 1,420 | \$ 179 |
| Due from other funds | 992 | 368 | 992 | 368 |
| Total assets | <u>\$ 1,170</u> | <u>\$ 1,789</u> | <u>\$ 2,412</u> | <u>\$ 547</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ 1 | \$ 1 | \$ - | \$ 2 |
| Due to other governments | 992 | 368 | 992 | 368 |
| Other liabilities | 177 | 1,420 | 1,420 | 177 |
| Total liabilities | <u>\$ 1,170</u> | <u>\$ 1,789</u> | <u>\$ 2,412</u> | <u>\$ 547</u> |

TNRCC INSPECTION FEES FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|--------------------------|-------------------------------|-----------------|---------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 777 | \$ 933 | \$ 620 | \$ 1,090 |
| Other Assets | - | 100 | - | 100 |
| Total assets | <u>\$ 777</u> | <u>\$ 1,033</u> | <u>\$ 620</u> | <u>\$ 1,190</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ 57 | \$ 3 | \$ - | \$ 60 |
| Due to other governments | 720 | 150 | 620 | 250 |
| Other liabilities | - | 880 | - | 880 |
| Total liabilities | <u>\$ 777</u> | <u>\$ 1,033</u> | <u>\$ 620</u> | <u>\$ 1,190</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2012

(Continued)

JURY FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|----------------------|-------------------------------|------------------|------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 917 | \$ 29,449 | \$ 29,355 | \$ 1,011 |
| Due from other funds | 9,452 | 4,340 | 5,504 | 8,288 |
| Other Assets | - | - | - | - |
| Total assets | <u>\$ 10,369</u> | <u>\$ 33,789</u> | <u>\$ 34,859</u> | <u>\$ 9,299</u> |
| LIABILITIES | | | | |
| Other liabilities | <u>\$ 10,369</u> | <u>\$ 33,789</u> | <u>\$ 34,859</u> | <u>\$ 9,299</u> |
| Total liabilities | <u>\$ 10,369</u> | <u>\$ 33,789</u> | <u>\$ 34,859</u> | <u>\$ 9,299</u> |

TERTIARY CARE FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|--------------------------|-------------------------------|-----------------|------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 12,509 | \$ 3,866 | \$ 12,456 | \$ 3,919 |
| Due from other funds | 2 | 167 | 2 | 167 |
| Accrued interest | 3 | - | 3 | - |
| Total assets | <u>\$ 12,514</u> | <u>\$ 4,033</u> | <u>\$ 12,461</u> | <u>\$ 4,086</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ 8,843 | \$ 1,928 | \$ 8,843 | \$ 1,928 |
| Due to other governments | 3,611 | 1,911 | 3,611 | 1,911 |
| Other liabilities | 60 | 194 | 7 | 247 |
| Total liabilities | <u>\$ 12,514</u> | <u>\$ 4,033</u> | <u>\$ 12,461</u> | <u>\$ 4,086</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2012

(Continued)

BORDER AREA NARCOTICS TASK FORCE FORFEITURE FUND

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|----------------------|-------------------------------|--------------|-------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 14,061 | \$ 38 | \$ - | \$ 14,099 |
| Due from other funds | 71,736 | - | - | 71,736 |
| Total assets | <u>\$ 85,797</u> | <u>\$ 38</u> | <u>\$ -</u> | <u>\$ 85,835</u> |
| LIABILITIES | | | | |
| Other liabilities | \$ 85,797 | \$ 38 | \$ - | \$ 85,835 |
| Total liabilities | <u>\$ 85,797</u> | <u>\$ 38</u> | <u>\$ -</u> | <u>\$ 85,835</u> |

TOTAL ALL AGENCY FUNDS

| | Balance October 1, 2011 | Additions | Deletions | Balance September 30, 2012 |
|--------------------------|-------------------------------|----------------------|----------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 8,470,858 | \$ 36,119,838 | \$ 37,856,024 | 6,734,672 |
| Investments | 2,394,965 | 145,763 | 119,111 | 2,421,617 |
| Accounts receivable | 76,313 | 4,374 | 159 | 80,528 |
| Due from other funds | 886,761 | 309,906 | 447,595 | 749,072 |
| Other assets | 144,653 | 232,634 | 6,426 | 370,861 |
| Total assets | <u>\$ 11,973,550</u> | <u>\$ 36,812,515</u> | <u>\$ 38,429,315</u> | <u>\$ 10,356,750</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ 1,127,942 | \$ 14,187,351 | \$ 14,282,326 | \$ 1,032,967 |
| Due to other governments | 817,431 | 9,898,546 | 10,043,996 | 671,981 |
| Funds held for others | 4,307,235 | 1,781,681 | 1,670,390 | 4,418,526 |
| Accounts payable | 15,284 | 139,696 | 16,273 | 138,707 |
| Other liabilities | 5,705,658 | 10,805,241 | 12,416,330 | 4,094,569 |
| Total liabilities | <u>\$ 11,973,550</u> | <u>\$ 36,812,515</u> | <u>\$ 38,429,315</u> | <u>\$ 10,356,750</u> |

(This Page Intentionally Left Blank.)

STATISTICAL SECTION

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

GOVERNMENT-WIDE EXPENSES BY FUNCTION

LAST FIVE FISCAL YEARS

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General government | \$ 4,375,255 | \$ 4,404,871 | \$ 4,300,927 | \$ 4,129,942 | \$ 2,267,203 |
| Public safety | 7,684,312 | 8,856,855 | 9,638,550 | 7,210,242 | 8,416,981 |
| Judicial | 1,853,411 | 1,894,959 | 1,789,592 | 1,687,339 | 1,682,336 |
| Highways and streets | 6,241,011 | 5,215,276 | 4,303,463 | 5,515,096 | 4,018,216 |
| Public facilities | 487,984 | 187,595 | 504,138 | 615,719 | 269,806 |
| Financial administration | 1,003,118 | 1,012,007 | 959,983 | 868,642 | 936,030 |
| Legal | 842,171 | 877,144 | 872,656 | 879,804 | 906,133 |
| Health and welfare | 1,863,440 | 2,034,081 | 2,114,439 | 1,585,616 | 1,186,481 |
| Conservation and agriculture | 135,432 | 137,870 | 138,473 | 126,889 | 132,642 |
| Debt service - interest on debt | <u>135,227</u> | <u>149,418</u> | <u>163,794</u> | <u>179,343</u> | <u>194,307</u> |
| TOTAL | <u>\$ 24,621,361</u> | <u>\$ 24,770,076</u> | <u>\$ 24,786,015</u> | <u>\$ 22,798,632</u> | <u>\$ 20,010,135</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY

GOVERNMENT-WIDE REVENUES

LAST FIVE FISCAL YEARS

| Fiscal Year | PROGRAM REVENUES | | GENERAL REVENUES | | | |
|-------------|----------------------|------------------------------------|------------------|------------|------------|---------------|
| | Charges for Services | Operating Grants and Contributions | Taxes | Interest | Transfers | Miscellaneous |
| 2012 | \$ 5,240,410 | \$ 6,280,525 | \$ 13,272,267 | \$ 144,822 | \$ 341,960 | \$ 139,482 |
| 2011 | 5,055,300 | 6,252,054 | 14,786,755 | 62,053 | 640,000 | 117,843 |
| 2010 | 4,099,023 | 7,961,436 | 15,444,660 | 93,409 | 585,000 | 336,197 |
| 2009 | 5,171,144 | 8,110,453 | 14,274,890 | 226,951 | 912,138 | 211,724 |
| 2008 | 3,885,077 | 6,314,610 | 13,117,309 | 388,802 | 996,110 | 208,272 |

STARR COUNTY, TEXAS

EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES

LAST TEN FISCAL YEARS
(Unaudited)

| FUNCTION | 2012 | 2011 | 2010 | 2009 |
|---|----------------------|----------------------|----------------------|----------------------|
| General administration | \$ 4,213,406 | \$ 4,149,013 | \$ 4,024,041 | \$ 3,879,843 |
| Judicial & elections | 1,723,080 | 1,777,550 | 1,674,382 | 1,585,159 |
| Financial administration | 932,579 | 949,369 | 898,181 | 816,038 |
| Legal | 789,206 | 833,176 | 860,782 | 826,530 |
| Public facilities | 495,884 | 426,286 | 488,704 | 639,526 |
| Public safety | 8,870,737 | 8,992,178 | 7,698,821 | 8,345,403 |
| Health and welfare | 1,795,076 | 2,081,892 | 2,057,292 | 1,577,451 |
| Culture and recreation | - | - | - | - |
| Conservation-agriculture | 125,909 | 129,315 | 129,558 | 119,205 |
| Highways and streets (maintenance of county roads and bridges) | 6,734,617 | 6,739,625 | 7,751,392 | 7,853,428 |
| Debt service | 570,227 | 564,418 | 568,794 | 579,343 |
| Totals | <u>\$ 26,250,721</u> | <u>\$ 26,642,822</u> | <u>\$ 26,151,947</u> | <u>\$ 26,221,926</u> |

| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|----|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ | 2,645,769 | \$ 3,026,064 | \$ 2,569,712 | \$ 2,118,420 | \$ 2,072,442 | \$ 1,609,169 |
| | 1,581,696 | 1,495,697 | 1,501,386 | 1,384,291 | 1,275,016 | 1,211,682 |
| | 878,133 | 860,657 | 692,235 | 626,288 | 639,198 | 624,536 |
| | 853,054 | 788,795 | 725,854 | 668,526 | 603,140 | 592,531 |
| | 607,847 | 2,158,352 | 1,323,055 | 524,443 | 282,010 | 652,881 |
| | 8,027,559 | 7,755,892 | 8,480,825 | 6,278,599 | 5,794,984 | 5,758,816 |
| | 1,193,659 | 1,394,654 | 1,492,342 | 1,250,906 | 751,587 | 554,396 |
| | - | 30,000 | 64,993 | 64,153 | 60,440 | 55,970 |
| | 122,481 | 120,809 | 112,287 | 103,099 | 107,555 | 104,661 |
| | 8,421,327 | 7,259,489 | 4,379,117 | 4,245,517 | 4,912,917 | 3,209,032 |
| | 584,307 | 206,963 | 585,052 | 608,128 | 265,708 | 294,241 |
| | <u>\$ 24,915,832</u> | <u>\$ 25,097,372</u> | <u>\$ 21,926,858</u> | <u>\$ 17,872,370</u> | <u>\$ 16,764,997</u> | <u>\$ 14,667,915</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

REVENUES BY SOURCES
ALL GOVERNMENTAL FUND TYPES

LAST TEN FISCAL YEARS
(Unaudited)

| Fiscal Year Ended | Taxes | Intergovernmental | Charges for Services | Fines and Forfeitures | Interest | Miscellaneous | Total |
|-------------------|---------------|-------------------|----------------------|-----------------------|------------|---------------|---------------|
| 2012 | \$ 12,745,423 | \$ 6,280,525 | \$ 4,210,726 | \$ 1,029,684 | \$ 144,824 | \$ 139,482 | \$ 24,550,664 |
| 2011 | 14,415,352 | 6,252,054 | 4,366,583 | 688,717 | 62,053 | 117,843 | 25,902,602 |
| 2010 | 14,565,934 | 7,961,436 | 3,405,345 | 694,278 | 93,409 | 336,197 | 27,056,599 |
| 2009 | 14,002,629 | 8,110,453 | 4,401,070 | 770,074 | 226,951 | 211,724 | 27,722,901 |
| 2008 | 12,572,737 | 6,314,610 | 3,238,928 | 646,149 | 388,802 | 208,272 | 23,369,498 |
| 2007 | 11,766,794 | 6,531,878 | 3,308,850 | 725,059 | 561,467 | 766,793 | 23,660,841 |
| 2006 | 10,411,326 | 4,523,558 | 3,096,292 | 599,866 | 366,302 | 187,770 | 19,185,114 |
| 2005 | 9,673,918 | 2,784,656 | 3,463,176 | 489,767 | 134,847 | 130,321 | 16,676,685 |
| 2004 | 7,977,154 | 3,234,224 | 3,595,908 | 384,195 | 73,821 | 141,904 | 15,407,206 |
| 2003 | 7,568,740 | 1,623,003 | 4,581,221 | 369,128 | 83,694 | 255,662 | 14,481,448 |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

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

LAST TEN FISCAL YEARS
(Unaudited)

| Fiscal Year Ended | Debt Principal | Interest & Fiscal Charges | Total Debt Services | Total General Fund Expenditures | Ratio of Debt Service to General Fund Expenditures |
|-------------------------|-------------------|---------------------------------|---------------------------|---------------------------------------|---|
| 2012 | \$ 435,000 | \$ 135,227 | \$ 570,227 | \$ 14,791,025 | 3.86% |
| 2011 | 415,000 | 149,418 | 564,418 | 14,880,925 | 3.79% |
| 2010 | 405,000 | 163,794 | 568,794 | 14,366,526 | 3.96% |
| 2009 | 400,000 | 179,343 | 579,343 | 13,499,786 | 4.29% |
| 2008 | 390,000 | 194,307 | 584,307 | 13,464,747 | 4.34% |
| 2007 | 375,000 | 206,963 | 581,963 | 13,021,431 | 4.47% |
| 2006 | 365,000 | 220,052 | 585,052 | 12,005,751 | 4.87% |
| 2005 | 425,000 | 183,128 | 608,128 | 11,003,547 | 5.53% |
| 2004 | 252,000 | 13,708 | 265,708 | 10,526,600 | 2.52% |
| 2003 | 267,000 | 27,241 | 294,241 | 10,077,368 | 2.92% |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

PROPERTY TAX RATES

LAST TEN FISCAL YEARS
(Unaudited)

| <u>Fiscal Year</u> | <u>Operating Funds</u> | <u>Limited Tax Bonds</u> | <u>Total Constitutional Tax Levy</u> | <u>FM and Lateral Road Tax</u> | <u>Drainage District</u> | <u>Total Tax Rate</u> |
|--------------------|------------------------|--------------------------|--------------------------------------|--------------------------------|--------------------------|-----------------------|
| 2012 | \$ 0.4601 | \$ 0.0300 | \$ 0.4901 | \$ 0.1891 | \$ 0.0200 | \$ 0.6992 |
| 2011 | 0.4601 | 0.0300 | 0.4901 | 0.1891 | 0.0200 | 0.6992 |
| 2010 | 0.4817 | 0.0387 | 0.5204 | 0.1788 | - | 0.6992 |
| 2009 | 0.4740 | 0.0400 | 0.5140 | 0.1852 | - | 0.6992 |
| 2008 | 0.4740 | 0.0400 | 0.5140 | 0.1852 | - | 0.6992 |
| 2007 | 0.4010 | 0.0400 | 0.4410 | 0.1682 | - | 0.6092 |
| 2006 | 0.4010 | 0.0450 | 0.4460 | 0.1684 | - | 0.6144 |
| 2005 | 0.4010 | 0.0450 | 0.4460 | 0.1684 | - | 0.6144 |
| 2004 | 0.4224 | 0.0459 | 0.4683 | 0.1611 | - | 0.6294 |
| 2003 | 0.3909 | 0.0459 | 0.4368 | 0.1489 | - | 0.5857 |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

ASSESSED VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(Unaudited)

| <u>Fiscal Year Ended September 30,</u> | <u>Real Property</u> | <u>Personal Property</u> | <u>Mineral and Intangible</u> | <u>Total</u> |
|--|----------------------|------------------------------|-----------------------------------|------------------|
| 2012 | \$ - | \$ - | \$ - | \$ 1,965,793,690 |
| 2011 | - | - | - | 2,198,955,570 |
| 2010 | - | - | - | 2,239,204,500 |
| 2009 | - | - | - | 2,022,845,390 |
| 2008 | - | - | - | 1,905,018,980 |
| 2007 | - | - | - | 1,998,393,440 |
| 2006 | - | - | - | 1,777,321,100 |
| 2005 | - | - | - | 1,599,742,190 |
| 2004 | - | - | - | 1,328,503,200 |
| 2003 | - | - | - | 1,364,019,670 |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

DEMOGRAPHIC INFORMATION

Year Ended September 30, 2012
(Unaudited)

Starr County, Texas was organized in 1848 from Nueces County and was named for Dr. J.H. Starr, a secretary of treasury of the Republic of Texas.

Area: 1,223.2 square miles

Annual rainfall: 21.6 inches

Temperature ranges: 44.5 degrees in January and 99.1 degrees in July

Population: 61,048

Growing season: 314 days

Physical features are rolling surfaces, some hills, dense brush, clay, loam, sandy soils, alluvial on the Rio Grande River. The Falcon Reservoir is located in the County. Altitudes vary from 125 to 531 feet.

Recreation includes the following: Falcon Reservoir activities; deer, whitewing dove hunting; access to Mexico; historical houses; grotto at Rio Grande City; Roma Fest in November.

With respect to minerals, there is the production of oil, natural gas, sand and gravel.

Principal cities are Rio Grande City (13,966) (the county seat), La Grulla (1,636), and Roma-Los Saenz (9,873).

Principal towns include Escobares (1,203), La Casita-Garciasville (2,177), Las Lomas (3,147), La Victoria (1,738), and La Rosita (1,757).

Agriculture income is derived mostly from crops, including sorghum, cotton, and vegetables; also from beef and fed cattle; substantial irrigation for vegetables.

Principal business includes vegetable packing, shipping, other agribusinesses; oil production; tourism; and government services.

Race/Ethnicity (In percent) includes the following: Anglo, 3.37; Black, 0.30; Hispanic, 95.94; Asian, 0.29; Other, 0.10.

Note: The above information was obtained from the 2010 Texas Almanac and the U.S. Census Bureau, Population Division (Annual Estimates of Resident Population: April 1, 2011 to July 1, 2011).

(This Page Intentionally Left Blank.)

FEDERAL AWARDS SECTION

(This Page Intentionally Left Blank.)



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

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

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

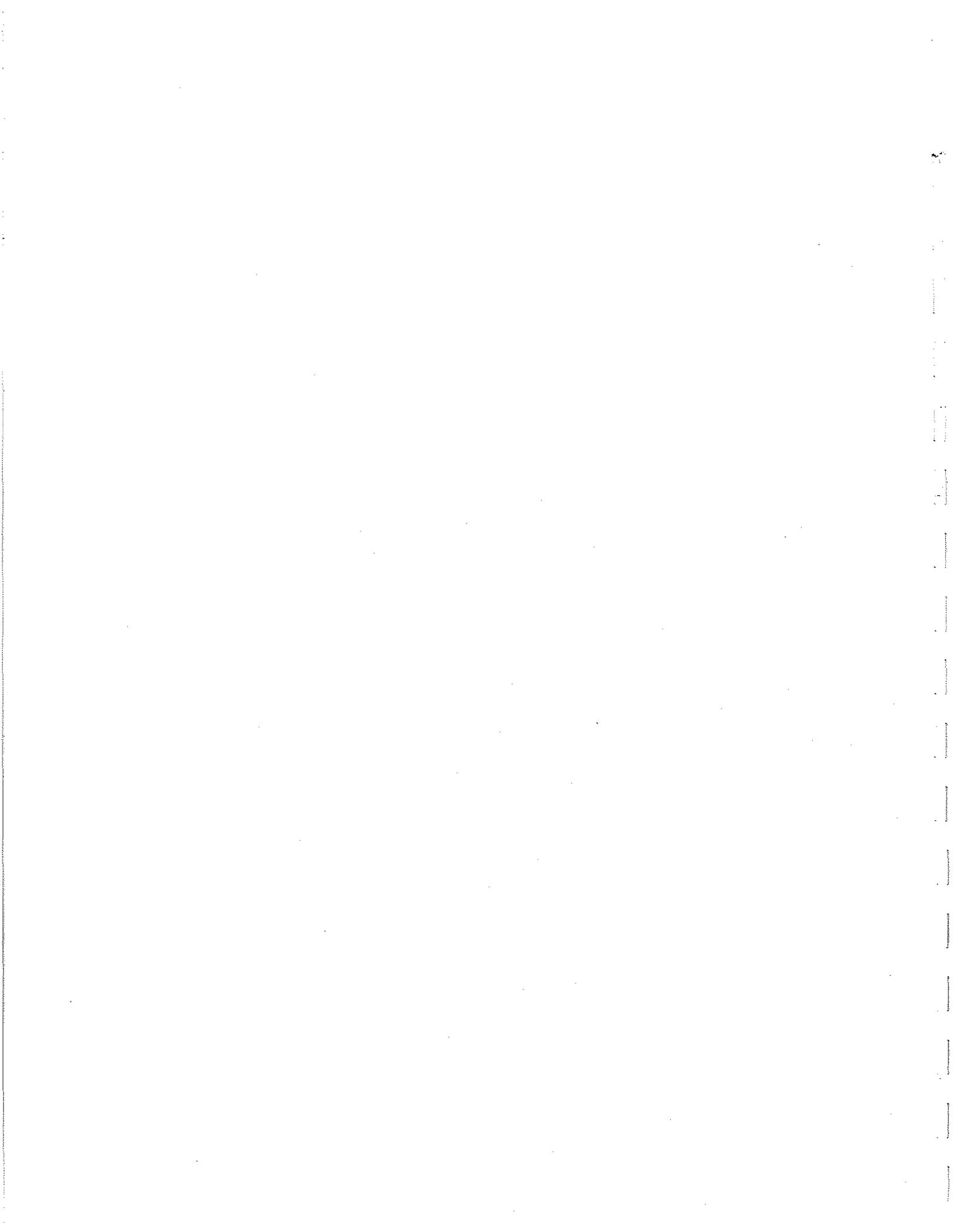
We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Starr County, Texas, as of and for the year ended September 30, 2012, which collectively comprise the Starr County, Texas' basic financial statements and have issued our report thereon dated June 21, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Starr County, Texas, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Starr County, Texas' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Starr County, Texas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Starr County, Texas' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting [2012-01, 2012-02, 2012-03, 2011-02, 2011-03, and 2011-04]. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether Starr County, Texas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items [2012-02 and 2011-01].

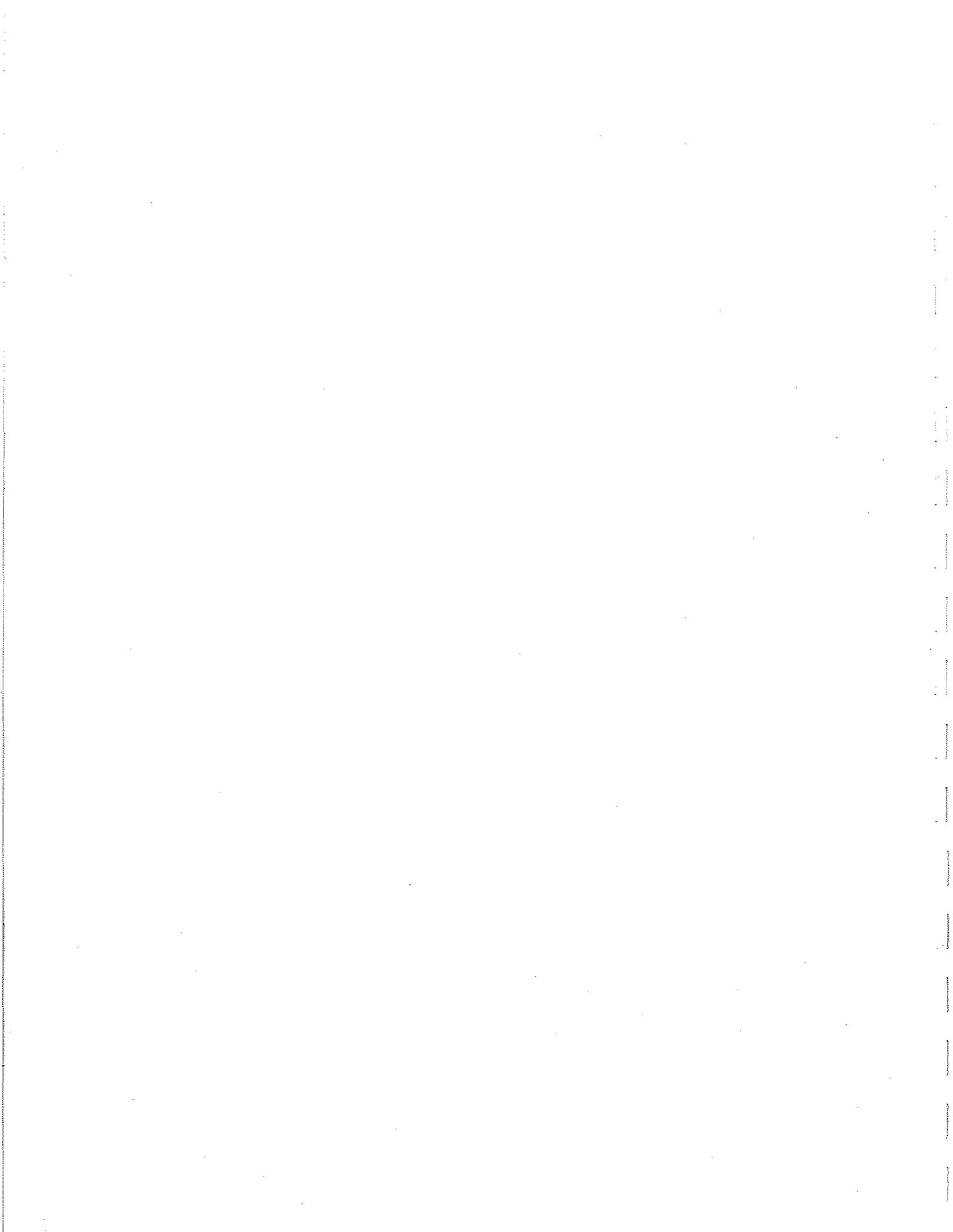
We noted certain matters that we reported to the management of Starr County, Texas, in a separate letter dated June 21, 2013.

Starr County, Texas' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Starr County, Texas' response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, commissioners' court, others within the entity, federal awarding agencies, state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Brent Dill, CPA

June 21, 2013





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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

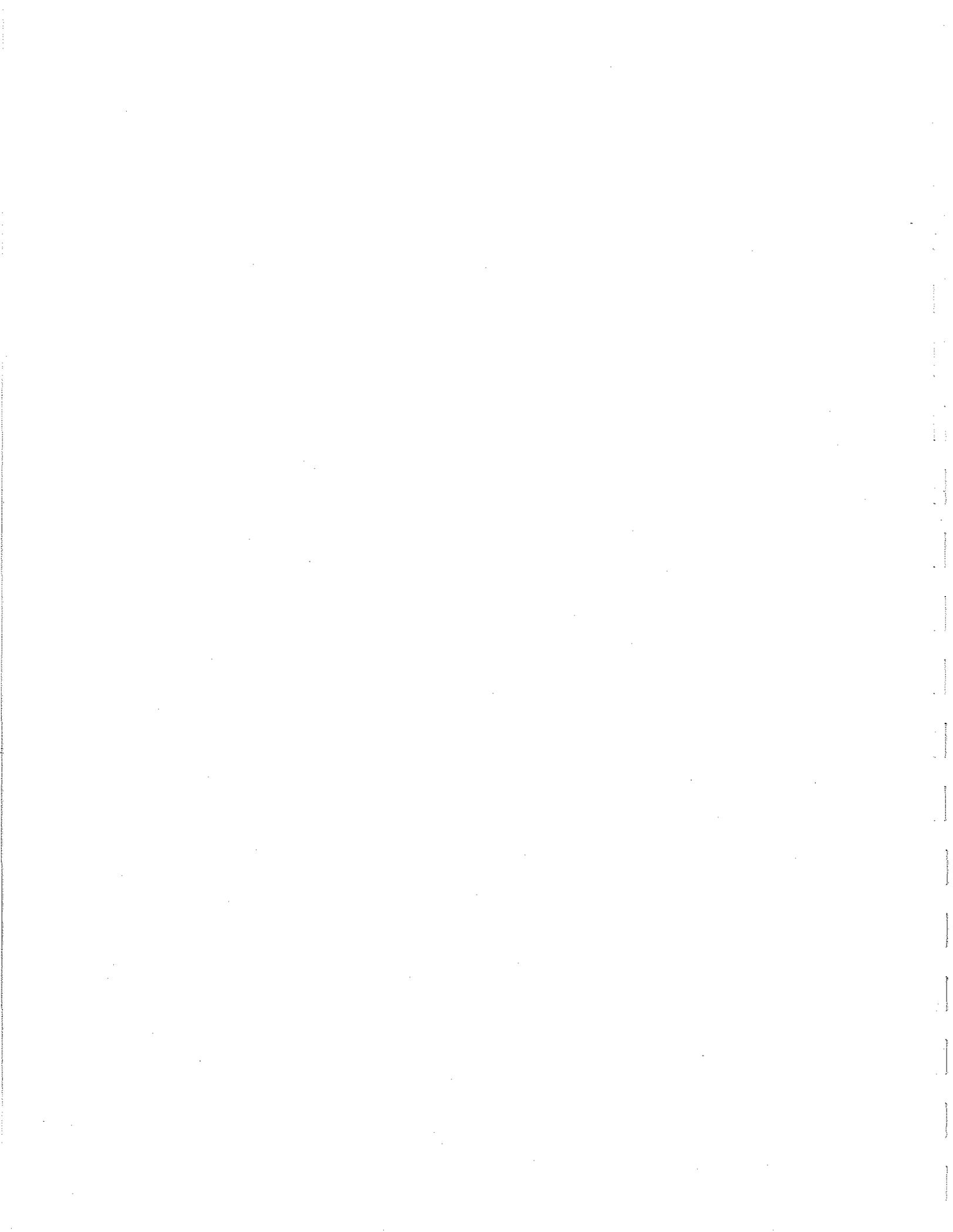
We have audited Starr County, Texas' compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Starr County, Texas' major federal programs for the year ended September 30, 2012. Starr County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Starr County, Texas' management. Our responsibility is to express an opinion on Starr County, Texas' compliance based on our audit.

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

In our opinion, Starr County, Texas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item [2012-04 and 2012-05].

Internal Control Over Compliance

Management of Starr County, Texas, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Starr County, Texas' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Starr County, Texas' internal control over compliance.



A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

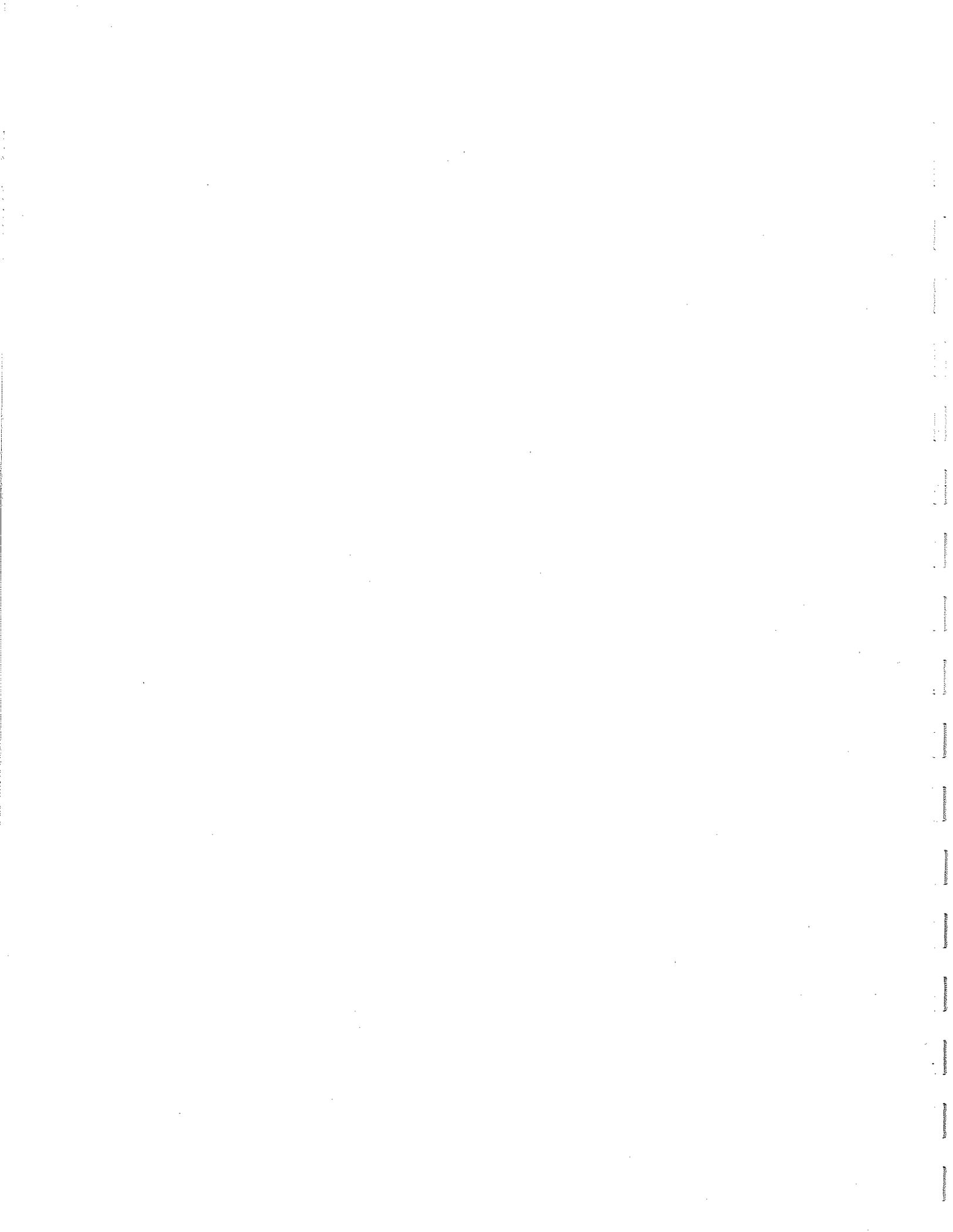
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did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

Starr County, Texas' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Starr County, Texas' responses and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Pattillo, Brown & Hill, C.P.

June 21, 2013



STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

I. Summary of Auditors' Results

| | |
|--|--|
| Type of report on financial statements | Unqualified |
| Internal control over financial reporting: Material weakness(es) identified? | None reported. |
| Significant deficiencies identified that are not considered to be material weakness(es)? | Yes. |
| Internal control over major programs: Material weakness(es) identified? | None reported. |
| Significant deficiencies identified that are not considered to be material weakness(es)? | Yes. |
| Noncompliance which is material to the basic financial statements | None reported. |
| Type of report on compliance with major programs | Unqualified. |
| Findings and questioned costs for federal awards as defined in Section 501(a), OMB Circular A-133 and the State of Texas Single Audit Circular | Yes. |
| Dollar threshold considered between Type A and Type B federal programs | \$300,000 |
| Dollar threshold considered between Type A and Type B state programs | \$300,000 |
| Low risk auditee statement | No. |
| Major federal programs | CFDA #14.239 – Home Program CFDA #97.067 – Homeland Security Grant Program CFDA #99.999 – HIDTA Grants |
| Major state programs | TX-DOT Border Colonia Access 3 rd Call |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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

Finding 2012-01

Bank Reconciliations

Criteria:

The management of Starr County, Texas is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations and contracts.

Condition:

Some Agency Funds reported within the County's annual financial report do not prepare bank reconciliations on a monthly basis for their bank accounts.

Questioned Cost:

Questioned costs could not be quantified because the finding does not relate to specific dollar amounts.

Effect:

The County is unable to reconcile the bank accounts to the general ledger monthly.

Recommendation:

Bank reconciliations should be prepared and reviewed in a timely manner in order to ensure that errors or irregularities are detected and corrected. We recommend the County establish and adhere to deadlines for the preparation of the bank reconciliations on a monthly basis. The monthly reconciliations should be completed prior to the end of the subsequent month to ensure that errors do not go undetected for periods of time.

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|-------------------------|--|
| <i>Finding 2012-02</i> | <i>Procurement</i> |
| <i>Criteria:</i> | The management of Starr County, Texas is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations and contracts. |
| <i>Condition:</i> | During our testing we found several instances where the procurement of goods/services did not included competitive quotes or sealed bids, when required. The County did not document that its procurement procedures provided for full and open competition. |
| <i>Questioned Cost:</i> | Questioned costs could not be quantified because the finding does not relate to specific dollar amounts. |
| <i>Effect:</i> | As a result, the County is not in compliance with the state's requirements regarding procurement's full and open competition. |
| <i>Recommendation:</i> | We recommend that the County adhere to the guidelines established by the State of Texas for documenting procurement procedures. |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|-------------------------------|--|
| <i><u>Finding 2012-03</u></i> | <i>Agency Funds</i> |
| <i>Criteria:</i> | The management of Starr County, Texas is responsible for establishing and maintaining effective internal control over financial reporting with requirements of laws, regulations and contracts. |
| <i>Condition:</i> | We found that most Agency Fund trial balances prepared for each fiscal year end are not compiled from individual transactions in a general ledger or compiled from cash receipts and disbursements. The trial balances for each year are prepared via journal entries based on activity reported by individual Agency Funds via monthly reports presented to the Commissioners' Court or directly to the County Auditor. |
| <i>Questioned Cost:</i> | Questioned costs could not be quantified, as they do not apply to the conditions / finding being reported. |
| <i>Effect:</i> | Per discussions with the County Auditor, we were informed that the trial balances for the Tax Assessor Collector Fund and the Motor Vehicle Tax Fund for the fiscal year ended September 30, 2012 is not accurate. An account named "Other Assets" is being carried on the books and is being used to offset unreconciled differences in the Tax Assessor Collector Fund and the Motor Vehicle Tax Fund. |
| <i>Recommendation:</i> | We recommend that Starr County employ the use of a general ledger to account for the activity in the Tax Assessor Collector's Office. A trial balance should be maintained, reviewed and reconciled on a monthly basis. These additional procedures will help ensure that issues are timely brought to the Commissioners Court's attention and will also allow management to take corrective action in a timely basis and also reduce the likelihood of abuse. These additional procedures will also do away with the need to prepare a trial balance with the use of journal entries. |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

III. Findings and Questioned Costs for Federal and State Awards

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|-------------------------------|--|
| <i><u>Finding 2012-04</u></i> | <i>Procurement</i> |
| CFDA #14.239 | Home Program (passed through the Office of Rural and Community Affairs) |
| <i>Criteria:</i> | The management of Starr County, Texas is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations and contracts. |
| <i>Condition:</i> | During our testing we found two instances where the procurement of goods/services did not document the County's procedures that provide for full and open competition. The County did not follow sealed bid procedures for one grant expenditures that each exceeded \$50,000. |
| <i>Questioned Cost:</i> | \$69,500 |
| <i>Effect:</i> | As a result, the County is not in compliance with the grant's requirements and the OMB Circular A-133 Compliance Supplement. |
| <i>Recommendation:</i> | We recommend that the County adhere to the guidelines established for all federally funded programs and properly document its procurement procedures. |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

III. Findings and Questioned Costs for Federal and State Awards

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|-------------------------------|---|
| <i><u>Finding 2012-05</u></i> | <i>Procurement</i> |
| CFDA #97.067 | Homeland Security Grants - Operation Stonegarden (Pass through the Office of the Governor) |
| <i>Criteria:</i> | The management of Starr County, Texas is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations and contracts. |
| <i>Condition:</i> | During our testing we found two instances where the procurement of goods/services did not document the County's procedures that provide for full and open competition. The County did not follow sealed bid procedures for four grant expenditures that each exceeded \$50,000. |
| <i>Questioned Cost:</i> | \$390,465 |
| <i>Effect:</i> | As a result, the County is not in compliance with the grant's requirements and the OMB Circular A-133 Compliance Supplement. |
| <i>Recommendation:</i> | We recommend that the County adhere to the guidelines established for all federally funded programs and properly document its procurement procedures. |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

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

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|-------------------------------|---|
| <i><u>Finding 2011-01</u></i> | <i>Public Funds Investment Act</i> |
| <i>Criteria:</i> | The management of Starr County, Texas is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations and contracts. |
| <i>Condition:</i> | The County does not prepare quarterly investment reports in accordance with the Public Funds Investment Act. In addition, the County's cash and investments are not properly collateralized with pledged securities for funds deposited in excess of FDIC insurance coverage. |
| <i>Questioned Cost:</i> | Questioned costs could not be quantified because the finding does not relate to specific dollar amounts. |
| <i>Effect:</i> | The County is not in compliance with the Public Funds Investment Act. |
| <i>Recommendation:</i> | We recommend that the County compile and approve quarterly investment reports prepared in accordance with the Public Funds Investment Act. We also recommend that the County enter into an agreement with their financial institutions to pledge securities in the County's name for amounts that exceed FDIC insurance coverage. |
| <i>Current Status:</i> | Improvement noted. The County's cash and investments are properly collateralized with pledged securities. However, the quarterly investment reports reviewed during the fiscal year under audit were not prepared in the format required by the Public Funds Investment Act. |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

IV. Prior Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards (Continued)

Program

Findings/Noncompliance

Finding 2011-02

Office of the Tax Assessor / Collector

Criteria:

The management of Starr County, Texas is responsible for establishing and maintaining effective internal control over financial reporting with requirements of laws, regulations and contracts.

Condition:

During the month of October 2010, we found that the monies reported per the Tax Office Reports, were greater than the amounts deposited per bank statements. However, it is unknown how much of this discrepancy was carried over from the prior fiscal year.

We also found numerous instances where cash receipts were not deposited with the Agency Fund's bank account on the following business day. In most instances, four to seven days would lapse before a cash deposit was taken to the bank. We also found several instances where cash receipts could not be traced to a deposit on the bank statement.

Questioned Cost:

Questioned costs could not be quantified, as they do not apply to the conditions / finding being reported.

Effect:

As a result, the County's ad valorem tax collections reported within that agency fund may be overstated by an unknown amount.

Recommendation:

We recommend that Starr County assign a department / individuals to perform a detailed review of the Daily Reconciliation Reports prepared by the Tax Assessor Collector's office and compare to the monthly Tax Office Reports to determine where the errors / discrepancies are occurring. We also recommend that the Office of the Tax Assessor / Collector deposit ad valorem taxes receipted on a daily basis.

Current Year Status:

Management is in the process of addressing this finding.

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

IV. Prior Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards (Continued)

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|-------------------------------|---|
| <i><u>Finding 2011-03</u></i> | <i>Closing of Financial Statements</i> |
| <i>Criteria:</i> | The management of Starr County, Texas is responsible for establishing and maintaining effective internal control over financial reporting with requirements of laws, regulations and contracts. Controls relative to timely close-out of financial statements at year-end should be in place, in order to provide management and those charged with governance with the necessary financial information to make appropriate decisions, and to ensure compliance with federal and state reporting deadlines. |
| <i>Condition:</i> | A significant amount of time lapsed after year-end before the financial statements were properly closed-out. Additionally, significant adjustments were necessary across various financial statement accounts in order for the financial statements to be presented in accordance with generally accepted accounting principles (GAAP). |
| <i>Questioned Cost:</i> | Questioned costs could not be quantified, as they do not apply to the conditions / finding being reported. |
| <i>Effect:</i> | Financial data prepared at year-end was not closed out properly. |
| <i>Recommendation:</i> | We recommend that Starr County review its internal controls relating to financial statement accounting and reporting to ensure that timely financial statements in accordance with GAAP are prepared and available for managements' use, as well as for audit purposes. |
| <i>Current Year Status:</i> | Item not corrected. |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

IV. Prior Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards (Continued)

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|-----------------------------|---|
| <i>Finding 2011-04</i> | <i>Assessment of Interfund Receivables and Payables</i> |
| <i>Criteria:</i> | The management of Starr County, Texas is responsible for establishing and maintaining effective internal control over financial reporting with requirements of laws, regulations and contracts. Controls relative to interfund receivables and payables, managements' assessment to determine collectability and whether such accounts represent a short term liability or the long term subsidization of special revenue funds is crucial in providing those charged with governance with the necessary financial information to make appropriate decisions. |
| <i>Condition:</i> | The County has several funds on their books of accounts with interfund activity that continues to escalate and build up from year to year. |
| <i>Questioned Cost:</i> | Questioned costs could not be quantified, as they do not apply to the conditions / finding being reported. |
| <i>Effect:</i> | The effect of this condition is that interfund balances can represent long term assets for liabilities or could represent a requirement to record a permanent transfer. While no net impact may occur in the consolidated external statement presentation, the financial position of individual funds may become materially misstated. |
| <i>Recommendation:</i> | We recommend that Starr County adopt a formal assessment of interfund balances, on a quarterly basis. |
| <i>Current Year Status:</i> | Some improvement noted. |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

V. Prior Findings and Questioned Costs for Federal and State Awards

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|-------------------------------|--|
| <i><u>Finding 2011-05</u></i> | <i>Reporting</i> |
| CFDA #14.228 | Community Development Block Grants (passed through the Texas Department of Agriculture) |
| <i>Criteria:</i> | The management of Starr County, Texas is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, grants and contracts. If total Federal expenditures or total State expenditures are greater than \$500,000 during any fiscal year the County receives grant funds, then a Single Audit in accordance with OMB Circular A-133 will be required and a Single Audit Reporting package should be submitted within nine (9) months after the County's fiscal year end. |
| <i>Condition:</i> | The County's due date for submitting the Single Audit Reporting package was June 30, 2012 and is currently delinquent. |
| <i>Questioned Cost:</i> | Questioned costs could not be quantified, as they do not apply to the conditions / finding being reported. |
| <i>Effect:</i> | The County is not in compliance with the reporting requirements of OMB Circular A-133, or said requirement of the Community Development Block Grant. Non-compliance could affect funding on all existing contracts with the pass-through entity, the Texas Department of Agriculture. |
| <i>Recommendation:</i> | We recommend that Starr County ensure that all future reporting requirements are met, in a timely manner. |
| <i>Current Year Status:</i> | No exceptions found as a result of our testing. |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Finding 2012-01:

The County Auditor's office continues to stress the importance of bank reconciliations on a monthly basis to the Department heads.

Person responsible for implementation: Department Heads

Estimated date of completion: September 30, 2013

Finding 2012-02:

Starr County has decentralized purchasing, so Department heads are informed on a regular basis to follow "The State of Texas Procurement Manual" regarding competitive bidding.

Person responsible for implementation: Department Heads

Estimated date of completion: September 30, 2013

Finding 2012-03:

The Commissioners' Court will deliberate regarding the alternatives it has to resolve the issue.

Person responsible for implementation: Commissioners' Court

Estimated date of completion: October 31, 2013

Finding 2012-04:

Approval and authorization was made by the state. All procedures were approved by the state and reimbursements for any expenditure were also returned to the county.

Person responsible for implementation: Rafael R. Montalvo, Federal & State Director

Estimated date of completion: September 30, 2013

Finding 2012-05:

The Sheriff's Office was advised that if vendors are state approved no bids are required. Also, the Sheriff's Office has obtained a sole source letter for some of the assets acquired during the year.

Person responsible for implementation: C.J. Garcia, Investigator/Project Director

Estimated date of completion: September 30, 2013

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

PRIOR YEAR CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Finding 2011-01:

The County Treasurer will prepare his quarterly report in the format required by the Public Funds Investment Act.

Person responsible for implementation: Juan U. Maldonado, County Treasurer

Estimated date of completion: September 30, 2012

Finding 2011-02:

The County Auditor's Office staff is already performing a detailed review of the Daily Reconciliation Reports prepared by the Tax Assessor Collector's office and compared to the monthly Tax Office reports. The Tax Assessor / Collector has been advised to make daily deposits.

Person responsible for implementation: Samuel Trevino Jr., 1st Assistant County Auditor
Carmen Pena, Tax Assessor / Collector

Estimated date of completion: October 31, 2012

Finding 2011-03:

The County Auditor will close the County's books no later than November 30th of each year to insure that timely financial statements in accordance with GAAP are prepared and available.

Person responsible for implementation: Rosalinda Guerra, County Auditor

Estimated date of completion: November 30, 2012

Finding 2011-04:

The County Auditor has been assessing the collectability of interfund accounts and has made recommendations to the Commissioners Court. The County Auditor will also recommend that a formal written policy be adopted.

Person responsible for implementation: Rosalinda Guerra, County Auditor

Estimated date of completion: October 31, 2012

Finding 2011-05:

The County Auditor will close prior year's books by no later than November 30th and will require that all County Departments submit information needed to prepare the Single Audit Report by December 31st.

Person responsible for implementation: Rosalinda Guerra, County Auditor

Estimated date of completion: October 31, 2012

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| Federal Grantor/ <u>Pass Through Entity</u> | <u>CFDA Numbers</u> | <u>Contract Number</u> | <u>Total Expenditures</u> |
|--|-------------------------|----------------------------|-------------------------------|
| U.S. Department of Housing and Urban Development | | | |
| <i>Pass through the Office of Rural and Community Affairs</i> | | | |
| TDHCA HOME - OCC | 14.239 | 1001187 | \$ 265,681 |
| TDHCA HOME - Homebuyer Assistance | 14.239 | 1001239 | <u>127,264</u> |
| Total Texas Department of Rural Affairs | | | <u>392,945</u> |
| <i>Pass through the Texas Department of Agriculture</i> | | | |
| TDHCA Contract (self help center) | 14.228 | 711013 | 45,235 |
| TDRA Contract | 14.228 | 710015 | 287,332 |
| TDRA TXCDBG | 14.228 | DRS010179 | 9,089 |
| TDRA Contract | 14.255 | R729620 | <u>1,480</u> |
| Total Texas Department of Housing & Community Affairs | | | <u>343,136</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>736,081</u> |
| U.S. Department of Justice | | | |
| <i>Pass through the Office of Justice Programs and passed through the County of El Paso, Texas</i> | | | |
| Border Prosecution Unit | 16.055 | CH-10-A10-22837-01 | <u>27,899</u> |
| <i>Pass through the Criminal Justice Division</i> | | | |
| Border Prosecution Unit | 16.606 | CH-12-A10-25361-01 | <u>88,895</u> |
| <i>Pass through the Texas Border Sheriff Coalition</i> | | | |
| Operation Linebacker (TBSC) | 16.580 | 2009-D1-BX-0141 | <u>5,564</u> |
| <i>Pass through the Office of Justice Programs</i> | | | |
| SCAAP | 16.606 | 2011-H2754-TX-AP | <u>23,890</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| <u>Federal Grantor/ Pass Through Entity</u> | <u>CFDA Numbers</u> | <u>Contract Number</u> | <u>Total Expenditures</u> |
|--|-------------------------|----------------------------|-------------------------------|
| U.S. Department of Justice (Continued) | | | |
| <i>Direct Funding</i> | | | |
| ARRA - Edward Byrne Memorial JAG Program | 16.804 | FY2009-SB-B9-3282 | <u>28,470</u> |
| <i>Pass through the Office of the Governor - Criminal Justice Division</i> | | | |
| Victims of Domestic Violence Assistance Program | 16.575 | VA-11-V30-23157-02 | 83,639 |
| Victims of Domestic Violence Assistance Program | 16.588 | WF-12-V30-23157-03 | 7,928 |
| Crime Victims Assistance Program | 16.575 | VA-11-V30-19034-05 | 64,387 |
| Crime Victims Assistance Program | 16.575 | VA-10-V30-19034-06 | 3,665 |
| United Way Impact Grant | - | - | <u>1,027</u> |
| Total Office of the Governor - Criminal Justice Division | | | <u>160,646</u> |
| <i>Pass through the Office of the Governor - Criminal Justice Division</i> | | | |
| JAG Program Cluster | | | |
| Border Area Violent Crimes Unit | 16.738 | DJ-09-A10-22819-03 | 483,221 |
| Border Interdiction Unit - Operation Border Star | 16.738 | DJ-10-A10-18428-06 | <u>279,323</u> |
| Total Office of the Governor - Criminal Justice Division - JAG Program Cluster | | | <u>762,544</u> |
| Total Office of the Governor | | | <u>951,660</u> |
| Total U.S. Department of Justice | | | <u>1,097,908</u> |
| Executive Office of the President | | | |
| <i>Pass through the Office of National Drug Control Policy & through the South Texas HIDTA Assistance Center</i> | | | |
| HIDTA Task Force Grant - MADRPCTF | - | - | 34,950 |
| HIDTA Task Force Grant | - | - | <u>406,512</u> |
| Total Executive Office of the President | | | <u>441,462</u> |
| U.S. Election Commission | | | |
| <i>Pass through the Texas Secretary of State</i> | | | |
| HAVA Grant - General Compliance | 90.401 | - | <u>3,757</u> |
| Total U.S. Election Commission | | | <u>3,757</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| <u>Federal Grantor/ Pass Through Entity</u> | <u>CFDA Numbers</u> | <u>Contract Number</u> | <u>Total Expenditures</u> |
|--|-------------------------|----------------------------|-------------------------------|
| U.S. Department of Homeland Security | | | |
| <i>Pass through the Office of the Governor - Emergency Management Division</i> | | | |
| Homeland Security Grants (Oper Stonegarden) - 09 | 97.067 | 2009-SJ-T9-0011 | 518,819 |
| Homeland Security Grants (Oper Stonegarden) - 10 | 97.067 | 2010-SG-T8-T0010 | 715,982 |
| Homeland Security Grants (Oper Stonegarden) - 11 | 97.067 | 2010-SG-T8-T0011 | 165,065 |
| Homeland Security Grants - SHSP - LEPTA | 97.067 | EMW-2011-SS-00019 | 17,112 |
| Homeland Security Grants (FEMA Disaster Grants) | 97.073 | 2010-SS-T0-0008 | <u>5,873</u> |
| Total U.S. Department of Homeland Security | | | <u>1,422,851</u> |
| | | | |
| U.S. Department of Agriculture | | | |
| <i>Direct Program:</i> | | | |
| U.S. Dept of Agriculture Rural Development | 10.766 | - | <u>149,710</u> |
| Total U.S. Department of Agriculture | | | <u>149,710</u> |
| | | | |
| TOTAL FEDERAL AWARDS | | | <u>\$ 3,851,769</u> |
| | | | |
| State of Texas | | | |
| | | | |
| Texas Department of Transportation | | | |
| <i>Direct Program:</i> | | | |
| TX Border Colonia Access - 3rd Call | | 21-8BCF5005 | 840,729 |
| CACST 5310 | | 51021F3052 | <u>31,314</u> |
| Total Direct Programs | | | <u>872,043</u> |
| | | | |
| Texas Department of Public Safety | | | |
| <i>Passed through Texas Border Sheriff's Coalition:</i> | | | |
| LBSP - 10/11 | | - | 18,836 |
| LBSP - 12 (Starr) | | | <u>27,267</u> |
| | | | <u>46,103</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

| <u>Federal Grantor/ Pass Through Entity</u> | <u>CFDA Numbers</u> | <u>Contract Number</u> | <u>Total Expenditures</u> |
|---|-------------------------|----------------------------|-------------------------------|
| U.S. Customs Services | | | |
| <i>Pass through Treasury Law Enforcement Agency:</i> | | | |
| U.S. Customs & Sheriff Task Force Joint Investigation - Sheriff & Ice | | 2003-781 | 9,341 |
| Joint Law Enforcement Oper - Sheriff/US Marsh | | - | 10,588 |
| Office of Court Admin - Indigent Defense | | 212-12-214 | <u>32,303</u> |
| Total pass Treasury Law Enforcement Agency | | | <u>52,232</u> |
| TOTAL STATE AWARDS | | | <u>970,378</u> |
| Other Awards | | | |
| <i>Pass through South Texas Development Council:</i> | | | |
| <i>Pass through the City of Laredo:</i> | | | |
| 911 Addressing Grant | | FY-2012 | <u>25,821</u> |
| Total pass through the City of Laredo | | | <u>25,821</u> |
| TOTAL FEDERAL, STATE AND OTHER AWARDS | | | <u>\$ 4,847,968</u> |

(This Page Intentionally Left Blank.)

STARR COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SEPTEMBER 30, 2012

1. BASIS OF ACCOUNTING

Starr County uses the modified accrual basis of accounting. This basis of accounting recognizes revenue in the accounting period in which it becomes available and measurable and expenditures in the accounting period in which the fund liability was incurred, if measurable, except for certain compensated absences and claims and judgments, which is recognized when the obligation are expected to be liquidated with expendable available financial resources.

Federal grants are generally considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

(Last page.)