

STARR COUNTY, TEXAS

Annual Financial Report

**For the Year Ended
September 30, 2013**

STARR COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise of Starr County, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and 39 through 65 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Starr County, Texas' financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The 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, Non-Profit Organizations*, and the *State of Texas Single Audit Circular*, and 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. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2014, 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* in considering Starr County, Texas' internal control over financial reporting and compliance

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

Brownsville, Texas
June 21, 2014

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INTRODUCTORY SECTION

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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, 2013. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

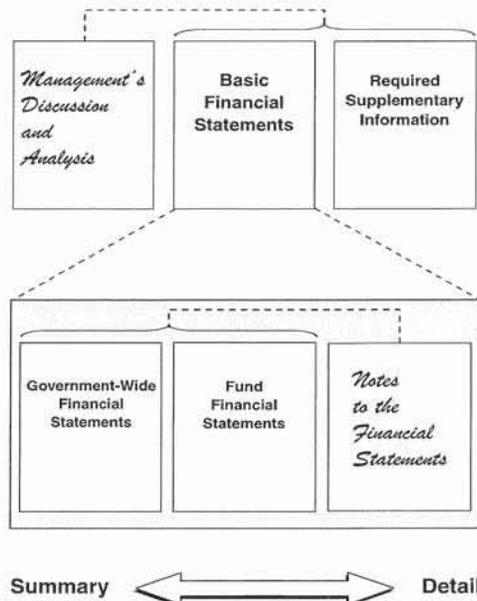
- At September 30, 2013, the County's assets exceed its liabilities by \$87,991,812. Total assets were \$93,714,742 and total liabilities were \$5,722,930.
- During the year, the County's governmental fund expenditures were \$2,520,758 more than the \$22,653,905 generated in taxes and other revenues.
- The general fund reported a fund balance this year of \$2,058,112 of which \$1,467,532 is unassigned, a decrease in the unassigned fund balance of \$1,948,529 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

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

Government-wide Statements

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

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

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 \$87,991,812 at September 30, 2013, an increase of \$564,690 or .65% over combined net assets of \$87,427,122 at September 30, 2012. This increase is mostly due to capital assets. (See Table A-1)

Table A-1 Governmental Activities

	<u>2013</u>	<u>2012</u>	Increase (Decrease)
Assets:			
Current and other assets	\$19,827,893	\$21,020,820	\$(1,192,927)
Capital assets (net of depreciation)	73,886,849	72,568,961	1,317,888
Total Assets	<u>93,714,742</u>	<u>93,589,781</u>	<u>124,961</u>
Liabilities:			
Current and noncurrent liabilities	2,792,930	2,782,659	10,271
Long-term liabilities	2,930,000	3,380,000	(450,000)
Total Liabilities	<u>5,722,930</u>	<u>6,162,659</u>	<u>(439,729)</u>
Net Assets:			
Invested in capital assets, net of related debt	70,956,849	69,188,961	1,767,888
Restricted for capital projects	585,275	584,862	413
Restricted for debt service	3,221,197	3,259,651	(38,454)
Restricted for landfill post closure costs	590,580	560,745	29,835
Unrestricted	12,637,911	13,832,903	(1,194,992)
Total Net Assets	<u>\$87,991,812</u>	<u>\$87,427,122</u>	<u>\$ 564,690</u>

Changes in net assets:

The County’s total revenues were \$24,758,117. (See Table A-2). The total cost of all programs and services was \$24,193,427 of which 31.99% or \$7,739,002 of these costs are for public safety.

Governmental Activities

- Property tax revenues increased by 3.41%. Tax revenues for the year ended September 30, 2013, increased to \$13,724,410 from \$13,272,267 the previous year, an increase of \$452,143.

Table A-2 Governmental Activities

	2013	2012	Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for Services	\$ 5,152,981	\$ 5,240,410	\$ (87,429)
Operating Grants and Contributions	4,296,864	6,280,525	(1,983,661)
General revenues:			
Property Taxes	13,724,410	13,272,267	452,143
Interest	28,507	144,824	(116,317)
Transfers	685,074	341,960	343,114
Contributed Capital	786,652	-0-	786,652
Miscellaneous	83,629	139,482	(55,853)
Total Revenues	<u>24,758,117</u>	<u>25,419,468</u>	<u>(661,351)</u>
Expenses:			
Public safety	7,739,002	7,684,312	54,690
Judicial	2,136,621	1,853,411	283,210
Highways and streets	4,814,386	6,241,011	(1,426,625)
Public facilities	323,617	487,984	(164,367)
Financial administration	1,028,686	1,003,118	25,568
Legal	818,802	842,171	(23,369)
Health and welfare	2,207,405	1,863,440	343,965
Conservation and agriculture	139,753	135,432	4,321
General government	4,866,748	4,375,255	491,493
Culture and recreation	-0-	-0-	-0-
Debt service-interest on debt	118,407	135,227	(16,820)
Debt service-Bond issuance costs	-0-	-0-	-0-
Total Expenses	<u>24,193,427</u>	<u>24,621,361</u>	<u>(427,934)</u>
Increase in Net Assets	564,690	798,107	(233,417)
Net assets – Beginning	87,427,122	86,629,015	798,107
Prior period adjustment	-0-	-0-	-0-
Net assets – Ending	<u>\$ 87,991,812</u>	<u>\$ 87,427,122</u>	<u>\$ 564,690</u>

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

- The cost of all *governmental* activities this year was \$24,193,427, a decrease of \$427,934 or 1.74% decrease compared to \$24,621,361 for the prior year.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$13,724,410.
- Some of the cost was paid by those who directly benefited from the programs and totaled \$5,152,981. This is a decrease from last year's revenues, which were \$5,240,410, a decrease of \$87,429, or 1.67%.

- Grants and contributions this year amounted to \$4,296,864, a decrease of \$1,983,661, or 31.58% under last year's grants and contributions which totaled \$6,280,525.

Table A-3 Governmental

	<u>2013</u>	<u>2012</u>	Increase (Decrease)
Public safety	\$7,739,002	\$7,684,312	\$54,690
Highways and streets	4,814,386	6,241,011	(1,426,625)
General government	4,866,748	4,375,255	491,493
Judicial	2,136,621	1,853,411	283,210
Health and Welfare	2,207,405	1,863,440	343,965

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues from governmental fund types totaled \$23,642,145 for the year ended September 30, 2013, a decrease of \$1,563,519, or 6.2% under the preceding year's total governmental revenues of \$25,205,664. The decrease in revenues is mainly from decrease in intergovernmental revenues.

General Fund Budgetary Highlights

Over the course of the year, the County revised its general fund budget 88 times. Actual general fund expenditures were \$15,346,895, which was \$20,826 under the final budget amounts.

On the other hand, actual general fund resources available were \$14,109,738, which was under the final budgeted amount by \$1,163,445.

CAPITAL ASSETS

At the end of 2013, the County had invested \$73,886,850 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 \$1,317,889, a 1.82% increase from FY 2012. The increase is attributed mainly to furniture and equipment.

Table A-4

	<u>2013</u>	<u>2012</u>	Increase (Decrease)
Land	\$ 1,268,680	\$ 1,231,990	\$ 36,690
Construction in progress	829,655	-0-	829,655
Buildings and improvements	17,357,862	17,128,379	229,483
Furniture and equipment	9,584,439	8,833,894	750,545
Infrastructure	57,348,101	56,772,959	575,142
Totals at historical cost	<u>86,388,737</u>	<u>83,967,222</u>	<u>2,421,515</u>
Less:			
Accumulated depreciation	12,501,887	11,398,261	1,103,626
Net capital assets	<u>\$73,886,850</u>	<u>\$72,568,961</u>	<u>\$ 1,317,889</u>

LONG TERM DEBT

At year end the County has \$2,930,000 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

	<u>Balance</u> <u>9/30/12</u>	<u>Principal</u> <u>Issued</u>	<u>Principal</u> <u>Retired</u>	<u>Balance</u> <u>9/30/13</u>
Revenue bonds	\$ -	-	-	\$ -
Certificates of Obligation	3,380,000	-	450,000	2,930,000
G.O. Refunding Bonds	-	-	-	-
Totals	<u>\$ 3,380,000</u>	<u>\$ -0-</u>	<u>\$ 450,000</u>	<u>\$ 2,930,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised values used for the 2014 budget preparation increased by approximately \$3,918,440.
- The property tax rates will increase by \$0.00 per \$100.00 of assessed valuation.
- Employees' group health insurance continues to increase.
- There will be a salary increase for 2014 of 5% to 7.5% of FY 2013 salary.

These indicators were taken into account when adopting the general fund budget for 2014. Amounts available for appropriation in the general fund budget are \$16,739,440, an increase of \$860,817, or 5.42% over the final 2013 budget of \$15,273,183. Property taxes will increase due to the increased appraised values.

General fund expenditures are budgeted to increase in 2014 to \$16,739,440, an increase of \$1,413,371, or 9.2% over the final 2013 budgeted expenditures of \$15,326,069.

If these estimates are realized, the County's budgetary general fund balance is not expected to change appreciably by the close of FY 2014.

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 POSITION
SEPTEMBER 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,532,313	\$ 208,165	\$ 1,740,478
Investments	4,510,504	764,302	5,274,806
Receivables (net of allowances for uncollectibles)			
Taxes	10,665,387	-	10,665,387
Accounts	57,162	71,532	128,694
Other	623	-	623
Due from agencies	657,621	-	657,621
Internal balances	958,609	(958,609)	-
Due from other governments	855,094	712	855,806
Other assets	590,580	-	590,580
Supplies inventory	-	35,562	35,562
Prepaid insurance	-	80,570	80,570
Capital assets (net of accumulated depreciation)			
Land	1,268,680	1,406,530	2,675,210
Landfill closure costs	-	21,000	21,000
Construction in progress	829,655	-	829,655
Buildings and improvements	10,159,540	3,143,370	13,302,910
Furniture and equipment	4,280,873	322,123	4,602,996
Infrastructure	57,348,101	-	57,348,101
Total assets	<u>93,714,742</u>	<u>5,095,257</u>	<u>98,809,999</u>
LIABILITIES			
Accounts payable	806,900	68,420	875,320
Bank overdraft	403,012	-	403,012
Accrued liabilities	82,949	1,692	84,641
Other liabilities	58,483	105,781	164,264
Due to agencies	614,171	-	614,171
Due to other governments	214,799	412,327	627,126
Unearned revenue	612,616	-	612,616
Non-current liabilities			
Due within one year	445,000	967,101	1,412,101
Due in more than one year	2,485,000	-	2,485,000
Total liabilities	<u>5,722,930</u>	<u>1,555,321</u>	<u>7,278,251</u>
NET POSITION			
Net investment in capital assets	70,956,849	3,925,922	74,882,771
Restricted for			
Capital projects	585,275	-	585,275
Debt service	3,221,197	-	3,221,197
Landfill post closure cost	590,580	-	590,580
Unrestricted	<u>12,637,911</u>	<u>(385,986)</u>	<u>12,251,925</u>
Total net position	<u>\$ 87,991,812</u>	<u>\$ 3,539,936</u>	<u>\$ 91,531,748</u>

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

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STARR COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-type Activities	
Governmental activities:						
General government	\$ 4,866,748	\$ 4,041,705	\$ 479,071	\$ (345,972)	\$ -	\$ (345,972)
Public safety	8,597,869	154,231	3,415,392	(5,028,246)	-	(5,028,246)
Judicial	2,136,621	-	-	(2,136,621)	-	(2,136,621)
Highways and streets	4,741,061	957,045	402,401	(3,381,615)	-	(3,381,615)
Public facilities	323,617	-	-	(323,617)	-	(323,617)
Financial administration	1,028,686	-	-	(1,028,686)	-	(1,028,686)
Legal	818,802	-	-	(818,802)	-	(818,802)
Health and welfare	1,421,863	-	-	(1,421,863)	-	(1,421,863)
Conservation and agriculture	139,753	-	-	(139,753)	-	(139,753)
Debt service - interest on debt	118,407	-	-	(118,407)	-	(118,407)
Total governmental activities	<u>24,193,427</u>	<u>5,152,981</u>	<u>4,296,864</u>	<u>(14,743,582)</u>	<u>-</u>	<u>(14,743,582)</u>
Business-type activities:						
International Bridge	1,355,662	1,872,055	-	-	516,393	516,393
Gas System	436,000	413,581	-	-	(22,419)	(22,419)
Transfer Station	1,081,012	1,124,993	-	-	43,981	43,981
Total business-type activities	<u>2,872,674</u>	<u>3,410,629</u>	<u>-</u>	<u>-</u>	<u>537,955</u>	<u>537,955</u>
Total primary government	<u>\$ 27,066,101</u>	<u>\$ 8,563,610</u>	<u>\$ 4,296,864</u>	<u>(14,743,582)</u>	<u>537,955</u>	<u>(14,205,627)</u>
General revenues:						
Taxes:						
Property taxes - general purposes				8,872,406	-	8,872,406
Property taxes - road & bridge				3,904,461	-	3,904,461
Property taxes - debt service				585,639	-	585,639
Property taxes - drainage district				361,904	-	361,904
Investment earnings (loss)				28,507	(31,747)	(3,240)
Transfers				685,074	(685,074)	-
Contributed capital				786,652	-	786,652
Miscellaneous				83,629	-	83,629
Total general revenues				<u>15,308,272</u>	<u>(716,821)</u>	<u>14,591,451</u>
Change in net position				564,690	(178,866)	385,824
Net Position, beginning				<u>87,427,122</u>	<u>3,718,802</u>	<u>91,145,924</u>
Net Position, ending				<u>\$ 87,991,812</u>	<u>\$ 3,539,936</u>	<u>\$ 91,531,748</u>

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

STARR COUNTY, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

	General	Road & Bridge	Debt Service
ASSETS			
Cash	\$ -	\$ -	\$ 295,672
Investments	378,677	-	2,874,752
Taxes receivables (net of allowance)	7,161,443	2,802,937	595,465
Accounts receivable	57,080	-	-
Accrued receivables	0	25	596
Due from other funds	1,620,841	240,340	41,216
Due from other governments	216,818	-	-
Other assets	590,580	-	-
	<u>\$ 10,025,439</u>	<u>\$ 3,043,302</u>	<u>\$ 3,807,701</u>
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ 259,038	\$ 319,070	\$ -
Bank overdraft	101,272	301,740	-
Other liabilities	58,483	-	-
Accrued liabilities	-	-	-
Due to other funds	422,712	328,746	45
Due to other governments	80,959	-	-
Deferred revenue	7,044,863	2,931,381	586,459
	<u>7,967,327</u>	<u>3,880,937</u>	<u>586,504</u>
Fund balances:			
Restricted	590,580	-	-
Committed	-	-	3,221,197
Assigned	-	-	-
Unassigned	1,467,532	(837,635)	-
	<u>2,058,112</u>	<u>(837,635)</u>	<u>3,221,197</u>
	<u>\$ 10,025,439</u>	<u>\$ 3,043,302</u>	<u>\$ 3,807,701</u>

Amounts reported for governmental activities in the statement of net position 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 Position 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
\$ 1,236,261	\$ 1,531,933
1,257,455	4,510,884
105,542	10,665,387
82	57,162
-	621
616,227	2,518,624
638,276	855,094
-	590,580
\$ 3,853,843	\$ 20,730,285

\$ 228,792	\$ 806,900
-	403,012
-	58,483
82,949	82,949
765,064	1,516,567
133,836	214,795
541,069	11,103,772
1,751,710	14,186,478

-	590,580
1,516,858	4,738,055
585,275	585,275
-	629,897
2,102,133	6,543,807
\$ 3,853,843	

73,886,849

10,491,156

(2,930,000)

\$ 87,991,812

STARR COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>General</u>	<u>Road & Bridge</u>	<u>Debt Service</u>
REVENUES			
Taxes	\$ 8,513,601	\$ 3,728,741	\$ 524,149
Intergovernmental	479,071	402,401	-
Charges for services	3,913,667	94,552	-
Fines and forfeits	128,038	862,493	-
Interest	18,427	1,000	5,804
Miscellaneous	68,694	15,142	-
Total revenues	<u>13,121,498</u>	<u>5,104,329</u>	<u>529,953</u>
EXPENDITURES			
General administration	4,605,559	-	-
Judicial	1,997,058	-	-
Legal	765,232	-	-
Financial administration	959,204	-	-
Public facilities	225,324	-	-
Public safety	5,728,950	-	-
Health and welfare	935,950	-	-
Conservation agriculture	129,618	-	-
Highways and streets	-	5,365,647	-
Debt service:			
Principal retirements	-	-	450,000
Interest and fiscal charges	-	-	118,407
Total expenditures	<u>15,346,895</u>	<u>5,365,647</u>	<u>568,407</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,225,397)</u>	<u>(261,318)</u>	<u>(38,454)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	988,240	-	-
Operating transfers out	(681,537)	-	-
Total other financing sources (uses)	<u>306,703</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,918,694)	(261,318)	(38,454)
FUND BALANCES, BEGINNING OF YEAR	<u>3,976,806</u>	<u>(576,317)</u>	<u>3,259,651</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,058,112</u>	<u>\$ (837,635)</u>	<u>\$ 3,221,197</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 325,209	\$ 13,091,700
3,415,392	4,296,864
-	4,008,219
154,231	1,144,762
3,276	28,507
17	83,853
<u>3,898,125</u>	<u>22,653,905</u>
-	4,605,559
-	1,997,058
-	765,232
-	959,204
105,329	330,653
2,517,310	8,246,260
412,674	1,348,624
-	129,618
858,401	6,224,048
-	450,000
-	118,407
<u>3,893,714</u>	<u>25,174,663</u>
<u>4,411</u>	<u>(2,520,758)</u>
378,147	1,366,387
-	(681,537)
<u>378,147</u>	<u>684,850</u>
382,558	(1,835,908)
<u>1,719,575</u>	<u>8,379,715</u>
<u>\$ 2,102,133</u>	<u>\$ 6,543,807</u>

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STARR COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2013

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

Net change in fund balances --- total governmental funds (page 13)	\$ (1,835,908)
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.	1,317,888
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 position.	450,000
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 position.	<u>632,710</u>
Change in net position of governmental activities (page 11)	<u>\$ 564,690</u>

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

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STARR COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 9,074,577	\$ 9,074,577	\$ 8,513,601	\$ (560,976)
Intergovernmental	2,413,698	2,431,972	479,071	147,099
Charges for services	2,532,200	2,532,200	3,913,667	(718,533)
Fines and forfeits	123,000	123,000	128,038	5,038
Interest	-	-	18,427	18,427
Miscellaneous	111,000	123,194	68,694	(54,500)
Total revenues	<u>14,254,475</u>	<u>14,284,943</u>	<u>13,121,498</u>	<u>(1,163,445)</u>
EXPENDITURES				
General administration	4,977,574	4,990,931	4,605,559	385,372
Judicial	1,751,426	1,741,665	1,997,058	(255,393)
Legal	696,657	679,298	765,232	(85,934)
Financial administration	976,489	983,644	959,204	24,440
Public facilities	250,770	250,770	225,324	25,446
Public safety	5,597,197	5,591,041	5,728,950	(137,909)
Health and welfare	914,653	958,187	935,950	22,237
Conservation agriculture	130,533	130,533	129,618	917
Total expenditures	<u>15,295,299</u>	<u>15,326,069</u>	<u>15,346,895</u>	<u>(20,824)</u>
(DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,040,824)</u>	<u>(1,041,126)</u>	<u>(2,225,397)</u>	<u>(1,184,269)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	988,240	988,240	988,240	-
Operating transfers out	-	-	(681,537)	(681,537)
Total other financing sources (uses)	<u>988,240</u>	<u>988,240</u>	<u>306,703</u>	<u>(681,537)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>(52,584)</u>	<u>(52,886)</u>	<u>(1,918,694)</u>	<u>(1,865,806)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>3,976,806</u>	<u>3,976,806</u>	<u>3,976,806</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,924,222</u>	<u>\$ 3,923,920</u>	<u>\$ 2,058,112</u>	<u>\$ (1,865,808)</u>

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

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STARR COUNTY, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2013

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			Totals
	International Bridge	Gas System	Transfer Station	
ASSETS				
CURRENT ASSETS				
Cash on hand	\$ 7,766	\$ 300	\$ -	\$ 8,066
Cash on deposit	190,947	7,425	35	198,407
Investments - unrestricted	660,213	-	-	660,213
Cash - restricted for customer deposits	-	1,692	-	1,692
Investments - restricted for customer deposits	-	104,089	-	104,089
Due from other governments	-	-	712	712
Accounts receivable	-	57,422	-	57,422
Accounts receivable - disconnects	-	47,814	-	47,814
Allowance for uncollectibles	-	(33,932)	-	(33,932)
Accrued interest receivable	159	69	-	228
Supplies inventory	-	35,562	-	35,562
Prepaid insurance	71,236	9,334	-	80,570
Total current assets	<u>930,321</u>	<u>229,775</u>	<u>747</u>	<u>1,160,843</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	818,712	16,217	-	834,929
Transportation equipment	-	32,981	-	32,981
Machinery and equipment	-	74,300	282,976	357,276
Accumulated depreciation	<u>(4,331,411)</u>	<u>(704,536)</u>	<u>(307,628)</u>	<u>(5,343,575)</u>
Total non-current assets	<u>3,229,819</u>	<u>20,914</u>	<u>1,642,290</u>	<u>4,893,023</u>
Total assets	<u>4,160,140</u>	<u>250,689</u>	<u>1,643,037</u>	<u>6,053,866</u>

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STARR COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013
(Continued)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			Totals
	International Bridge	Gas System	Transfer Station	
CURRENT LIABILITIES				
Accounts payable	20,157	48,263	-	68,420
Customer deposits payable	-	105,781	-	105,781
Sales tax payable	-	1,692	-	1,692
Due to other funds	-	652,188	306,421	958,609
Due to other governments	412,327	-	-	412,327
Current maturities of notes payable	-	-	967,101	967,101
	432,484	807,924	1,273,522	2,513,930
Total current liabilities	432,484	807,924	1,273,522	2,513,930
Total liabilities	432,484	807,924	1,273,522	2,513,930
NET POSITION				
Net investment in capital assets	3,229,819	20,914	675,189	3,925,922
Unrestricted	497,837	(578,149)	(305,674)	(385,986)
Total net position	\$ 3,727,656	\$ (557,235)	\$ 369,515	\$ 3,539,936

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

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STARR COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2013

	BUSINESS-TYPE ACTIVITIES -			Totals
	ENTERPRISE FUNDS			
	International Bridge	Gas System	Transfer Station	
OPERATING REVENUES				
Natural gas sales	\$ -	\$ 652,197	\$ -	\$ 652,197
Charge for services	1,812,276	-	772,712	2,584,988
Penalties	-	8,609	-	8,609
Connect fees	-	5,000	-	5,000
Intergovernmental	-	-	352,281	352,281
Rentals	56,486	-	-	56,486
Excess on peso exchange	3,293	-	-	3,293
Miscellaneous	-	20,292	-	20,292
Total operating revenues	<u>1,872,055</u>	<u>686,098</u>	<u>1,124,993</u>	<u>3,683,146</u>
COST OF REVENUE PRODUCING ITEMS				
Natural gas purchases	-	272,517	-	272,517
Total cost of revenue producing items	<u>-</u>	<u>272,517</u>	<u>-</u>	<u>272,517</u>
Gross profit	<u>1,872,055</u>	<u>413,581</u>	<u>1,124,993</u>	<u>3,410,629</u>
OPERATING EXPENSES				
Gas loss	-	33,976	-	33,976
Contracted services	-	-	11,700	11,700
Equipment lease	-	-	5,180	5,180
Depreciation	181,687	2,689	109,005	293,381
Group insurance	60,613	31,478	-	92,091
Insurance	109,523	321	1,544	111,388
Worker's compensation	8,575	2,528	-	11,103
Legal and professional	16,741	-	-	16,741
Office and building supplies	-	2,446	3,954	6,400
Participation costs - City of Roma	348,752	-	-	348,752
Payroll tax expense	34,601	16,288	13,164	64,053
Postage and freight	-	5,071	-	5,071
Repairs and maintenance	36,746	2,726	-	39,472
Retirement	37,400	15,115	14,184	66,699
Salaries and wages	457,748	218,651	177,226	853,625
Supplies	21,721	31,097	934	53,752
Telephone	2,986	6,328	-	9,314
Travel and seminars	-	-	2,268	2,268

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STARR COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

(Continued)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	International Bridge	Gas System	Transfer Station	Totals
OPERATING EXPENSES (Continued)				
Truck repairs, maintenance and supplies	-	12,212	25,791	38,003
Truck fuel	-	22,472	18,998	41,470
Hauling costs	-	-	635,000	635,000
Uniforms	15,773	3,324	4,086	23,183
Utilities	22,796	6,385	1,206	30,387
Regulatory fees	-	1,761	280	2,041
Tire recycling fees	-	-	47,711	47,711
Bank fees	-	2,655	-	2,655
Miscellaneous expenses	-	18,477	8,781	27,258
Total operating expenses	<u>1,355,662</u>	<u>436,000</u>	<u>1,081,012</u>	<u>2,860,974</u>
OPERATING INCOME	<u>516,393</u>	<u>(22,419)</u>	<u>43,981</u>	<u>549,655</u>
NON-OPERATING REVENUE (EXPENSES)				
Interest revenue (expense)	1,493	432	(33,672)	(31,747)
Total non-operating revenue (expenses)	<u>1,493</u>	<u>432</u>	<u>(33,672)</u>	<u>(31,747)</u>
Income before other financing sources	<u>517,886</u>	<u>(21,987)</u>	<u>10,309</u>	<u>517,908</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer in	-	-	303,390	303,390
Operating transfer out	(988,464)	-	-	(988,464)
Total other financing sources (uses)	<u>(988,464)</u>	<u>-</u>	<u>303,390</u>	<u>(685,074)</u>
CHANGES IN NET POSITION	<u>(470,578)</u>	<u>(21,987)</u>	<u>313,699</u>	<u>(178,866)</u>
TOTAL NET POSITION, BEGINNING	<u>4,198,234</u>	<u>(535,248)</u>	<u>55,816</u>	<u>3,718,802</u>
TOTAL NET POSITION, ENDING	<u>\$ 3,727,656</u>	<u>\$ (557,235)</u>	<u>\$ 369,515</u>	<u>\$ 3,539,936</u>

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

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STARR COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	International Bridge	Gas System	Transfer Station	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income	\$ 865,145	\$ (22,419)	\$ 43,981	\$ 886,707
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	181,687	2,689	109,005	293,381
(Increase) decrease in accounts receivable	-	(7,367)	(712)	(8,079)
(Increase) decrease in accounts receivable - disconnects	-	(32,129)	-	(32,129)
(Increase) decrease in allowance for uncollectible disconnects	-	24,127	-	24,127
(Increase) decrease in accrued interest receivable	144	45	-	189
(Increase) decrease in supplies inventory	-	10,128	-	10,128
(Increase) decrease in prepaid insurance	(4,933)	(9,272)	-	(14,205)
(Increase) decrease in due from other governments	194,961	-	-	194,961
Increase (decrease) in accounts payable	13,202	12,595	-	25,797
Increase (decrease) in sales tax payable	-	183	-	183
Increase (decrease) in customer deposit payable	-	4,515	-	4,515
Increase (decrease) in due to other funds	-	(2,757)	(373)	(3,130)
Net cash provided by operating activities	<u>1,250,206</u>	<u>(19,662)</u>	<u>151,901</u>	<u>1,382,445</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
City of Roma participation	(348,752)	-	303,390	(45,362)
Operating transfers (out)	(988,464)	-	-	(988,464)
Net cash provided by noncapital financing activities	<u>(1,337,216)</u>	<u>-</u>	<u>303,390</u>	<u>(1,033,826)</u>
CASH FLOWS FROM (TO) CAPITAL AND RELATED FINANCING ACTIVITIES				
Bond principal payment	-	-	(377,744)	(377,744)
Acquisition of property and equipment	(13,270)	-	(44,247)	(57,517)
Interest and fees paid	-	432	-	432
Net cash provided by (applied to) financing activities	<u>(13,270)</u>	<u>432</u>	<u>(421,991)</u>	<u>(434,829)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,493	-	-	1,493
Interest expense	-	-	(33,674)	(33,674)
Net cash provided (used) by investing activities	<u>1,493</u>	<u>-</u>	<u>(33,674)</u>	<u>(32,181)</u>
NET INCREASE (DECREASE) IN CASH	(98,787)	(19,230)	(374)	(118,391)
CASH BALANCES, BEGINNING OF YEAR	957,713	132,736	409	1,090,858
CASH BALANCES, END OF YEAR	<u>\$ 858,926</u>	<u>\$ 113,506</u>	<u>\$ 35</u>	<u>\$ 972,467</u>
RECONCILIATION OF CASH BALANCES				
Cash on hand	\$ 7,766	\$ 300	\$ -	\$ 8,066
Cash on deposit	190,947	-	35	190,982
Investments - unrestricted	660,213	7,425	-	667,638
Cash - restricted for customer deposits	-	1,692	-	1,692
Investments - restricted for customer deposits	-	104,089	-	104,089
Cash balances	<u>\$ 858,926</u>	<u>\$ 113,506</u>	<u>\$ 35</u>	<u>\$ 972,467</u>

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

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STARR COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

SEPTEMBER 30, 2013

ASSETS

Cash	\$ 6,482,314
Investments	2,421,879
Accounts receivable	78,878
Due from other funds	735,757
Due from other governments	2,100
Other assets	<u>342,930</u>

Total assets	<u>\$ 10,063,858</u>
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LIABILITIES

Due to other funds	\$ 779,207
Due to other governments	935,968
Funds held in escrow	5,032,987
Accounts payable	46,244
Other liabilities	<u>3,269,452</u>

Total liabilities	<u>\$ 10,063,858</u>
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The notes to financial statements are integral part of this statement.

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STARR COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

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.

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 position and the statement of changes in net position) 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.

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.

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.

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, 2013 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.

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.

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 position.

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 position of governmental activities* as reported in the government-wide statement of activities.

One element of that reconciliation indicates, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The detail of this \$1,317,888 is as follows:

Capital outlay - additions	\$ 2,624,535
Capital assets - dispositions	(104,447)
Depreciation expense	<u>(1,202,200)</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>\$ 1,317,888</u>

Another element of the reconciliation states that, “The net effect of various transactions involving debt principal payment to increase net position.” The detail of this \$450,000 is as follows:

Debt principal payment	<u>\$ 450,000</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>\$ 450,000</u>

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 \$632,710 is as follows:

Various reclassifications	<u>\$ 632,710</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>\$ 632,710</u>

3. **LEGAL COMPLIANCE – BUDGETS**

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

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

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

The following individual funds had adopted budgets for the fiscal year ended September 30, 2013:

- (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, 2013, the carrying amount of the County's deposits was \$1,337,466 and total bank balances equaled \$1,900,410. Bank balances of \$250,000 are covered by federal depository insurance and the remaining \$1,650,410 were covered by collateral pledged in the County's name.

During the year ended September 30, 2013, 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.

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The fair values of investments at September 30, 2013 are summarized as follows:

	<u>Rate</u>	<u>Maturity</u>	<u>Fair Value</u>
<u>General Fund</u>			
Certificate of Deposit	0.10%	11/27/13	\$ 378,677
			<u>\$ 378,677</u>
<u>Special Revenue</u>			
Certificate of Deposit	0.10%	10/18/13	\$ 1,000,504
			<u>\$ 1,000,504</u>
<u>Capital Projects</u>			
Certificate of Deposit	0.10%	10/18/13	\$ 256,571
			<u>\$ 256,571</u>
<u>Debt Service</u>			
Certificate of Deposit	0.10%	11/08/13	\$ 119,205
Certificate of Deposit	0.10%	11/21/13	630,649
Certificate of Deposit	0.10%	10/01/13	360,227
Certificate of Deposit	0.10%	12/23/13	674,914
Certificate of Deposit	0.30%	10/01/13	377,462
Certificate of Deposit	0.10%	11/08/13	198,392
Certificate of Deposit	0.10%	10/18/13	513,903
			<u>\$ 2,874,752</u>
<u>Enterprise Funds</u>			
Certificate of Deposit	0.30%	01/13/14	\$ 104,089
Certificate of Deposit	0.10%	10/01/13	660,213
			<u>\$ 764,302</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, 2013, 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 2013 fiscal year tax rate was .5011 per \$100 for the general fund, .0300 per \$100 for the debt service fund, .2281 per \$100 for the FM and Lateral Road tax, and .0200 per \$100 for the Drainage District, for a total of .7792 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. 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, 2013 recorded under governmental activities.

	<u>Balance</u> <u>09/30/12</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>09/30/13</u>
Certificates of Obligation, Series 2004	\$ 3,380,000	\$ -	\$ (450,000)	\$ 2,930,000
Total Long-Term Debt	<u>\$ 3,380,000</u>	<u>\$ -</u>	<u>\$ (450,000)</u>	<u>\$ 2,930,000</u>

The annual requirements to repay all outstanding debt, as of September 30, 2013, are as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	520,000	42,456	562,456
2019	<u>525,000</u>	<u>21,656</u>	<u>546,656</u>
Total	<u>\$ 2,930,000</u>	<u>\$ 426,136</u>	<u>\$ 3,356,136</u>

8. CAPITAL ASSETS

Capital asset activity for the County for the year ended September 30, 2013, under governmental activities was as follows:

	Primary Government				
	Balance	Changes During Year			Balance
	<u>09/30/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>09/30/13</u>
Land	\$ 1,231,990	\$ 36,690	\$ -	\$ -	\$ 1,268,680
Construction in progress	-	829,655	-	-	829,655
Buildings and improvements	17,128,379	229,483	-	-	17,357,862
Furniture and equipment	8,833,894	953,565	(203,020)	-	9,584,439
Infrastructure	56,772,959	575,142	-	-	57,348,101
Total at historic cost	<u>\$ 83,967,222</u>	<u>\$ 2,624,535</u>	<u>\$ (203,020)</u>	<u>\$ -</u>	<u>\$ 86,388,737</u>
Less accumulated depreciation:					
Buildings and improvements	\$ (6,860,018)	\$ (338,304)	\$ -	\$ -	\$ (7,198,322)
Furniture and equipment	(4,538,243)	(863,896)	98,574	-	(5,303,565)
Total accumulated depreciation	<u>\$ (11,398,261)</u>	<u>\$ (1,202,199)</u>	<u>\$ 98,574</u>	<u>\$ -</u>	<u>\$ (12,501,887)</u>
Governmental activities					
Capital assets, net	<u>\$ 72,568,961</u>	<u>\$ 1,422,336</u>	<u>\$ (104,447)</u>	<u>\$ -</u>	<u>\$ 73,886,850</u>

Depreciation expense for FY 2013 was charged to functions/programs of the County as follows:

General administration	\$ 362,500
Judicial	156,119
Legal	59,822
Financial administration	74,985
Public facilities	17,615
Public safety	447,858
Health and welfare	73,167
Conservation agriculture	10,133
Totals	<u>\$ 1,202,199</u>

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9. **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, 2013 was as follows:

	International <u>Toll Bridge</u>	Gas <u>System</u>	Transfer <u>Station</u>	<u>Total</u>
Operating revenues	\$ 1,872,055	\$ 686,098	\$ 1,124,993	\$ 3,683,146
Depreciation and amortization expense	(181,687)	(2,689)	(109,005)	(293,381)
Operating income	516,393	(22,419)	43,981	549,655
Operating transfers in (out)	(988,464)	-	303,390	(685,074)
Net income or (loss)	(470,578)	(21,987)	313,699	(178,866)
Invested in capital assets, net	3,229,819	20,914	675,189	3,925,922
Unrestricted net assets	497,837	(578,149)	(305,674)	(385,986)
Notes payable - net of current	-	-	967,101	967,101

10. **FIXED ASSETS OF PROPRIETARY FUNDS**

Fixed assets of Proprietary Funds (Enterprise Funds) at September 30, 2013 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	818,712	123,498	282,976	1,225,186
Total at historic cost	<u>7,561,230</u>	<u>725,450</u>	<u>1,949,918</u>	<u>10,236,598</u>
Less:				
Accumulated depreciation	<u>(4,331,411)</u>	<u>(704,536)</u>	<u>(307,628)</u>	<u>(5,343,575)</u>
Fixed assets, net of accumulated depreciation	<u>\$ 3,229,819</u>	<u>\$ 20,914</u>	<u>\$ 1,642,290</u>	<u>\$ 4,893,023</u>

11. **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.

12. **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.

13. **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.

14. **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.

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15. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances, at September 30, 2013, consisted of the following individual fund receivables and payables:

	<u>Due from</u>	<u>Due to</u>
General fund:		
Special revenue funds	\$ 569,621	\$ 236,832
Debt service fund	-	34,219
Capital projects fund	-	-
Enterprise funds	666,688	-
Trust and agency funds	<u>384,532</u>	<u>151,661</u>
Total general fund	<u>1,620,841</u>	<u>422,712</u>
Special revenue funds:		
General fund	236,832	569,621
Special revenue funds	61,720	61,720
Trust and agency funds	<u>266,093</u>	<u>462,465</u>
Total special revenue funds	<u>564,645</u>	<u>1,093,806</u>
Debt service fund:		
General fund	34,219	-
Trust and agency funds	<u>6,997</u>	<u>45</u>
Total debt service fund	<u>41,216</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>
Enterprise funds:		
General fund	-	666,688
Capital projects fund	<u>-</u>	<u>291,921</u>
Total enterprise funds	<u>-</u>	<u>958,609</u>
Trust and agency funds:		
General fund	151,661	384,532
Special revenue funds	462,465	266,093
Debt service fund	45	6,997
Trust and agency funds	<u>121,586</u>	<u>121,586</u>
Total trust and agency funds	<u>735,757</u>	<u>779,207</u>
Totals	<u>\$ 3,254,380</u>	<u>\$ 3,254,380</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.

16. 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.

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 8.19% 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 \$1,081,706 for TCDRS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2013 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, 2012 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
09/30/10	\$ 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%
09/30/12	\$ 20,424,038	\$ 25,382,667	\$ 4,958,629	80.46%	\$ 13,238,679	37.46%

Schedule of Employer Contributions

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/10	\$ 1,033,139	100.00%	-
09/30/11	\$ 974,791	100.00%	-
09/30/12	\$ 1,081,706	100.00%	-

17. 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, 2014, the investigation is ongoing and a final determination regarding any financial loss to the County has not been determined.

**BUDGETARY COMPARISON
REPORTING**

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STARR COUNTY, TEXAS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Current ad valorem	\$ 7,939,577	\$ 7,939,577	\$ 7,448,167	\$ (491,410)
Delinquent ad valorem	1,100,000	1,100,000	966,215	(133,785)
Late rendition penalty	-	-	19,254	19,254
Alcoholic beverage licenses	15,000	15,000	14,831	(169)
Subdivision fees	20,000	20,000	20,548	548
Federal payment in lieu of taxes	-	-	44,586	44,586
State grant elderly program	20,000	20,000	-	(20,000)
HDM Grant-U.S. Dept. of Agriculture	-	-	23,861	23,861
Election Expense Reimbursements	-	-	16,183	16,183
Nutrition program grant	250,000	250,000	248,224	(1,776)
Dept. of Family & Protective Serv-Co Atty	-	-	29,812	29,812
Atty General-VINE Contract #12-25176	-	8,274	8,274	-
Texas task force on indigent defense grant	-	-	34,137	34,137
Contribution - county attorney's office	-	10,000	62,000	52,000
Contribution - DA's Forfeiture Acct	-	-	20,000	20,000
Attorney general - VINE Contract #11-21607	-	-	-	-
911 addressing grant	43,698	43,698	36,580	(7,118)
Fees of office	2,100,000	2,100,000	2,152,439	52,439
Detention center	2,500,000	2,500,000	1,735,054	(764,946)
Detention center - cities	15,000	15,000	10,650	(4,350)
Juvenile detention center	10,000	10,000	600	(9,400)
El Cenizo ADC - CASCST	7,200	7,200	7,200	-
Chapter 19 - voter registration	-	-	7,724	7,724
Library fines	-	-	6,625	6,625
Rentals	8,000	8,000	13,413	5,413
State salary supplement	70,000	70,000	107,500	37,500
Hotel taxes	45,000	45,000	-	(45,000)
Bond forfeitures	-	-	500	500
Interest	-	-	18,427	18,427
Donations	-	11,984	14,339	2,355
Sale of cemetery plots	5,000	5,000	6,150	1,150
Appraisal District refund-2012	-	-	354	354
Miscellaneous (sheriff)	1,000	1,000	-	(1,000)
Miscellaneous (auction)	5,000	5,210	4,335	(875)
Miscellaneous	100,000	100,000	39,829	(60,171)
Elderly transportation	-	-	3,687	3,687
Total revenues	<u>\$ 14,254,475</u>	<u>\$ 14,284,943</u>	<u>\$ 13,121,498</u>	<u>\$ (1,163,445)</u>

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	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	30,156	30,156	-
Salary of clerk	25,568	25,568	25,000	568
Salary of courthouse security	85,955	121,955	124,130	(2,175)
Veteran's Service Clerk	26,788	23,788	23,064	724
Dog kennel supervisor	3,090	3,090	-	3,090
Automation coordinator	70,179	73,179	74,324	(1,145)
Annex receptionist	40,900	4,900	1,160	3,740
Food inspector	48,956	48,956	48,961	(5)
Payroll taxes	37,576	37,576	36,190	1,386
Employee retirement	38,214	38,214	36,655	1,559
Office supplies	7,500	7,500	7,482	18
Auto expense	36,000	39,000	37,172	1,828
Telephone	9,000	9,000	9,360	(360)
Travel and seminar	10,000	11,302	10,486	816
Bonds and insurance	300	300	50	250
Dues and subscriptions	2,000	2,000	-	2,000
Capital outlay-equipment	9,425	9,425	-	9,425
Miscellaneous	10,000	6,000	2,111	3,889
Contingencies	10,000	10,000	7,399	2,601
Total county judge	<u>661,199</u>	<u>661,501</u>	<u>633,292</u>	<u>28,209</u>
County clerk:				
Salary of official	39,506	39,506	39,506	-
Salary of chief deputy clerk	26,224	26,224	26,224	-
Salary of court clerk	25,641	25,641	-	25,641
Salaries of deputies	87,955	87,955	113,036	(25,081)
Payroll taxes	13,718	13,718	12,780	938
Employee retirement	13,952	13,952	14,443	(491)
Office supplies	14,520	14,520	6,447	8,073
Telephone	50	50	-	50
Travel and seminars	2,500	2,500	2,349	151
Binding expense	4,000	4,000	3,413	587
Bonds and insurance	700	700	700	-
Operational system fee	34,200	34,200	54,600	(20,400)
Total county clerk	<u>262,966</u>	<u>262,966</u>	<u>273,498</u>	<u>(10,532)</u>

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General administration: (continued)				
Personnel department:				
Salary of supervisor	30,508	30,508	21,772	8,736
Salary of secretary/manager	21,902	21,902	24,800	(2,898)
Salary of benefits clerk	22,196	22,196	22,338	(142)
Salary of loss control clerk	22,454	22,454	30,004	(7,550)
Payroll taxes	7,425	7,425	7,351	74
Employee retirement	7,551	7,551	7,196	355
Office supplies	5,000	5,055	3,434	1,621
Travel and seminars	3,500	3,500	2,000	1,500
Rental - copier	1,000	1,000	810	190
Capital outlay	500	500	407	93
Total personnel department	<u>122,036</u>	<u>122,091</u>	<u>120,112</u>	<u>1,979</u>
Planning department:				
Salary of Subdivision regulation inspector	31,570	27,570	24,231	3,339
Salary of field worker	23,776	20,776	16,946	3,830
Payroll taxes	4,234	4,234	3,108	1,126
Employee retirement	4,306	4,306	3,143	1,163
Office supplies	2,000	800	489	311
Travel and seminars	800	800	912	(112)
Auto expense	1,000	2,200	2,146	54
Dues & subscriptions	100	100	111	(11)
Total planning department	<u>67,786</u>	<u>60,786</u>	<u>51,086</u>	<u>9,700</u>
Elections administrator:				
Salary of clerk	64,072	64,072	72,484	(8,412)
Payroll taxes	4,901	4,901	5,444	(543)
Employee retirement	4,985	4,985	3,828	1,157
Office supplies	10,000	6,001	3,957	2,044
Telephone	1,500	1,500	1,800	(300)
Travel and seminars	3,000	5,650	5,248	402
Public notices	1,000	1,000	458	542
Bonds and insurance	500	500	-	500
Election expense	-	-	16,183	(16,183)
Miscellaneous	1,000	2,849	2,765	84
Capital outlay	500	-	-	-
Total elections administrator	<u>91,458</u>	<u>91,458</u>	<u>112,167</u>	<u>(20,709)</u>
General fund county wide:				
Texas workforce commission	120,000	83,800	14,148	69,652
Workers compensation	150,000	150,000	44,005	105,995
Postage	140,000	140,000	126,633	13,367

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General administration: (continued)				
General fund county wide: (continued)				
Legal fees and settlements	80,000	80,000	69,217	10,783
Audit services	70,000	70,000	31,000	39,000
Payroll report processing	8,000	11,500	8,778	2,722
Appraisal district fees	380,000	400,000	424,880	(24,880)
Contractual services	120,000	120,000	78,785	41,215
Drug testing fees	8,000	8,000	3,590	4,410
Autopsies	50,000	50,000	25,793	24,207
Bidding & notices	20,000	20,000	10,406	9,594
Telephone-DPS license department	150	150	-	150
Building rent-DPS license department	100	100	-	100
Equipment rental-copiers	50,000	50,000	33,606	16,394
Computer payments	15,000	20,000	14,150	5,850
Insurance	150,000	150,000	141,588	8,412
Texas department of human services	10,000	10,000	5,719	4,281
Historical commission	5,000	5,000	-	5,000
Industrial development	100,000	100,000	98,033	1,967
Errors and omissions-insurance	50,000	50,000	49,160	840
Rural fire calls	5,000	5,000	-	5,000
Computer update	30,000	31,500	27,669	3,831
Capital outlay	100,000	120,000	85,089	34,911
Group insurance	1,800,000	1,800,000	1,816,761	(16,761)
Salary - election workers	-	55,000	50,956	4,044
Retirement	-	200	95	105
Self Help Center expense	45,879	45,879	50,962	(5,083)
Miscellaneous	20,000	25,000	24,076	924
Infrastructure development	90,000	30,000	25,671	4,329
Elections expense	50,000	50,000	49,551	449
Salary - visiting judges	5,000	5,000	3,102	1,898
Payroll taxes	-	6,000	4,136	1,864
Telephone	100,000	100,000	97,845	2,155
Total general fund county wide	<u>3,772,129</u>	<u>3,792,129</u>	<u>3,415,404</u>	<u>376,725</u>
Total general administration	<u>4,977,574</u>	<u>4,990,931</u>	<u>4,605,559</u>	<u>385,372</u>
Judicial:				
County court-at-law:				
Salary of official	140,320	140,320	140,320	-
Salary of court coordinator	29,617	29,617	46,220	(16,603)
Salary of court reporter	38,725	38,725	34,257	4,468
Salary of administrative assistant	29,471	29,471	19,194	10,277

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial: (continued)				
County court-at-law: (continued)				
Payroll taxes	18,217	18,217	15,894	2,323
Employee retirement	18,527	18,527	19,216	(689)
Office supplies	1,500	1,500	1,256	244
Contract Labor-Court appointed counselors	21,000	21,000	59,400	(38,400)
Contract Labor-Visiting reporter	200	200	1,150	(950)
Telephone	100	100	-	100
Travel and seminars	1,500	1,500	986	514
Bonds and insurance	50	50	-	50
Petit jurors	4,000	4,000	7,000	(3,000)
Other juror expense	1,000	1,000	-	1,000
Court ordered psychological evaluations	500	500	-	500
Court Appointed Attorney - Ad Litem	-	-	13,904	(13,904)
Miscellaneous	1,000	1,000	-	1,000
Total county court-at-law	<u>305,727</u>	<u>305,727</u>	<u>358,797</u>	<u>(53,070)</u>
229th district court:				
Salary Official	5,150	5,150	5,000	150
Salary of court reporter	43,993	43,993	43,993	-
Salary of court coordinator	26,091	26,091	34,171	(8,080)
Salary of court clerk	46,560	46,560	55,008	(8,448)
Salary of bailiff	-	-	20,493	(20,493)
Court ordered psychological evaluations	500	500	1,650	(1,150)
Salary of court interpreter	8,137	8,137	-	8,137
Salary of part time clerk	8,137	8,137	-	8,137
Payroll taxes	10,562	10,562	11,740	(1,178)
Employee retirement	10,742	10,742	13,249	(2,507)
Car allowance	5,000	5,000	5,000	-
Office supplies	4,000	4,000	4,026	(26)
Contract labor- Court-appointed counselors	25,000	25,000	109,044	(84,044)
Court appointed Attorney-Ad Litem	55,000	55,000	89,342	(34,342)
Contract labor-Visiting reporter	4,000	4,000	2,751	1,249
Telephone	3,500	3,500	1,819	1,681
Travel and seminars	5,000	8,000	8,855	(855)
Dues and subscriptions	200	200	-	200
Petit jurors	20,000	17,000	20,574	(3,574)
Other juror expense	2,500	2,500	668	1,832
Capital outlay	500	500	2,700	(2,200)
Total 229th district court	<u>284,572</u>	<u>284,572</u>	<u>430,083</u>	<u>(145,511)</u>

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial: (continued)				
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	15,509	7,606
Salary of interpreter	8,137	8,137	4,234	3,903
Payroll taxes	13,426	13,426	11,840	1,586
Employee retirement	13,655	13,655	13,226	429
Office supplies	8,000	8,000	7,483	517
Court-appointed attorney -CPS	-	-	84,686	(84,686)
Contract labor-Court-appointed counselors	40,000	40,000	69,235	(29,235)
Visiting reporter	3,000	3,000	1,260	1,740
Telephone	500	500	-	500
Travel and seminars	4,000	4,000	3,751	249
Jury commission	300	300	-	300
Petit jurors	35,000	34,000	23,840	10,160
Other juror expense	4,000	4,000	3,123	877
Court ordered psychological evaluations	1,000	1,000	450	550
Miscellaneous	3,000	4,000	3,717	283
Total 381st district court	<u>301,390</u>	<u>301,390</u>	<u>386,461</u>	<u>(85,071)</u>
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	175,850	157,376	18,474
Payroll taxes	-	-	16,706	(16,706)
Employee retirement	19,184	19,184	15,823	3,361
Office supplies	10,000	11,000	10,645	355
Microfilming	1,000	-	-	-
Telephone	750	-	-	-
Travel and seminars	1,500	2,100	1,665	435
Binding expense	1,000	-	-	-
Repair & maintenance-equipment	1,000	-	-	-
Printer Lease	750	-	-	-
Bonds and insurance	1,000	400	600	(200)
Miscellaneous	500	-	-	-
Capital outlay	-	9,000	8,553	447
Dues and subscriptions	200	200	145	55
Total district clerk	<u>283,464</u>	<u>283,464</u>	<u>277,243</u>	<u>6,221</u>

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial: (continued)				
Justice of the peace pct. 1:				
Salary of official	31,349	31,349	31,349	-
Salary of secretary	25,002	25,002	20,595	4,407
Payroll taxes	4,311	4,311	3,871	440
Employee retirement	4,384	4,384	2,789	1,595
Office supplies	1,000	1,000	1,004	(4)
Telephone	1,600	1,600	1,157	443
Travel and seminars	1,500	1,500	638	862
Bonds and insurance	175	175	-	175
Juror expense	100	100	-	100
Internet service	1,750	1,750	1,699	51
Total justice of the peace pct. 1	<u>71,171</u>	<u>71,171</u>	<u>63,102</u>	<u>8,069</u>
Justice of the peace pct. 2:				
Salary of official	28,525	28,525	28,525	-
Salary of secretary	23,894	23,894	21,450	2,444
Payroll taxes	4,010	4,010	3,108	902
Employee retirement	4,078	4,078	4,038	40
Office supplies	1,200	1,200	1,200	-
Telephone	1,000	1,000	1,090	(90)
Travel and seminars	1,000	1,000	734	266
Juror expense	100	100	-	100
Bonds and insurance	175	175	150	25
Internet service	1,750	1,750	1,433	317
Total justice of the peace pct. 2	<u>65,732</u>	<u>65,732</u>	<u>61,728</u>	<u>4,004</u>
Justice of the peace pct. 3:				
Salary of official	28,525	28,525	30,914	(2,389)
Salary of secretary	41,284	31,524	28,475	3,049
Payroll taxes	5,341	5,341	4,361	980
Employee retirement	5,431	5,431	4,443	988
Office supplies	1,400	780	779	1
Telephone	1,000	1,007	1,008	(1)
Internet service	1,750	2,086	2,004	82
Travel and seminars	1,000	1,151	1,151	-
Bonds and insurance	175	300	300	-
Juror expense	100	100	-	100
Total justice of the peace pct. 3	<u>86,006</u>	<u>76,245</u>	<u>73,435</u>	<u>2,810</u>

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial: (continued)				
Justice of the peace pct. 4:				
Salary of official	31,349	31,349	45,117	(13,768)
Salary of secretary	24,374	24,374	6,815	17,559
Payroll taxes	4,263	4,263	3,605	658
Employee retirement	4,335	4,335	4,193	142
Office supplies	2,000	2,000	1,953	47
Travel and seminars	1,200	1,200	640	560
Juror expense	300	300	-	300
Bonds and insurance	175	175	-	175
Total justice of the peace pct. 4	<u>67,996</u>	<u>67,996</u>	<u>62,323</u>	<u>5,673</u>
Justice of the peace pct. 5:				
Salary of official	31,349	31,349	31,349	-
Salary of clerk	19,450	19,450	18,813	637
Payroll taxes	3,886	3,886	3,420	466
Employee retirement	3,952	3,952	4,053	(101)
Office supplies	1,200	900	801	99
Telephone	1,000	1,000	1,366	(366)
Travel and seminars	1,300	1,600	1,501	99
Juror expense	100	100	-	100
Bonds and insurance	175	175	50	125
Total justice of the peace pct. 5	<u>62,412</u>	<u>62,412</u>	<u>61,353</u>	<u>1,059</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	-
Salary of clerk	20,000	20,000	19,231	769
Payroll taxes	5,841	5,841	5,381	460
Employee retirement	5,940	5,940	6,109	(169)
Office supplies	1,500	2,100	1,372	728
Telephone	1,800	1,800	1,930	(130)
Travel and seminars	1,300	1,300	1,443	(143)
Copier lease	350	-	-	-
Juror expense	100	-	-	-
Bonds and insurance	300	150	150	-
Internet service	1,500	1,500	1,504	(4)
Total justice of the peace pct. 6	<u>94,982</u>	<u>94,982</u>	<u>93,471</u>	<u>1,511</u>
Justice of the peace pct. 7:				
Salary of official	28,525	28,525	28,525	-
Salary of secretary	21,870	21,870	21,870	-
Payroll taxes	3,855	3,855	3,819	36
Employee retirement	3,921	3,921	4,072	(151)

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial: (continued)				
Justice of the peace pct. 7: (continued)				
Office supplies	1,000	1,000	2,324	(1,324)
Telephone	1,300	1,300	2,671	(1,371)
Travel and seminars	1,100	1,100	607	493
Rental copier	500	500	-	500
Bonds and insurance	175	175	50	125
Juror expense	100	100	-	100
Internet service	1,000	1,000	1,001	(1)
Total justice of the peace pct. 7	<u>63,346</u>	<u>63,346</u>	<u>64,939</u>	<u>(1,593)</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	3,934	3,934	3,834	100
Employee retirement	4,000	4,000	4,154	(154)
Office supplies	1,200	2,062	1,486	576
Telephone	1,000	1,000	964	36
Travel and seminars	1,200	613	613	-
Juror expense	100	-	-	-
Bonds and insurance	275	100	100	-
Internet service	1,500	1,500	1,553	(53)
Total justice of the peace pct. 8	<u>64,628</u>	<u>64,628</u>	<u>64,123</u>	<u>505</u>
Total judicial	<u>1,751,426</u>	<u>1,741,665</u>	<u>1,997,058</u>	<u>(255,393)</u>
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	56,096	96
Other salaries	86,927	65,995	140,511	(74,516)
CPS Attorney	21,250	21,250	49,915	(28,665)
Payroll taxes	18,864	16,569	23,306	(6,737)
Employee retirement	19,184	16,778	24,742	(7,964)
Office supplies	3,000	4,005	3,607	398
Supplies other	500	545	395	150
Repairs and maintenance-autos	1,000	-	-	-
Fuel and oil	6,000	6,000	5,987	13
Travel and seminars	1,000	-	-	-
Equipment rental-copiers	6,500	11,500	6,500	5,000
Bonds and insurance	500	200	200	-
Dues and subscriptions	250	-	-	-

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Legal: (continued)				
County attorney: (continued)				
Capital outlay	500	-	-	-
Service of citations	3,000	-	-	-
Total county attorney	<u>306,884</u>	<u>281,251</u>	<u>393,901</u>	<u>(112,650)</u>
District attorney:				
Supplemental salary of official	11,672	11,672	12,032	(360)
DA Supplemental salaries & fringes	-	-	22,424	(22,424)
Salaries of assistants	107,879	101,879	68,335	33,544
Salaries of investigators	39,745	39,745	37,721	2,024
Salaries of secretaries	94,752	94,752	88,430	6,322
Other salaries	61,185	61,185	65,018	(3,833)
Payroll taxes	24,115	24,115	19,456	4,659
Employee retirement	24,525	24,525	21,519	3,006
Office supplies	5,000	8,000	6,776	1,224
Repairs and maintenance-autos	2,000	2,000	1,935	65
Transcripts for trials and appeals	2,500	2,000	1,224	776
Telephone	1,000	1,500	1,000	500
Travel and seminars	3,500	8,000	7,997	3
Computer maintenance	1,000	1,000	850	150
Rental-copier	7,000	7,000	6,319	681
Bonds and insurance	300	300	-	300
Dues and subscriptions	1,500	1,500	1,413	87
Contract services-VINE program	-	8,274	8,274	-
Capital outlay	1,500	-	-	-
Miscellaneous	600	600	608	(8)
Total district attorney	<u>389,773</u>	<u>398,047</u>	<u>371,331</u>	<u>26,716</u>
Total legal	<u>696,657</u>	<u>679,298</u>	<u>765,232</u>	<u>(85,934)</u>
Financial administration:				
County auditor:				
Salary of official	63,743	63,743	63,743	-
Salary of accountant	46,065	46,065	50,080	(4,015)
Salary of assistant	43,578	43,578	-	43,578
Salary of special programs bookkeeper	28,427	28,427	33,600	(5,173)
Salary of clerks	98,385	98,385	92,707	5,678
Payroll taxes	21,435	21,435	17,104	4,331
Employee retirement	21,800	21,800	19,401	2,399
Office supplies	3,500	3,500	3,174	326
Travel and seminars	1,000	1,000	703	297
Repairs and maintenance-equipment	500	500	-	500

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Financial administration: (continued)				
County auditor: (continued)				
Rental-copier	2,000	2,000	1,668	332
Bonds and insurance	200	200	50	150
Dues and subscriptions	300	300	385	(85)
Miscellaneous	200	200	-	200
Capital outlay	1,000	1,000	5,500	(4,500)
Total county auditor	332,133	332,133	288,115	44,018
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	47,289	-
Payroll taxes	8,648	8,648	8,455	193
Employee retirement	8,795	8,795	9,133	(338)
Office supplies	3,500	3,500	3,769	(269)
Telephone	100	100	-	100
Travel and seminars	3,000	4,000	3,449	551
Bonds and insurance	1,000	1,000	200	800
Dues and subscriptions	100	100	-	100
Capital outlay	1,000	-	-	-
Total county treasurer	139,187	139,187	138,050	1,137
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	26,224	-
Salaries of deputies	190,117	190,117	203,356	(13,239)
Salary of clerk	3,948	3,948	12,101	(8,153)
Payroll taxes	22,028	22,028	22,095	(67)
Employee retirement	22,403	22,403	23,996	(1,593)
Office supplies	18,000	15,905	12,055	3,850
Telephone	1,800	2,395	2,631	(236)
Travel and seminars	2,500	5,952	5,442	510
Printing	2,500	2,500	2,500	-
Bonds and insurance	500	500	1,100	(600)
Dues and subscriptions	700	248	248	-
Miscellaneous	500	-	-	-
Capital outlay	1,000	-	-	-
Total tax collector	359,885	359,885	379,413	(19,528)

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Financial administration: (continued)				
Compliance and collections:				
Salary of collections Supervisor	29,394	29,394	29,394	-
Salary of collection Specialist	48,100	48,100	44,379	3,721
Salary of warrant officer	40,572	40,572	-	40,572
Salary of Clerk	-	7,000	54,179	(47,179)
Payroll taxes	9,032	9,032	9,213	(181)
Employee Retirement	9,186	9,186	9,911	(725)
Office Supplies	4,000	7,155	5,770	1,385
Travel & Seminars	2,000	500	167	333
Dues & Subscriptions	500	500	-	500
Auto expense	2,000	500	213	287
Miscellaneous	500	500	400	100
Total Compliance and Collections	<u>145,284</u>	<u>152,439</u>	<u>153,626</u>	<u>(1,187)</u>
Total financial administration	<u>976,489</u>	<u>983,644</u>	<u>959,204</u>	<u>24,440</u>
Public facilities:				
Building maintenance:				
Salary of maintenance janitors	63,658	63,658	61,476	2,182
Salary of yardman	22,509	22,509	40,173	(17,664)
Salary of janitor (new floor)	21,351	21,351	19,750	1,601
Salary of annex janitors	40,900	40,900	40,801	99
Salary of annex yardman	19,450	19,450	-	19,450
Payroll taxes	12,842	12,842	11,927	915
Employee retirement	13,060	13,060	11,584	1,476
Employee uniforms	2,000	2,000	60	1,940
Cleaning and sanitation supplies	16,000	16,000	14,368	1,632
Small tools	3,000	3,000	1,946	1,054
Repairs and maintenance-buildings	18,000	18,000	12,487	5,513
Repairs and maintenance-elevator	7,000	7,000	6,509	491
Repairs and maintenance-equipment	11,000	11,000	4,243	6,757
Total building maintenance	<u>250,770</u>	<u>250,770</u>	<u>225,324</u>	<u>25,446</u>
Total public facilities	<u>250,770</u>	<u>250,770</u>	<u>225,324</u>	<u>25,446</u>
Public safety:				
Fire station pct. 1:				
Salary of employee	101,253	122,684	125,288	(2,604)
Payroll taxes	7,746	9,000	9,433	(433)
Employee retirement	7,877	9,312	9,357	(45)
Fuel and oil	8,000	7,622	7,622	-
Cleaning and sanitation	1,000	-	-	-

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety: (continued)				
Fire station pct. 1: (continued)				
Telephone	2,000	2,000	2,139	(139)
Travel and seminars	1,500	504	266	238
Repairs and maintenance-equipment	20,000	7,426	7,228	198
Rentals-equipment	12,000	-	-	-
Insurance-liability	1,200	1,200	-	1,200
Insurance-firemen	2,500	2,500	-	2,500
Miscellaneous	5,000	13,599	13,584	15
Capital outlay-equipment	10,000	5,348	2,726	2,622
Total fire station pct. 1	180,076	181,195	177,643	3,552
Fire station pct. 2:				
Salary of employee	113,889	102,789	102,831	(42)
Salary of assistant chief	22,075	-	-	-
Payroll taxes	10,401	7,701	7,548	153
Employee retirement	10,578	7,778	7,675	103
Fuel and oil	15,000	14,915	14,913	2
Telephone	3,000	5,000	5,153	(153)
Travel and seminars	1,000	1,090	1,090	-
Repair and maintenance-equipment	14,000	13,905	13,903	2
Capital outlay-equipment	30,000	32,250	32,248	2
Total fire station pct. 2	219,943	185,428	185,361	67
Fire station pct. 3:				
Salary of employee	105,535	109,985	109,980	5
Salary of night watchman	-	659	659	-
Payroll taxes	8,073	8,328	8,316	12
Employee retirement	8,211	8,691	8,658	33
Fuel and oil	8,000	13,608	13,546	62
Telephone	3,000	-	-	-
Travel and seminars	1,000	793	792	1
Repairs and maintenance-equipment	7,000	7,000	6,873	127
Insurance-liability	2,000	1,722	1,722	-
Insurance-firemen	3,000	3,000	3,000	-
Miscellaneous	2,500	2,500	2,500	-
Capital outlay-equipment	10,000	2,033	2,032	1
Capital outlay-building	4,000	4,000	3,910	90
Total fire station pct. 3	162,319	162,319	161,988	331
Fire station pct. 4:				
Salary of employee	-	390	94,724	(94,334)
Salary of firemen	94,263	94,263	-	94,263

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety: (continued)				
Fire station pct. 4: (continued)				
Payroll taxes	7,211	5,621	6,547	(926)
Employee retirement	7,334	7,574	7,655	(81)
Uniform rental	4,000	2,445	2,142	303
Fuel and oil	22,000	12,660	12,651	9
Telephone	3,000	4,330	4,871	(541)
Travel and seminars	1,000	500	995	(495)
Repair and maintenance-equipment	8,000	7,840	7,949	(109)
Equipment rental	5,000	-	-	-
Insurance-liability	4,000	3,850	3,849	1
Insurance- fireman	1,000	-	-	-
Miscellaneous	7,000	7,032	4,949	2,083
Capital outlay-equipment	24,000	29,910	29,906	4
Total fire station pct. 4	<u>187,808</u>	<u>176,415</u>	<u>176,238</u>	<u>177</u>
Constables:				
Salary of constable Pct. 1	26,295	26,295	26,295	-
Salary of constable Pct. 2	26,295	26,295	26,801	(506)
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	23,261	3,034
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	16,092	16,092	14,710	1,382
Employee retirement	16,366	16,366	16,789	(423)
Travel and seminars	4,000	3,500	1,653	1,847
Fuel and oil	32,500	26,100	19,083	7,017
Bonds and insurance	-	50	566	(516)
Repairs & Maintenance - Autos	1,000	2,500	2,500	-
Repairs and maintenance - equipment	6,500	14,850	11,244	3,606
Total constables	<u>286,818</u>	<u>289,818</u>	<u>274,377</u>	<u>15,441</u>
Sheriff's department:				
Salary of official	71,372	71,372	71,372	-
Supplement salary of official	15,450	15,450	15,450	-
Salary of chief deputy	47,134	47,134	47,134	-
Salary of deputies	496,373	527,305	514,508	12,797
Salary of clerk	22,128	22,128	17,089	5,039
Salary of dispatchers	167,820	167,820	153,470	14,350

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public Safety: (continued)				
Sheriff's department: (continued)				
Salary of investigators	203,787	203,787	175,902	27,885
Salary of captain	37,924	37,924	37,924	-
Salary of sergeants	101,896	101,896	101,899	(3)
Salary of corporals	34,482	34,482	65,347	(30,865)
Salary of warrants	32,691	32,691	-	32,691
Salary of part-time dispatcher	20,891	20,891	9,472	11,419
Salary of lieutenant	35,616	35,616	21,137	14,479
Salary of task Force Officer	32,960	32,960	32,960	-
Payroll taxes	101,020	103,315	94,064	9,251
Employee retirement	102,737	105,143	102,620	2,523
Uniforms	7,000	7,000	3,698	3,302
Office supplies	9,500	9,500	9,319	181
Fuel and oil	150,000	150,000	142,432	7,568
Firearm supplies	3,000	3,000	3,000	-
Telephone	50,000	50,000	56,800	(6,800)
Travel and seminars	1,500	1,500	1,040	460
School instructors expense	1,000	1,000	940	60
Repairs and maintenance-equipment	8,000	8,000	7,777	223
Repairs and maintenance-communications equipment	7,000	7,000	7,221	(221)
Rental of storage-department files	4,000	4,000	2,302	1,698
Repairs and maintenance-autos	30,000	30,000	30,763	(763)
Rental copier	4,500	4,500	2,644	1,856
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>1,810,981</u>	<u>1,846,614</u>	<u>1,732,284</u>	<u>114,330</u>
229th district adult probation:				
Salary of secretaries	8,611	8,611	7,582	1,029
Payroll taxes	659	659	538	121
Employee retirement	670	670	613	57
Total 229th district adult probation	<u>9,940</u>	<u>9,940</u>	<u>8,733</u>	<u>1,207</u>
229th district juvenile probation:				
County's contribution	87,000	87,000	87,000	-
Residential placements	-	-	-	-
Total 229th district juvenile probation	<u>87,000</u>	<u>87,000</u>	<u>87,000</u>	<u>-</u>
Contribution to Texas DPS:				
Salary of clerks	22,559	22,559	22,559	-
Payroll taxes	1,726	1,726	1,725	1.00

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety: (continued)				
Contribution to Texas DPS: (continued)				
Employee retirement	1,755	1,755	1,823	(68)
Telephone	3,000	4,200	3,800	400
Rentals-equipment	4,000	200	-	200
Miscellaneous	500	3,100	3,100	-
Total contribution to Texas DPS	33,540	33,540	33,007	533
Detention center:				
Salary of captain	37,064	37,064	40,079	(3,015)
Salary of jailers	870,000	870,000	1,045,106	(175,106)
Salary of corporals	48,979	48,979	48,434	545
Salary of cooks	41,573	41,573	41,573	-
Salary of office manager	27,501	27,501	27,501	-
Salary of sergeants	101,934	101,934	72,210	29,724
Salary of head bookkeeper	27,501	27,501	-	27,501
Salary of bookkeeper	-	-	26,443	(26,443)
Salary of maintenance	45,171	45,171	-	45,171
Salary of mechanic	22,585	22,585	67,756	(45,171)
Salary of lieutenants	28,281	28,281	28,281	-
Payroll taxes	95,670	95,670	102,095	(6,425)
Employee retirement	97,296	97,296	108,208	(10,912)
Office supplies	15,000	15,000	13,345	1,655
Cleaning and sanitation	30,000	30,000	39,476	(9,476)
Food consumption	385,000	385,000	465,764	(80,764)
Camera supplies	1,000	1,000	-	1,000
Uniforms	12,000	12,000	10,735	1,265
Personal hygiene-inmates	12,000	12,000	11,546	454
Pharmacy	35,000	35,000	29,375	5,625
Medical services	25,000	25,000	15,179	9,821
Contract medical service	100,000	100,000	97,600	2,400
Telephone	2,000.00	2,000.00	2,832	(832)
Transport of inmates	8,000	8,000	-	8,000
School and training	2,000	2,000	1,800	200
Utilities	60,000	60,000	57,513	2,487
Repairs and maintenance-buildings	60,000	60,000	59,690	310
Repairs and maintenance-equipment	30,000	30,000	21,905	8,095
Rental-copier	5,000	5,000	2,749	2,251
Insurance-buildings	25,000	25,000	24,909	91
Jail inspection expense	1,000	1,000	850	150
Capital outlay-equipment	15,000	15,000	11,026	3,974

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety: (continued)				
Detention center: (continued)				
Capital outlay-communications equipment.	3,000	3,000	1,687	1,313
Trustee fees-jail lease	1,000	1,000	-	1,000
Total detention center	<u>2,270,555</u>	<u>2,270,555</u>	<u>2,475,667</u>	<u>(205,112)</u>
Juvenile detention center:				
Salary of guards	153,526	153,526	152,503	1,023
Salary of part-time guards	87,407	83,707	122,140	(38,433)
Salary of detention director	4,738	4,738	4,874	(136)
Salary of detention supervisor	2,369	-	-	-
Secretary stipend	1,339	1,339	1,339	-
Payroll taxes	19,077	19,077	21,148	(2,071)
Employee retirement	19,402	19,402	12,883	6,519
Linen/Uniforms	400	-	-	-
Restraints	100	-	-	-
Office supplies	4,000	5,600	5,504	96
Telephone	2,000	2,000	2,681	(681)
Medical services	500	-	-	-
Repairs and maintenance	1,500	1,500	1,560	(60)
Insurance-liability	100	-	-	-
Miscellaneous	1,000	1,000	875	125
Travel and seminars	7,000	12,569	11,805	764
Total Juvenile detention center	<u>304,458</u>	<u>304,458</u>	<u>337,312</u>	<u>(32,854)</u>
9-1-1 Services:				
Salary of clerk	24,400	24,400	24,177	223
Payroll taxes	1,867	1,867	1,805	62
Group insurance	4,200	4,200	4,177	23
Employee retirement	1,898	1,898	1,953	(55)
Workers compensation	61	61	-	61
Unemployment insurance	347	347	-	347
Training	2,894	2,894	1,010	1,884
Repairs & Maintenance	1,221	1,221	-	1,221
Other	1,159	1,159	-	1,159
Travel and seminars	2,000	2,000	526	1,474
Supplies	2,575	2,575	483	2,092
Street sign replacement	1,137	1,137	-	1,137
Total 9-1-1 services	<u>43,759</u>	<u>43,759</u>	<u>34,131</u>	<u>9,628</u>

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety: (continued)				
County wide services:				
Salary of fire department administrator	-	-	39,130	(39,130)
Payroll taxes	-	-	2,917	(2,917)
Employment retirement	-	-	3,162	(3,162)
Total county wide services	-	-	45,209	(45,209)
Total public safety	5,597,197	5,591,041	5,728,950	(137,909)
Health and welfare:				
Public health and welfare aid:				
Contract medical services	6,000	6,000	6,000	-
Pauper funerals	4,000	4,000	-	4,000
Total public health and welfare aid	10,000	10,000	6,000	4,000
Federal and state programs:				
Salary of department head	56,779	56,779	56,780	(1)
Salary part-time projects clerk	26,164	26,164	24,844	1,320
Salary of project manager	112,856	112,856	103,947	8,909
Payroll taxes	14,979	14,979	13,770	1,209
Employee retirement	15,233	15,233	14,396	837
Office supplies	7,000	6,372	6,372	-
Telephone	1,500	1,500	2,625	(1,125)
Travel and seminars	4,000	6,355	5,561	794
Repairs and maintenance equipment	1,300	43	43	-
Capital outlay	500	500	-	500
Dues and subscriptions	750	280	280	-
Total federal and state programs	241,061	241,061	228,618	12,443
Elderly programs:				
Salary of coordinator	23,766	5,817	5,817	-
Salary of transportation director	22,763	22,763	22,763	-
Payroll taxes	3,559	2,260	2,107	153
Employee retirement	3,620	2,420	2,291	129
Office supplies	500	400	399	1
Fuel and oil	20,000	20,000	19,984	16
Repair and maintenance-autos	2,000	1,390	1,390	-
Bonds and insurance	500	-	-	-
Total elderly programs	76,708	55,050	54,751	299
Nutrition program pct. 1:				
Salary of site manager	24,350	21,689	22,017	(328)
Salary of part-time help	72,621	90,016	89,397	619

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Health and welfare: (continued)				
Nutrition program pct. 1: (continued)				
Payroll taxes	7,418	8,122	8,421	(299)
Employee retirement	7,545	7,933	8,172	(239)
Contractual services	25,000	11,661	10,977	684
Consumables	5,000	721	716	5
Repairs and maintenance - auto	2,000	2,294	756	1,538
Fuel and oil	5,000	3,881	3,881	-
Miscellaneous	10,000	7,219	5,556	1,663
Food pantry expense	15,000	21,129	20,772	357
Total nutrition program pct. 1	<u>173,934</u>	<u>174,665</u>	<u>170,665</u>	<u>4,000</u>
Nutrition program pct. 2:				
Salary of program administrator	19,964	19,964	19,964	-
Salary of administrative assistant	19,803	24,353	24,348	5
Salary of part-time help	39,841	37,991	37,994	(3)
Payroll taxes	6,090	6,090	6,031	59
Employee retirement	6,193	4,793	4,689	104
Contractual	45,000	52,800	52,678	122
Consumables	5,000	5,050	5,050	-
Repairs and maintenance - auto	500	500	488	12
Food pantry expense	20,000	67,024	67,020	4
Total nutrition program pct. 2	<u>162,391</u>	<u>218,565</u>	<u>218,262</u>	<u>303</u>
Nutrition program pct. 3:				
Salary of site manager	18,706	29,713	29,713	-
Salary of rental building coordinator	1,411	1,339	1,339	-
Payroll taxes	1,539	2,264	2,261	3
Employee retirement	1,565	2,505	2,509	(4)
Contractual	12,000	12,000	11,927	73
Consumables	2,000	2,000	1,991	9
Fuel and oil	3,000	3,000	3,000	-
Repairs and maintenance - auto	1,000	1,000	941	59
Miscellaneous	7,200	4,360	4,313	47
Food pantry	20,000	-	-	-
Total nutrition program pct. 3	<u>68,421</u>	<u>58,181</u>	<u>57,994</u>	<u>187</u>
Nutrition program pct. 4:				
Salary of site manager	22,554	22,554	20,211	2,343
Salary of assistant	23,918	23,918	43,007	(19,089)
Salary of part-time help	3,028	3,028	-	3,028
Payroll taxes	3,787	4,960	4,835	125

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Health and welfare: (continued)				
Nutrition program pct. 4: (continued)				
Employee retirement	3,851	3,851	1,942	1,909
Contractual services	60,000	98,500	92,495	6,005
Consumables	32,000	5,000	4,896	104
Fuel and oil	17,000	5,500	5,130	370
Repairs and maintenance-autos	1,000	1,000	950	50
Food pantry expense (to self-help)	15,000	32,354	26,194	6,160
Total nutrition program pct. 4	<u>182,138</u>	<u>200,665</u>	<u>199,660</u>	<u>1,005</u>
 Total health and welfare	<u>914,653</u>	<u>958,187</u>	<u>935,950</u>	<u>22,237</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	26,438	-
Salary of clerk	25,206	25,206	25,206	-
Payroll taxes	6,043	6,043	5,947	96
Employee retirement	6,146	6,146	5,400	746
Dues	800	475	475	-
Office supplies and postage	4,500	4,654	4,652	2
Postage	1,050	87	87	-
Custodial supplies	850	344	344	-
Demonstration materials	850	526	525	1
Computer update	1,850	426	427	(1)
Tele-communications update	850	1,628	1,627	1
Telephone	3,100	3,766	3,775	(9)
Mileage	14,800	14,800	14,800	-
Travel and seminars	6,000	6,568	6,545	23
Repairs and maintenance-equipment	1,350	3,496	3,496	-
Rental-copier	3,350	2,580	2,524	56
Total extension service	<u>130,533</u>	<u>130,533</u>	<u>129,618</u>	<u>915</u>
Total conservation agriculture	<u>130,533</u>	<u>130,533</u>	<u>129,618</u>	<u>915</u>
 Total expenditures - all departments:	<u>15,295,299</u>	<u>15,326,069</u>	<u>15,346,895</u>	<u>(20,826)</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(1,040,824)	(1,041,126)	(2,225,397)	(1,184,271)

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STARR COUNTY, TEXAS
 DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES):				
Transfers in	988,240	988,240	988,240	-
Transfers out	-	-	(681,537)	(681,537)
Total other financing sources (uses)	<u>988,240</u>	<u>988,240</u>	<u>306,703</u>	<u>(681,537)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(52,584)	(52,886)	(1,918,694)	(1,865,808)
FUND BALANCE, BEGINNING	<u>3,976,806</u>	<u>3,976,806</u>	<u>3,976,806</u>	-
FUND BALANCE, ENDING	<u>\$ 3,924,222</u>	<u>\$ 3,923,920</u>	<u>\$ 2,058,112</u>	<u>\$ (1,865,808)</u>

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STARR COUNTY, TEXAS

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

DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
REVENUES				
Current taxes	\$ 510,106	\$ 510,106	\$ 448,273	\$ (61,833)
Delinquent taxes	51,000	51,000	75,876	24,876
Interest	10,000	10,000	5,804	(4,196)
Total revenues	<u>571,106</u>	<u>571,106</u>	<u>529,953</u>	<u>(41,153)</u>
EXPENDITURES				
Debt service:				
Principal retirement	450,000	450,000	450,000	-
Interest	117,856	117,856	117,856	-
Fiscal agent fees	3,000	3,000	551	2,449
Total expenditures	<u>570,856</u>	<u>570,856</u>	<u>568,407</u>	<u>2,449</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>250</u>	<u>250</u>	<u>(38,454)</u>	<u>(38,704)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>3,259,651</u>	<u>3,259,651</u>	<u>3,259,651</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,259,901</u>	<u>\$ 3,259,901</u>	<u>\$ 3,221,197</u>	<u>\$ (38,704)</u>

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Current ad valorem	\$ 4,459,394	\$ 4,459,394	\$ 3,325,833	\$ (1,133,561)
Delinquent ad valorem	450,000	450,000	402,908	(47,092)
Motor vehicle licenses	720,000	720,000	402,401	(317,599)
Lateral road credit	35,000	35,000	26,348	(8,652)
Gross weight/ axle fees	-	-	68,204	68,204
Fines and forfeitures	355,000	355,000	862,493	507,493
Interest	-	-	1,000	1,000
State salary supplements	25,000	25,000	-	(25,000)
Auction	-	4,182	4,182	-
Miscellaneous	-	375	5,135	4,760
Donations	-	4,825	5,825	1,000
Total revenues	<u>6,044,394</u>	<u>6,053,776</u>	<u>5,104,329</u>	<u>(949,447)</u>
EXPENDITURES				
Commissioner Pct. 1:				
Salary of official	67,324	68,423	67,065	1,358
Salary of foreman	26,822	6,182	6,182	-
Salary of supervisor	23,391	45,572	43,227	2,345
Salary of street maintenance supervisor	19,830	17,204	14,413	2,791
Salary of head clerk	22,794	29,098	29,601	(503)
Salaries of clerical	53,541	122,900	125,466	(2,566)
Salaries-janitorial	21,879	4,698	4,698	-
Salaries of street maintenance	75,298	86,765	84,674	2,091
Salaries of timekeeper/policy manager	18,594	24,787	24,943	(156)
Salaries of park maintenance	28,663	-	-	-
Salaries of drivers and other duties	73,554	-	-	-
Salaries of night watchman	31,100	6,380	6,090	290
Salaries of road employees	30,472	122,496	120,253	2,243
Roadhands	23,115	-	-	-
Payroll taxes	39,503	40,774	39,311	1,463
Employee retirement	40,174	42,427	41,301	1,126
Office supplies	4,000	7,125	6,312	813
Fuel and oil	80,000	85,034	84,822	212
Telephone	10,000	15,080	12,294	2,786
Travel and seminars	2,000	1,906	3,852	(1,946)
Repairs and maintenance equipment	65,000	61,706	62,840	(1,134)
Rental - machinery	10,000	7,061	6,883	178
Repairs and maintenance-roads & bridges	75,157	71,856	71,856	-
Welding supplies	4,000	254	254	-
Contract work-hauling	15,000	9,966	8,966	1,000

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (continued)				
Commissioner Pct. 1: (continued)				
Contract work-other	15,000	6,530	7,530	(1,000)
Bonds and insurance	1,000	100	100	-
Miscellaneous	15,000	12,322	11,300	1,022
Capital outlay	95,000	121,591	118,753	2,838
Capital outlay-parks and comm. ctrs	35,000	20,315	21,574	(1,259)
Capital outlay-equipment	28,000	25,209	25,209	-
Contingencies	4,000	575	575	-
Food Bank	15,000	-	-	-
Total commissioner pct. 1	<u>1,069,211</u>	<u>1,064,336</u>	<u>1,050,344</u>	<u>13,992</u>
Commissioner Pct. 2:				
Salary of official	67,324	67,324	67,324	-
Salary of administrative assistant	30,000	30,580	30,577	3
Salary of superintendent	31,500	31,390	31,389	1
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	16,562	16,558	4
Salary of equipment mechanic	23,307	23,307	23,307	-
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	-	-	-
Other salaries	112,270	165,605	166,458	(853)
Salary of library clerk	37,992	29,992	29,988	4
Food pantry personnel	31,415	20,620	20,620	-
Payroll taxes	46,453	40,553	40,429	124
Employee retirement	47,242	34,442	34,319	123
Uniform rental	300	-	-	-
Office supplies	3,000	3,000	2,998	2
Consultant fees	5,000	-	-	-
Fuel and oil	86,700	66,700	66,700	-
Telephone	6,500	8,400	8,410	(10)
Travel and seminars	5,000	3,340	3,337	3

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (continued)				
Commissioner Pct. 2: (continued)				
Repairs and maint-building	20,000	23,000	23,007	(7)
Repairs and maint-equipment	66,000	54,800	53,444	1,356
Repairs and maint-roads & bridges	18,100	18,100	18,138	(38)
Radio lease	3,000	3,000	2,987	13
Contract work	31,300	1,680	1,680	-
Bonds and insurance	9,000	50	50	-
Dues and subscriptions	1,000	-	-	-
Miscellaneous	3,000	5,000	4,966	34
Parks and community centers	26,730	32,315	32,309	6
Capital outlay	41,000	196,944	198,914	(1,970)
Contingencies	4,000	2,520	2,697	(177)
Food Bank	20,000	-	-	-
Total commissioner pct. 2	<u>1,050,554</u>	<u>1,038,454</u>	<u>1,039,836</u>	<u>(1,382)</u>
Commissioner Pct. 3:				
Salary of official	67,324	67,324	67,324	-
Salaries of secretary & foreman	53,172	64,479	64,479	-
Other salaries	278,231	288,588	288,486	102
Nightwatchmen	69,984	-	-	-
Roadhands	101,924	140,198	140,279	(81)
Temporary help	46,908	53,988	53,985	3
Payroll taxes	47,242	43,992	43,843	149
Employee retirement	48,045	48,795	48,825	(30)
Office supplies	1,000	1,000	974	26
Fuel and oil	90,000	90,000	89,831	169
Telephone	10,000	15,000	14,980	20
Travel and seminars	6,000	1,307	1,306	1
Repairs and maint-buildings	50,000	44,356	32,406	11,950
Repairs and maint-equipment	96,000	101,000	100,483	517
Repairs and maint-roads & bridges	144,581	144,581	142,557	2,024
Miscellaneous	41,000	51,330	34,732	16,598
Parks and community centers	14,000	14,000	14,000	-
Food Bank	20,000	20,000	19,785	215
Contingencies	4,000	2,373	2,373	-
Capital outlay	37,400	37,400	63,670	(26,270)
Total commissioner pct. 3	<u>1,226,811</u>	<u>1,229,711</u>	<u>1,224,318</u>	<u>5,393</u>
Commissioner Pct. 4:				
Salary of official	67,324	69,049	67,324	1,725
Salaries of secretary	24,542	25,523	25,598	(75)

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (continued)				
Commissioner Pct. 4: (continued)				
Salary of foreman	44,963	22,482	40,289	(17,807)
Other salaries	338,576	382,039	369,105	12,934
Payroll taxes	36,368	32,445	36,838	(4,393)
Employee retirement	36,987	34,087	36,425	(2,338)
Uniform rental	10,000	10,000	6,296	3,704
Office supplies	6,000	8,700	8,079	621
Fuel and oil	85,000	76,823	74,125	2,698
Telephone	12,000	12,000	11,887	113
Travel and seminars	1,000	2,000	1,857	143
Bonds and insurance	1,000	1,000	-	1,000
Repairs and maint-equipment	74,500	51,000	54,786	(3,786)
Repairs and maint-roads & bridges	79,000	113,000	104,474	8,526
Lease payments-machinery	70,000	37,312	36,566	746
Miscellaneous	38,200	25,430	22,371	3,059
Fire protection	25,000	5,000	720	4,280
Parks and community centers	20,000	22,000	20,086	1,914
Contingencies	4,000	47,325	41,345	5,980
Food Bank	15,000	-	-	-
Capital outlay	67,158	74,458	66,376	8,082
Total commissioner pct. 4	<u>1,056,618</u>	<u>1,051,673</u>	<u>1,024,547</u>	<u>27,126</u>
Flood control:				
Precinct #1 channels	9,000	-	-	-
Precinct #2 channels	7,900	-	-	-
Precinct #3 channels	15,000	15,000	15,000	-
Precinct #4 channels	10,000	-	-	-
Total flood control	<u>41,900</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Road & Bridge Fund County Wide:				
Appraisal district fees	10,000	-	-	-
Breathalyzer services	10,000	10,000	7,500	2,500
Bidding and notices	100	100	-	100
Utilities	800,000	912,500	947,897	(35,397)
Dues and subscriptions	8,000	10,500	10,034	466
Suspension bridge match	10,000	10,000	-	10,000
Right-of-ways and emergency	100,000	50,000	46,171	3,829
Total road & bridge fund county wide	<u>938,100</u>	<u>993,100</u>	<u>1,011,602</u>	<u>(18,502)</u>
Total expenditures	<u>5,383,194</u>	<u>5,392,274</u>	<u>5,365,647</u>	<u>26,627</u>

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STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>661,200</u>	<u>661,502</u>	<u>(261,318)</u>	<u>(922,820)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	661,200	661,502	(261,318)	(922,820)
FUND BALANCE, BEGINNING	<u>(576,317)</u>	<u>(576,317)</u>	<u>(576,317)</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 84,883</u>	<u>\$ 85,185</u>	<u>\$ (837,635)</u>	<u>\$ (922,820)</u>

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SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

FIDUCIARY FUNDS

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**NONMAJOR
GOVERNMENTAL FUNDS**

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

(Continued)

ASSETS	Special Revenue Funds		
	Self-Help Center	Operation Joint Investigation DA & I.C.E	CACST 5310
Cash	\$ 660	\$ -	\$ 6
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	1,183	-
Due from other governments	35,986	620	-
Total assets	\$ 36,646	\$ 1,803	\$ 6
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 4,823	\$ -	\$ -
Bank overdraft	-	-	-
Accrued liabilities	-	-	-
Due to other funds	31,823	1,803	6
Due to other governments	-	-	-
Deferred revenue	-	-	-
Total liabilities	36,646	1,803	6
Assigned	-	-	-
Restricted	-	-	-
Total fund balances	-	-	-
Total liabilities and fund balances	\$ 36,646	\$ 1,803	\$ 6

EXHIBIT H-1

Archives Management Fee Fund	U. S. Department of Agriculture FHA Grant Housing Preservation	HIDTA Grants District Attorney	Surcharge Fund
\$ 6,448	\$ 6,790	\$ 6,693	\$ 4,967
-	-	-	-
-	-	-	-
-	-	-	-
2,504	-	-	2,514
-	-	264,550	-
<u>\$ 8,952</u>	<u>\$ 6,790</u>	<u>\$ 271,243</u>	<u>\$ 7,481</u>
\$ -	\$ -	\$ -	\$ 32
-	-	-	-
-	-	-	-
-	-	268,385	-
-	-	-	-
-	6,790	2,858	-
-	6,790	271,243	32
-	-	-	-
8,952	-	-	7,449
8,952	-	-	7,449
<u>\$ 8,952</u>	<u>\$ 6,790</u>	<u>\$ 271,243</u>	<u>\$ 7,481</u>

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

(Continued)

	Special Revenue Funds		
	Law Library Fund	Courthouse Security Fund	Border Prosecution Unit
ASSETS			
Cash	\$ 170,790	\$ 198,855	\$ 47,055
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	3,885	2,663	-
Due from other governments	-	-	9,444
Total assets	<u>\$ 174,675</u>	<u>\$ 201,518</u>	<u>\$ 56,499</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 260	\$ -
Bank overdraft	-	-	-
Accrued liabilities	-	-	5,075
Due to other funds	-	-	51,252
Due to other governments	-	-	-
Deferred revenue	-	-	172
Total liabilities	<u>-</u>	<u>260</u>	<u>56,499</u>
Assigned	-	-	-
Restricted	<u>174,675</u>	<u>201,258</u>	<u>-</u>
Total fund balances	<u>174,675</u>	<u>201,258</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 174,675</u>	<u>\$ 201,518</u>	<u>\$ 56,499</u>

EXHIBIT H-1

Management & Preservation Fund	LEOSE Fund	Starr Co Violent Crimes Unit Border Star	Local Border Security Program LSBP 2013
\$ 69,632	\$ 14,177	\$ 67,807	\$ 765
-	-	-	-
-	-	-	-
-	-	-	-
5,314	-	11,990	-
-	-	26,130	22,198
<u>74,946</u>	<u>14,177</u>	<u>105,927</u>	<u>22,963</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	3,087	-
-	31	72,452	22,963
-	-	27,203	-
-	-	1,979	-
-	31	104,721	22,963
-	-	-	-
<u>74,946</u>	<u>14,146</u>	<u>1,206</u>	<u>-</u>
<u>74,946</u>	<u>14,146</u>	<u>1,206</u>	<u>-</u>
<u>\$ 74,946</u>	<u>\$ 14,177</u>	<u>\$ 105,927</u>	<u>\$ 22,963</u>

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

(Continued)

ASSETS	Special Revenue Funds		
	OPSG 2012	Los Olmos Watershed Project	GLO Contract #DRS220179 Round 2.2
Cash	\$ -	\$ 204,362	\$ 1
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	63,930	-	-
Total assets	\$ 63,930	\$ 204,362	\$ 1
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 1
Bank overdraft	-	-	-
Accrued liabilities	-	-	-
Due to other funds	63,930	-	-
Due to other governments	-	-	-
Deferred revenue	-	204,362	-
Total liabilities	63,930	204,362	1
Assigned	-	-	-
Restricted	-	-	-
Total fund balances	-	-	-
Total liabilities and fund balances	\$ 63,930	\$ 204,362	\$ 1

Community Facilities Loan & Grant San Isidro Project	BEC/ NADB SWEP Grant # TX0360 (RRR)	Justice Court Technology Fund	Border Interdiction Unit Border Star
\$ 4,867	\$ 17,916	\$ 25,025	\$ 1,072
-	-	-	-
-	-	-	-
-	-	1,347	-
-	-	-	16,148
<u>\$ 4,867</u>	<u>\$ 17,916</u>	<u>\$ 26,372</u>	<u>\$ 17,220</u>
\$ -	\$ -	\$ 911	\$ -
-	-	-	-
63,000	-	-	4,036
27	-	-	13,184
-	-	-	-
<u>4,840</u>	<u>17,916</u>	<u>-</u>	<u>-</u>
<u>67,867</u>	<u>17,916</u>	<u>911</u>	<u>17,220</u>
-	-	-	-
<u>(63,000)</u>	<u>-</u>	<u>25,461</u>	<u>-</u>
<u>(63,000)</u>	<u>-</u>	<u>25,461</u>	<u>-</u>
<u>\$ 4,867</u>	<u>\$ 17,916</u>	<u>\$ 26,372</u>	<u>\$ 17,220</u>

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

(Continued)

	Special Revenue Funds		
	Victims of Domestic Violence Assistance Prog WF-08-V30-17244-05	LBSP 11 Border Star II	Homeland Security Grants
ASSETS			
Cash	\$ 788	\$ -	\$ 353
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	4,333	-	-
Due from other governments	33,768	-	1,700
Total assets	<u>\$ 38,889</u>	<u>\$ -</u>	<u>\$ 2,053</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Bank overdraft	-	-	-
Accrued liabilities	3,904	-	-
Due to other funds	34,985	-	2,034
Due to other governments	-	-	-
Deferred revenue	-	-	19
Total liabilities	<u>38,889</u>	<u>-</u>	<u>2,053</u>
Assigned	-	-	-
Restricted	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 38,889</u>	<u>\$ -</u>	<u>\$ 2,053</u>

EXHIBIT H-1

TDHCA HOME HBA #1001239	ORCA TXCDBG #727449	Crime Victims Asst. Program VA-10-V30-19034-04	TDRA Home Program #1001187
\$ 12	\$ 30	\$ 11,952	\$ 42,585
-	-	-	-
-	-	-	-
-	-	-	-
43,000	-	-	-
21,500	-	14,263	2,650
<u>64,512</u>	<u>30</u>	<u>26,215</u>	<u>45,235</u>
\$ -	\$ 21	\$ -	\$ -
-	-	-	-
-	-	3,847	-
64,512	9	22,368	45,235
-	-	-	-
-	-	-	-
<u>64,512</u>	<u>30</u>	<u>26,215</u>	<u>45,235</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>64,512</u>	<u>30</u>	<u>26,215</u>	<u>45,235</u>

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

(Continued)

	Special Revenue Funds		
	United Way Impact Grant	Drug Related Public Corruption Task Force	TDRA Contract #710015
ASSETS			
Cash	\$ 434	\$ -	\$ 3,462
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	219,311
Due from other governments	-	-	-
	-	-	-
Total assets	\$ 434	\$ -	\$ 222,773
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 222,743
Bank overdraft	-	-	-
Accrued liabilities	-	-	-
Due to other funds	1	-	30
Due to other governments	-	-	-
Deferred revenue	433	-	-
	433	-	-
Total liabilities	434	-	222,773
Assigned	-	-	-
Restricted	-	-	-
	-	-	-
Total fund balances	-	-	-
Total liabilities and fund balances	\$ 434	\$ -	\$ 222,773

EXHIBIT H-1

Operation Stonegarden 2010 2010-55-T0-0008	BEECC/NADBANK SWEP Grant TX0360 Fund	TXDOT Border Colonia Access 3rd Call	FY2011 Operation Stonegarden 12-MCAMCA-01-002 Fund
\$ 7,069	\$ 118,175	\$ 93,587	\$ 5,600
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	18,720
-	-	-	122,066
<u>\$ 7,069</u>	<u>\$ 118,175</u>	<u>\$ 93,587</u>	<u>\$ 146,386</u>
\$ -	\$ 1	\$ -	\$ -
-	-	-	-
-	-	-	-
7,069	-	17,781	39,753
-	-	-	106,633
-	118,174	75,806	-
<u>7,069</u>	<u>118,175</u>	<u>93,587</u>	<u>146,386</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 7,069</u>	<u>\$ 118,175</u>	<u>\$ 93,587</u>	<u>\$ 146,386</u>

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

(Continued)

	Special Revenue Funds		
	Joint Law Enforcement Operations - Sheriff & US Marshalls	Drainage District Fund	Joint Investigations - I.C.E. & Sheriff Fund
ASSETS			
Cash	\$ 976	\$ 66,998	\$ 1
Investments	-	1,000,504	-
Taxes receivable (net of allowance)	-	105,542	-
Accounts receivable	-	30	-
Due from other funds	1,131	2,011	-
Due from other governments	<u>2,676</u>	<u>-</u>	<u>647</u>
Total assets	<u>\$ 4,783</u>	<u>\$ 1,175,085</u>	<u>\$ 648</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Bank overdraft	-	-	-
Accrued liabilities	-	-	-
Due to other funds	4,783	-	648
Due to other governments	-	-	-
Deferred revenue	<u>-</u>	<u>103,320</u>	<u>-</u>
Total liabilities	<u>4,783</u>	<u>103,320</u>	<u>648</u>
Assigned	-	-	-
Restricted	<u>-</u>	<u>1,071,765</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>1,071,765</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 4,783</u>	<u>\$ 1,175,085</u>	<u>\$ 648</u>

EXHIBIT H-1

HAVA Grants CFDA# 90.401 Fund	LBSP-12 Fund	Total Special Revenue Funds
\$ -	\$ -	\$ 1,199,910
-	-	1,000,504
-	-	105,542
-	-	30
4,400	-	324,306
-	-	638,276
<u>\$ 4,400</u>	<u>\$ -</u>	<u>\$ 3,268,568</u>
\$ -	\$ -	\$ 228,792
-	-	-
-	-	82,949
-	-	765,064
-	-	133,836
4,400	-	541,069
<u>4,400</u>	<u>-</u>	<u>1,751,710</u>
-	-	-
-	-	1,516,858
-	-	1,516,858
<u>\$ 4,400</u>	<u>\$ -</u>	<u>\$ 3,268,568</u>

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STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

(Continued)

ASSETS	Capital Projects Fund "Construction 2004"	Total Nonmajor Governmental Funds
Cash	\$ 36,351	\$ 1,236,261
Investments	256,951	1,257,455
Taxes receivable (net of allowance)	-	105,542
Accounts receivable	52	82
Due from other funds	291,921	616,227
Due from other governments	-	638,276
	<hr/>	<hr/>
Total assets	<u>\$ 585,275</u>	<u>\$ 3,853,843</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ -	\$ 228,792
Bank overdraft	-	-
Accrued liabilities	-	82,949
Due to other funds	-	765,064
Due to other governments	-	133,836
Deferred revenue	-	541,069
	<hr/>	<hr/>
Total liabilities	-	1,751,710
Assigned	585,275	585,275
Restricted	-	1,516,858
	<hr/>	<hr/>
Total fund balances	<u>585,275</u>	<u>2,102,133</u>
Total liabilities and fund balances	<u>\$ 585,275</u>	<u>\$ 3,853,843</u>

STARR COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Continued)

	Special Revenue Funds		
	Self-Help Center	Operation Joint Investigation DA & ICE	CACST 5310
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	340,649	23,769	4,771
Fines and forfeitures	-	-	-
Interest income	87	-	-
Miscellaneous	17	-	-
Total revenues	<u>340,753</u>	<u>23,769</u>	<u>4,771</u>
EXPENDITURES			
Highways and streets	-	-	-
Health and welfare	340,753	-	4,771
Public safety	-	23,769	-
Public facilities	-	-	-
Total expenditures	<u>340,753</u>	<u>23,769</u>	<u>4,771</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>

EXHIBIT H-2

Archive Management Fee Fund	U. S. Department of Agriculture FHA Grant Housing Preservation	HIDTA Grants District Attorney	Surcharge Fund
\$ -	\$ -	\$ -	\$ -
-	-	389,783	-
34,553	-	-	34,800
13	-	-	21
-	-	-	-
<u>34,566</u>	<u>-</u>	<u>389,783</u>	<u>34,821</u>
-	-	-	-
-	-	-	-
-	-	389,783	-
<u>36,168</u>	<u>-</u>	<u>-</u>	<u>43,827</u>
<u>36,168</u>	<u>-</u>	<u>389,783</u>	<u>43,827</u>
<u>(1,602)</u>	<u>-</u>	<u>-</u>	<u>(9,006)</u>
-	-	-	-
<u>10,554</u>	<u>-</u>	<u>-</u>	<u>16,455</u>
<u>\$ 8,952</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,449</u>

STARR COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Continued)

	Special Revenue Funds		
	Law Library Fund	Courthouse Security Fund	Border Prosecution Unit
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	90,549
Fines and forfeitures	24,523	20,148	-
Interest income	330	410	-
Miscellaneous	-	-	-
Total revenues	<u>24,853</u>	<u>20,558</u>	<u>90,549</u>
EXPENDITURES			
Highways and streets	-	-	-
Health and welfare	-	-	-
Public safety	-	-	90,549
Public facilities	259	3,368	-
Total expenditures	<u>259</u>	<u>3,368</u>	<u>90,549</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>24,594</u>	<u>17,190</u>	<u>-</u>
OTHER FINANCING SOURCES			
Operating transfers in (out)	-	-	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>150,081</u>	<u>184,068</u>	<u>-</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 174,675</u>	<u>\$ 201,258</u>	<u>\$ -</u>

Management & Preservation Fund	LEOSE Fund	Starr Co Violent Crimes Unit Border Star	LSBP 2013
\$ -	\$ -	\$ -	\$ -
-	-	347,173	219,705
15,743	-	-	-
132	-	-	32
-	-	-	-
<u>15,875</u>	<u>-</u>	<u>347,173</u>	<u>219,737</u>
-	-	-	-
-	-	-	-
-	-	347,173	219,737
-	-	-	-
<u>-</u>	<u>-</u>	<u>347,173</u>	<u>219,737</u>
<u>15,875</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
<u>59,071</u>	<u>14,146</u>	<u>1,206</u>	<u>-</u>
<u>\$ 74,946</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, 2013
(Continued)

	Special Revenue Funds		
	OPSG 2012	Los Olmos Watershed Project	GLO Contract #DRS220179 Round 2.2
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	63,930	-	-
Fines and forfeitures	-	-	-
Interest income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>63,930</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Highways and streets	-	-	-
Health and welfare	-	-	-
Public safety	63,930	-	-
Public facilities	-	-	-
Total expenditures	<u>63,930</u>	<u>-</u>	<u>-</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>

Community Facilities Loan & Grant San Isidro Project	BEC/ NADB SWEP Grant # TX0360 (RRR)	Justice Court Technology Fund	Border Interdiction Unit Border Star
\$ -	\$ -	\$ -	\$ -
21,000	-	-	177,783
-	-	8,981	-
-	-	-	-
-	-	-	-
<u>21,000</u>	<u>-</u>	<u>8,981</u>	<u>177,783</u>
-	-	-	-
-	-	-	-
-	-	-	177,783
-	-	21,707	-
<u>-</u>	<u>-</u>	<u>21,707</u>	<u>177,783</u>
21,000	-	(12,726)	-
-	-	-	-
(84,000)	-	38,187	-
<u>\$ (63,000)</u>	<u>\$ -</u>	<u>\$ 25,461</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, 2013
(Continued)

	Special Revenue Funds		
	Victims of Domestic Violence Assistance Prog	LBSP 2011 Border Star II	Homeland Security Grants
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	119,281	18,836	35,111
Fines and forfeitures	-	-	-
Interest income	9	204	-
Miscellaneous	-	-	-
Total revenues	<u>119,290</u>	<u>19,040</u>	<u>35,111</u>
EXPENDITURES			
Highways and streets	-	-	-
Health and welfare	-	-	-
Public safety	119,290	19,040	35,111
Public facilities	-	-	-
Total expenditures	<u>119,290</u>	<u>19,040</u>	<u>35,111</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>

STARR COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Continued)

	Special Revenue Funds		
	United Way Impact Grant	Drug Related Public Corruption Task Force	TDRA Contract #710015
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	27,884	(47,385)
Fines and forfeitures	-	-	-
Interest income	-	-	-
Miscellaneous	-	-	-
Total revenues	-	27,884	(47,385)
EXPENDITURES			
Highways and streets	-	-	330,762
Health and welfare	-	-	-
Public safety	-	27,884	-
Public facilities	-	-	-
Total expenditures	-	27,884	330,762
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(378,147)
OTHER FINANCING SOURCES			
Operating transfers in (out)	-	-	378,147
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	-	-	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ -	\$ -	\$ -

EXHIBIT H-2

OPSG 2010 Fund	BEECC/NADBANK SWEP Grant TX0360 Fund	TXDOT Border Colonia Access 3rd Call	FY2011 Operation Stonegarden 12-MCAMCA-01-002 Fund
\$ -	\$ -	\$ -	\$ -
332,412	-	129,946	461,774
-	-	-	-
-	-	-	-
-	-	-	-
<u>332,412</u>	<u>-</u>	<u>129,946</u>	<u>461,774</u>
-	-	129,946	-
-	-	-	-
332,412	-	-	461,774
-	-	-	-
<u>332,412</u>	<u>-</u>	<u>129,946</u>	<u>461,774</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, 2013
(Continued)

	Special Revenue Funds		
	Joint Law Enforcement Operations - Sheriff & US Marshalls	Drainage District Fund	Joint Investigations - I.C.E. & Sheriff Fund
REVENUES			
Taxes	\$ -	\$ 325,209	\$ -
Intergovernmental	10,000	-	11,994
Fines and forfeitures	-	-	-
Interest income	-	1,611	-
Miscellaneous	-	-	-
Total revenues	<u>10,000</u>	<u>326,820</u>	<u>11,994</u>
EXPENDITURES			
Highways and streets	-	-	-
Health and welfare	-	-	-
Public safety	10,000	-	11,994
Public facilities	-	-	-
Total expenditures	<u>10,000</u>	<u>-</u>	<u>11,994</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>326,820</u>	<u>-</u>
OTHER FINANCING SOURCES			
Operating transfers in (out)	-	-	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>-</u>	<u>744,945</u>	<u>-</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ 1,071,765</u>	<u>\$ -</u>

EXHIBIT H-2

HAVA Grants CFDA# 90.401 Fund	LBSP-12 Fund	Total Special Revenue Funds
\$ -	\$ -	\$ 325,209
-	109,653	3,415,392
-	-	154,231
-	14	2,863
-	-	17
-	109,667	3,897,712
-	-	858,401
-	-	412,674
-	109,667	2,517,310
-	-	105,329
-	109,667	3,893,714
-	-	3,998
-	-	378,147
-	-	1,134,713
\$ -	\$ -	\$ 1,516,858

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STARR COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

(Continued)

REVENUES	Capital Projects Fund "Construction 2004"	Total Nonmajor Governmental Funds
Taxes	\$ -	\$ 325,209
Intergovernmental	-	3,415,392
Fines and forfeitures	-	154,231
Interest income	413	3,276
Miscellaneous	-	17
	<hr/>	<hr/>
Total revenues	413	3,898,125
	<hr/>	<hr/>
EXPENDITURES		
Highways and streets	-	858,401
Health and welfare	-	412,674
Public safety	-	2,517,310
Public facilities	-	105,329
	<hr/>	<hr/>
Total expenditures	-	3,893,714
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<hr/> 413	<hr/> 4,411
	<hr/>	<hr/>
OTHER FINANCING SOURCES		
Operating transfers in (out)	-	378,147
	<hr/>	<hr/>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<hr/> 584,862	<hr/> 1,719,575
	<hr/>	<hr/>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 585,275</u>	<u>\$ 2,102,133</u>

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FIDUCIARY FUNDS

STARR COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

SEPTEMBER 30, 2013

(Continued)

	229th Judicial District Probation Fund	Juvenile Probation & Restitution Fund	County Attorney Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 43,047	\$ 10,528	\$ 187,772
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	2,100	-
Other assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 43,047</u>	<u>\$ 12,628</u>	<u>\$ 187,772</u>
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ 4,333
Due to other governments	32,807	-	-
Funds held in escrow	-	-	-
Accounts payable	-	-	-
Other liabilities	<u>10,240</u>	<u>12,628</u>	<u>183,439</u>
Total liabilities	<u>\$ 43,047</u>	<u>\$ 12,628</u>	<u>\$ 187,772</u>

EXHIBIT H-3

District Attorney Fund	County Clerk Fund	Detention Center Fund	Motor Vehicle Tax Fund	Tax Assessor Collector Fund
\$ 2,210,818	\$ 1,469,653	\$ 182,698	\$ 466,394	\$ 181,830
143,883	-	-	-	-
2,350	-	-	28,424	48,104
399,785	-	-	182	48,479
-	-	-	-	-
-	-	-	226,347	116,523
<u>\$ 2,756,836</u>	<u>\$ 1,469,653</u>	<u>\$ 182,698</u>	<u>\$ 721,347</u>	<u>\$ 394,936</u>
\$ 2,341	\$ 294,403	\$ -	\$ 82,439	\$ 261,429
-	-	-	638,908	77,629
1,741,359	319,379	43,020	-	-
46,244	-	-	-	-
966,892	855,871	139,678	-	55,878
<u>\$ 2,756,836</u>	<u>\$ 1,469,653</u>	<u>\$ 182,698</u>	<u>\$ 721,347</u>	<u>\$ 394,936</u>

STARR COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

SEPTEMBER 30, 2013

(Continued)

	District Clerk's Fund	District Clerk's Investment Trust Fund	Sheriff's Department Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 836,731	\$ -	\$ 703,024
Investments	-	1,878,832	399,164
Accounts receivable	-	-	-
Due from other funds	-	-	62,679
Due from other governments	-	-	-
Other assets	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 836,731</u>	 <u>\$ 1,878,832</u>	 <u>\$ 1,164,867</u>
 LIABILITIES			
Due to other funds	\$ 36,101	\$ -	\$ 28,470
Due to other governments	-	-	-
Funds held in escrow	800,630	1,878,832	249,767
Accounts payable	-	-	-
Other liabilities	<u>-</u>	<u>-</u>	<u>886,630</u>
 Total liabilities	 <u>\$ 836,731</u>	 <u>\$ 1,878,832</u>	 <u>\$ 1,164,867</u>

EXHIBIT H-3

Planning Department Fund	Consolidated Court Cost Fund	Retirement System Fund	Justice of the Peace Fund	Fourth Court of Appeals Fund
\$ 179	\$ 112,479	\$ 1,911	\$ 64,911	\$ 180
-	-	-	-	-
-	-	-	-	-
-	70,592	139,724	-	270
-	-	-	-	-
-	-	-	-	-
<u>\$ 179</u>	<u>\$ 183,071</u>	<u>\$ 141,635</u>	<u>\$ 64,911</u>	<u>\$ 450</u>
\$ 179	\$ 24,996	\$ 1,911	\$ 39,756	\$ 3
-	45,374	139,724	-	270
-	-	-	-	-
-	-	-	-	-
-	112,701	-	25,155	177
<u>\$ 179</u>	<u>\$ 183,071</u>	<u>\$ 141,635</u>	<u>\$ 64,911</u>	<u>\$ 450</u>

STARR COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

SEPTEMBER 30, 2013

(Continued)

	TNRCC Inspection Fees Fund	Jury Fund	Tertiary Care Fund
ASSETS	<u> </u>	<u> </u>	<u> </u>
Cash	\$ 1,773	\$ 451	\$ 7,935
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	11,936	2,110
Due from other governments	-	-	-
Other assets	60	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,833</u>	<u>\$ 12,387</u>	<u>\$ 10,045</u>
LIABILITIES			
Due to other funds	\$ 3	\$ -	\$ 2,843
Due to other governments	350	-	906
Funds held in escrow	-	-	-
Accounts payable	-	-	-
Other liabilities	1,480	12,387	6,296
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 1,833</u>	<u>\$ 12,387</u>	<u>\$ 10,045</u>

<u>Total</u>	
\$	6,482,314
	2,421,879
	78,878
	735,757
	2,100
	<u>342,930</u>
\$	<u>10,063,858</u>

	779,207
	935,968
	5,032,987
	46,244
	<u>3,269,452</u>
\$	<u>10,063,858</u>

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STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2013

229th JUDICIAL DISTRICT PROBATION FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 43,276	\$ 436,817	\$ 437,046	\$ 43,047
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 43,276</u>	<u>\$ 436,817</u>	<u>\$ 437,046</u>	<u>\$ 43,047</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other governments	32,594	436,694	436,481	32,807
Other liabilities	10,682	123	565	10,240
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 43,276</u>	<u>\$ 436,817</u>	<u>\$ 437,046</u>	<u>\$ 43,047</u>

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STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2013

(Continued)

JUVENILE PROBATION & RESTITUTION FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 4,450	\$ 9,897	\$ 3,819	\$ 10,528
Due from other governments	-	2,100	-	2,100
Total assets	<u>\$ 4,450</u>	<u>\$ 11,997</u>	<u>\$ 3,819</u>	<u>\$ 12,628</u>
LIABILITIES				
Other liabilities	<u>\$ 4,450</u>	<u>\$ 11,997</u>	<u>\$ 3,819</u>	<u>\$ 12,628</u>
Total liabilities	<u>\$ 4,450</u>	<u>\$ 11,997</u>	<u>\$ 3,819</u>	<u>\$ 12,628</u>

COUNTY ATTORNEY FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 174,146	\$ 310,787	\$ 297,161	\$ 187,772
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 174,146</u>	<u>\$ 310,787</u>	<u>\$ 297,161</u>	<u>\$ 187,772</u>
LIABILITIES				
Due to other funds	\$ 4,333	\$ -	\$ -	\$ 4,333
Other liabilities	<u>169,813</u>	<u>310,787</u>	<u>297,161</u>	<u>183,439</u>
Total liabilities	<u>\$ 174,146</u>	<u>\$ 310,787</u>	<u>\$ 297,161</u>	<u>\$ 187,772</u>

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STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2013

(Continued)

DISTRICT ATTORNEY FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 2,062,141	\$ 3,270,475	\$ 3,121,798	\$ 2,210,818
Investments	143,332	551	-	143,883
Due from other funds	336,618	106,359	43,192	399,785
Accounts receivable	4,000	2,350	4,000	2,350
Total assets	<u>\$ 2,546,091</u>	<u>\$ 3,379,735</u>	<u>\$ 3,168,990</u>	<u>\$ 2,756,836</u>
LIABILITIES				
Accounts payable	\$ 138,694	\$ 46,244	\$ 138,694	\$ 46,244
Due to other funds	1,858	2,341	1,858	2,341
Funds held for others	1,244,870	1,570,692	1,074,203	1,741,359
Other liabilities	1,160,669	1,760,458	1,954,235	966,892
Total liabilities	<u>\$ 2,546,091</u>	<u>\$ 3,379,735</u>	<u>\$ 3,168,990</u>	<u>\$ 2,756,836</u>

COUNTY CLERK FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 1,855,876	\$ 1,127,459	\$ 1,513,682	\$ 1,469,653
Due from other funds	-	33,191	33,191	-
Total assets	<u>\$ 1,855,876</u>	<u>\$ 1,160,650</u>	<u>\$ 1,546,873</u>	<u>\$ 1,469,653</u>
LIABILITIES				
Due to other funds	\$ 268,650	\$ 306,593	\$ 280,840	\$ 294,403
Funds held for others	317,470	1,909	-	319,379
Other liabilities	1,269,756	852,148	1,266,033	855,871
Total liabilities	<u>\$ 1,855,876</u>	<u>\$ 1,160,650</u>	<u>\$ 1,546,873</u>	<u>\$ 1,469,653</u>

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STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2013

(Continued)

DETENTION CENTER FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 213,063	\$ 940,901	\$ 971,266	\$ 182,698
Total assets	<u>\$ 213,063</u>	<u>\$ 940,901</u>	<u>\$ 971,266</u>	<u>\$ 182,698</u>
LIABILITIES				
Funds held for others	\$ 38,337	\$ 598,043	\$ 593,360	\$ 43,020
Other liabilities	<u>174,726</u>	<u>342,858</u>	<u>377,906</u>	<u>139,678</u>
Total liabilities	<u>\$ 213,063</u>	<u>\$ 940,901</u>	<u>\$ 971,266</u>	<u>\$ 182,698</u>

MOTOR VEHICLE TAX FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 429,097	\$ 8,189,303	\$ 8,152,006	\$ 466,394
Accounts receivable	28,424	-	-	28,424
Due from other funds	182	-	-	182
Other assets	<u>216,653</u>	<u>9,694</u>	<u>-</u>	<u>226,347</u>
Total assets	<u>\$ 674,356</u>	<u>\$ 8,198,997</u>	<u>\$ 8,152,006</u>	<u>\$ 721,347</u>
LIABILITIES				
Due to other funds	\$ 317,708	\$ 91,527	\$ 326,796	\$ 82,439
Due to other governments	356,648	663,293	381,033	638,908
Other liabilities	<u>-</u>	<u>7,444,177</u>	<u>7,444,177</u>	<u>-</u>
Total liabilities	<u>\$ 674,356</u>	<u>\$ 8,198,997</u>	<u>\$ 8,152,006</u>	<u>\$ 721,347</u>

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STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2013

(Continued)

TAX ASSESSOR COLLECTOR FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 199,384	\$ 20,827,385	\$ 20,844,939	\$ 181,830
Accounts receivable	48,104	-	-	48,104
Due from other funds	26,706	59,947	38,174	48,479
Other assets	154,096	-	37,573	116,523
Total assets	<u>\$ 428,290</u>	<u>\$ 20,887,332</u>	<u>\$ 20,920,686</u>	<u>\$ 394,936</u>
LIABILITIES				
Due to other funds	\$ 260,647	\$ 164,819	\$ 164,037	\$ 261,429
Due to other governments	51,771	66,308	40,450	77,629
Other liabilities	115,872	20,656,205	20,716,199	55,878
Total liabilities	<u>\$ 428,290</u>	<u>\$ 20,887,332</u>	<u>\$ 20,920,686</u>	<u>\$ 394,936</u>

DISTRICT CLERK'S FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 841,950	\$ 360,172	\$ 365,391	\$ 836,731
Total assets	<u>\$ 841,950</u>	<u>\$ 360,172</u>	<u>\$ 365,391</u>	<u>\$ 836,731</u>
LIABILITIES				
Due to other funds	\$ 87,844	\$ 36,101	\$ 87,844	\$ 36,101
Funds held for others	754,106	324,071	277,547	800,630
Total liabilities	<u>\$ 841,950</u>	<u>\$ 360,172</u>	<u>\$ 365,391</u>	<u>\$ 836,731</u>

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STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2013

(Continued)

DISTRICT CLERK'S INVESTMENT TRUST FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Investments	\$ 1,880,117	\$ 61,725	\$ 63,010	\$ 1,878,832
Total assets	<u>\$ 1,880,117</u>	<u>\$ 61,725</u>	<u>\$ 63,010</u>	<u>\$ 1,878,832</u>
LIABILITIES				
Funds held for others	\$ 1,880,117	\$ 61,725	\$ 63,010	\$ 1,878,832
Total liabilities	<u>\$ 1,880,117</u>	<u>\$ 61,725</u>	<u>\$ 63,010</u>	<u>\$ 1,878,832</u>

SHERIFF'S DEPARTMENT FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 684,377	\$ 698,613	\$ 679,966	\$ 703,024
Investments	398,168	996	-	399,164
Due from other funds	104,581	13,552	55,454	62,679
Total assets	<u>\$ 1,187,126</u>	<u>\$ 713,161</u>	<u>\$ 735,420</u>	<u>\$ 1,164,867</u>
LIABILITIES				
Due to other funds	\$ -	\$ 28,470	\$ -	\$ 28,470
Funds held for others	183,626	88,692	22,551	249,767
Other liabilities	1,003,500	595,999	712,869	886,630
Total liabilities	<u>\$ 1,187,126</u>	<u>\$ 713,161</u>	<u>\$ 735,420</u>	<u>\$ 1,164,867</u>

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STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2013

(Continued)

PLANNING DEPARTMENT FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 265	\$ 551	\$ 637	\$ 179
Other assets	13	-	13	-
Total assets	<u>\$ 278</u>	<u>\$ 551</u>	<u>\$ 650</u>	<u>\$ 179</u>
LIABILITIES				
Accounts payable	\$ 13	\$ -	\$ 13	\$ -
Due to other funds	265	551	637	179
Total liabilities	<u>\$ 278</u>	<u>\$ 551</u>	<u>\$ 650</u>	<u>\$ 179</u>

CONSOLIDATED COURT COST FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 149,932	\$ 326,853	\$ 364,306	\$ 112,479
Due from other funds	62,494	70,590	62,492	70,592
Total assets	<u>\$ 212,426</u>	<u>\$ 397,443</u>	<u>\$ 426,798</u>	<u>\$ 183,071</u>
LIABILITIES				
Due to other funds	\$ 50,037	\$ 24,996	\$ 50,037	\$ 24,996
Due to other governments	90,508	269,058	314,192	45,374
Other liabilities	71,881	103,389	62,569	112,701
Total liabilities	<u>\$ 212,426</u>	<u>\$ 397,443</u>	<u>\$ 426,798</u>	<u>\$ 183,071</u>

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STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2013

(Continued)

RETIREMENT SYSTEM FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 1,868	\$ 1,749,669	\$ 1,749,626	\$ 1,911
Due from other funds	137,931	139,724	137,931	139,724
Total assets	<u>\$ 139,799</u>	<u>\$ 1,889,393</u>	<u>\$ 1,887,557</u>	<u>\$ 141,635</u>
LIABILITIES				
Due to other funds	\$ 1,868	\$ 43	\$ -	\$ 1,911
Due to other governments	137,931	1,889,350	1,887,557	139,724
Total liabilities	<u>\$ 139,799</u>	<u>\$ 1,889,393</u>	<u>\$ 1,887,557</u>	<u>\$ 141,635</u>

JUSTICE OF THE PEACE FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 54,549	\$ 327,944	\$ 317,582	\$ 64,911
Total assets	<u>\$ 54,549</u>	<u>\$ 327,944</u>	<u>\$ 317,582</u>	<u>\$ 64,911</u>
LIABILITIES				
Due to other funds	\$ 37,767	\$ 31,378	\$ 29,389	\$ 39,756
Other liabilities	16,782	296,566	288,193	25,155
Total liabilities	<u>\$ 54,549</u>	<u>\$ 327,944</u>	<u>\$ 317,582</u>	<u>\$ 64,911</u>

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STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2013

(Continued)

FOURTH COURT OF APPEALS FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 179	\$ 1,629	\$ 1,628	\$ 180
Due from other funds	<u>368</u>	<u>270</u>	<u>368</u>	<u>270</u>
Total assets	<u>\$ 547</u>	<u>\$ 1,899</u>	<u>\$ 1,996</u>	<u>\$ 450</u>
LIABILITIES				
Due to other funds	\$ 2	\$ 1	\$ -	\$ 3
Due to other governments	368	270	368	270
Other liabilities	<u>177</u>	<u>1,628</u>	<u>1,628</u>	<u>177</u>
Total liabilities	<u>\$ 547</u>	<u>\$ 1,899</u>	<u>\$ 1,996</u>	<u>\$ 450</u>

TNRCC INSPECTION FEES FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 1,090	\$ 1,303	\$ 620	\$ 1,773
Other Assets	<u>100</u>	<u>60</u>	<u>100</u>	<u>60</u>
Total assets	<u>\$ 1,190</u>	<u>\$ 1,363</u>	<u>\$ 720</u>	<u>\$ 1,833</u>
LIABILITIES				
Due to other funds	\$ 60	\$ 3	\$ 60	\$ 3
Due to other governments	250	350	250	350
Other liabilities	<u>880</u>	<u>1,010</u>	<u>410</u>	<u>1,480</u>
Total liabilities	<u>\$ 1,190</u>	<u>\$ 1,363</u>	<u>\$ 720</u>	<u>\$ 1,833</u>

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STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2013

(Continued)

JURY FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 1,011	\$ 42,472	\$ 43,032	\$ 451
Due from other funds	8,288	8,000	4,352	11,936
Other Assets	-	-	-	-
Total assets	<u>\$ 9,299</u>	<u>\$ 50,472</u>	<u>\$ 47,384</u>	<u>\$ 12,387</u>
LIABILITIES				
Other liabilities	<u>\$ 9,299</u>	<u>\$ 50,472</u>	<u>\$ 47,384</u>	<u>\$ 12,387</u>
Total liabilities	<u>\$ 9,299</u>	<u>\$ 50,472</u>	<u>\$ 47,384</u>	<u>\$ 12,387</u>

TERTIARY CARE FUND

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 3,919	\$ 5,929	\$ 1,913	\$ 7,935
Due from other funds	167	2,110	167	2,110
Accrued interest	-	-	-	-
Total assets	<u>\$ 4,086</u>	<u>\$ 8,039</u>	<u>\$ 2,080</u>	<u>\$ 10,045</u>
LIABILITIES				
Due to other funds	\$ 1,928	\$ 915	\$ -	\$ 2,843
Due to other governments	1,911	906	1,911	906
Other liabilities	247	6,218	169	6,296
Total liabilities	<u>\$ 4,086</u>	<u>\$ 8,039</u>	<u>\$ 2,080</u>	<u>\$ 10,045</u>

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STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2013

(Continued)

TOTAL ALL AGENCY FUNDS

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
ASSETS				
Cash	\$ 6,720,573	\$ 38,628,159	\$ 38,866,418	6,482,314
Investments	2,421,617	63,272	63,010	2,421,879
Accounts receivable	80,528	2,350	4,000	78,878
Due from other funds	677,335	433,743	375,320	735,758
Due from other governments	-	2,100	-	2,100
Other assets	370,862	9,754	37,687	342,929
Total assets	<u>\$ 10,270,915</u>	<u>\$ 39,139,378</u>	<u>\$ 39,346,435</u>	<u>\$ 10,063,858</u>
LIABILITIES				
Due to other funds	\$ 1,032,967	\$ 687,738	\$ 941,498	\$ 779,207
Due to other governments	671,981	3,326,229	3,062,242	935,968
Funds held for others	4,418,526	2,645,132	2,030,671	5,032,987
Accounts payable	138,707	46,244	138,707	46,244
Other liabilities	4,008,734	32,434,035	33,173,317	3,269,452
Total liabilities	<u>\$ 10,270,915</u>	<u>\$ 39,139,378</u>	<u>\$ 39,346,435</u>	<u>\$ 10,063,858</u>

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STATISTICAL SECTION

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STARR COUNTY, TEXAS

GOVERNMENT-WIDE EXPENSES BY FUNCTION

LAST FIVE FISCAL YEARS

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General government	\$ 4,866,748	\$ 4,375,255	\$ 4,404,871	\$ 4,300,927	\$ 4,129,942
Public safety	8,597,869	6,884,896	8,856,855	9,638,550	7,210,242
Judicial	2,136,621	1,853,411	1,894,959	1,789,592	1,687,339
Highways and streets	4,741,061	5,608,780	5,215,276	4,303,463	5,515,096
Public facilities	323,617	1,313,641	187,595	504,138	615,719
Financial administration	1,028,686	1,003,118	1,012,007	959,983	868,642
Legal	818,802	842,171	877,144	872,656	879,804
Health and welfare	1,421,863	2,469,430	2,034,081	2,114,439	1,585,616
Conservation and agriculture	139,753	135,432	137,870	138,473	126,889
Debt service - interest on debt	<u>118,407</u>	<u>135,227</u>	<u>149,418</u>	<u>163,794</u>	<u>179,343</u>
TOTAL	<u>\$ 24,193,427</u>	<u>\$ 24,621,361</u>	<u>\$ 24,770,076</u>	<u>\$ 24,786,015</u>	<u>\$ 22,798,632</u>

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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
2013	\$ 5,152,981	\$ 4,296,864	\$ 13,724,410	\$ 28,507	\$ 685,074	\$ 83,629
2012	5,240,410	6,252,054	13,231,697	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

STARR COUNTY, TEXAS

EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES

LAST TEN FISCAL YEARS
(Unaudited)

FUNCTION	2013	2012	2011	2010
General administration	\$ 4,605,559	\$ 4,213,406	\$ 4,149,013	\$ 4,024,041
Judicial & elections	1,997,058	1,723,080	1,777,550	1,674,382
Financial administration	959,204	932,579	949,369	898,181
Legal	765,232	789,206	833,176	860,782
Public facilities	330,653	1,321,541	426,286	488,704
Public safety	8,246,260	8,071,321	8,992,178	7,698,821
Health and welfare	1,348,624	2,401,066	2,081,892	2,057,292
Culture and recreation	-	-	-	-
Conservation-agriculture	129,618	125,909	129,315	129,558
Highways and streets (maintenance of county roads and bridges)	6,224,048	6,102,386	6,739,625	7,751,392
Debt service	<u>568,407</u>	<u>570,227</u>	<u>564,418</u>	<u>568,794</u>
Totals	<u>\$ 25,174,663</u>	<u>\$ 26,250,721</u>	<u>\$ 26,642,822</u>	<u>\$ 26,151,947</u>

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	3,879,843	\$ 2,645,769	\$ 3,026,064	\$ 2,569,712	\$ 2,118,420	\$ 2,072,442
	1,585,159	1,581,696	1,495,697	1,501,386	1,384,291	1,275,016
	816,038	878,133	860,657	692,235	626,288	639,198
	826,530	853,054	788,795	725,854	668,526	603,140
	639,526	607,847	2,158,352	1,323,055	524,443	282,010
	8,345,403	8,027,559	7,755,892	8,480,825	6,278,599	5,794,984
	1,577,451	1,193,659	1,394,654	1,492,342	1,250,906	751,587
	-	-	30,000	64,993	64,153	60,440
	119,205	122,481	120,809	112,287	103,099	107,555
	7,853,428	8,421,327	7,259,489	4,379,117	4,245,517	4,912,917
	579,343	584,307	206,963	585,052	608,128	265,708
	<u>\$ 26,221,926</u>	<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>

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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
2013	\$ 13,091,700	\$ 4,296,864	\$ 4,008,219	\$ 1,144,762	\$ 28,507	\$ 83,853	\$ 22,653,905
2012	12,745,423	6,252,054	4,210,726	1,029,684	144,822	139,482	24,522,191
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

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STARR COUNTY, TEXAS

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

**LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year Ended</u>	<u>Debt Principal</u>	<u>Interest & Fiscal Charges</u>	<u>Total Debt Services</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
2013	\$ 450,000	\$ 118,407	\$ 568,407	\$ 15,346,895	3.70%
2012	\$ 435,000	\$ 135,227	570,227	14,791,025	3.86%
2011	415,000	149,418	568,794	14,880,925	3.82%
2010	405,000	163,794	579,343	14,366,526	4.29%
2009	400,000	179,343	584,307	13,499,786	4.34%
2008	390,000	194,307	581,963	13,464,747	4.47%
2007	375,000	206,963	585,052	13,021,431	4.87%
2006	365,000	220,052	608,128	12,005,751	5.53%
2005	425,000	183,128	265,708	11,003,547	2.52%
2004	252,000	13,708	294,241	10,526,600	2.92%

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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>
2013	\$ 0.5011	\$ 0.0300	\$ 0.5311	\$ 0.2281	\$ 0.0200	\$ 0.7792
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	0.5140	0.1788	-	0.6928
2009	0.4740	0.0400	0.5140	0.1852	-	0.6992
2008	0.4740	0.0400	0.4410	0.1852	-	0.6262
2007	0.4010	0.0400	0.4460	0.1682	-	0.6142
2006	0.4010	0.0450	0.4460	0.1684	-	0.6144
2005	0.4010	0.0450	0.4683	0.1684	-	0.6367
2004	0.4224	0.0459	0.4368	0.1611	-	0.5979

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STARR COUNTY, TEXAS

ASSESSED VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended September 30,	Real Property	Personal Property	Mineral and Intangible	Total
2013	\$ -	\$ -	\$ -	\$ 1,825,905,610
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

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STARR COUNTY, TEXAS

DEMOGRAPHIC INFORMATION

Year Ended September 30, 2013

(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: 22.65 inches

Temperature ranges: 45.9 degrees in January and 98.4 degrees in July

Population: 61,963

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 (15,006) (the county seat), La Grulla (1,723), and Roma-Los Saenz (10,089).

Principal towns include Escobares (2,066), La Casita-Garciasville (2,177), Las Lomas (3,275), 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, 3.70; Black, 0.30; Hispanic, 95.60; Asian, 0.30; Other, 0.10.

Note: The above information was obtained from the 2013 Texas Almanac and the U.S. Census Bureau, Population Division (Annual Estimates of Resident Population: April 1, 2011 to July 1, 2013).

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FEDERAL AWARDS SECTION

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**INDEPENDENT AUDITORS' 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 in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Audit Standards issued by the Comptroller General of the United States, 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, 2013, and the related notes to the financial statements, which collectively comprise the Starr County, Texas' basic financial statements and have issued our report thereon dated June 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Starr County, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Starr County, Texas' internal control.

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. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. 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 [2013-02, 2013-03, 2013-04, 2012-01, 2012-02 and 2012-03]. 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 [2013-01].

We noted certain matters that we reported to the management of Starr County, Texas, in a separate letter dated June 21, 2014.

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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Brownsville, Texas
June 21, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Starr County, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Starr County, Texas' compliance.

Opinion on Each Major Federal Program

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, 2013. 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 [2012-05].

Report on Internal Control Over Compliance

Management of Starr County, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Starr County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item [2012-05] to be a significant deficiency.

Starr County, Texas' response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Starr County, Texas' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response

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.



Brownsville, Texas
June 21, 2014

STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

I. Summary of Auditors' Results

Type of report on financial statements	Unmodified
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	Unmodified.
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 #14.228 – Comm. Dev. Block Grants CFDA #97.067 – Homeland Security Grant Program
Major state programs	TX-DOT Border Colonia Access 3 rd Call BECC / NAD Bank SWEP Grant

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STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2013

**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 2013-01</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. Investment reports were not submitted to the governing body at least on a quarterly basis, as required by the Act.
<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.

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STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2013

**II. 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 2013-02</i>	<i>Office of the Tax Assessor / Collector</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>	In prior years, we found that the monies reported per the Tax Office Reports, were greater than the amounts deposited per bank statements. 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.
<i>Questioned Cost:</i>	Questioned costs could not be quantified, as they do not apply to the conditions / finding being reported.
<i>Effect:</i>	As a result, the County's ad valorem tax collections reported within that agency fund may be overstated by an unknown amount. Since the management of Starr County is still in the process of addressing this finding, the overall effect of errors / discrepancies are not known at this time.
<i>Recommendation:</i>	We recommend that the management of Starr County continue reviewing of the Daily Reconciliation Reports prepared by the Tax Assessor Collector's office and compare to the monthly Tax Office Reports and ensure that the Office of the Tax Assessor / Collector deposit ad valorem taxes received on a daily basis.

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STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) FOR THE YEAR ENDED SEPTEMBER 30, 2013

II. 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 2013-03</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, a significant number of adjustments were necessary across various general ledger 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 on a timely basis.
<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.

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STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) FOR THE YEAR ENDED SEPTEMBER 30, 2013

II. 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 2013-04</u></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 ensure interfund balances are cleared out on a quarterly basis.

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STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2013

III. Findings and Questioned Costs for Federal and State Awards

<u>Program</u>	<u>Findings/Noncompliance</u>
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See summary schedule of prior year findings #2012-05.

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STARR COUNTY, TEXAS

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

IV. 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 2012-01</i>	<i>Bank Reconciliations</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>	Some Agency Funds reported within the County's annual financial report do not prepare bank reconciliations on a monthly basis for their bank accounts.
<i>Effect:</i>	The County is unable to reconcile the bank accounts to the general ledger monthly.
<i>Recommendation:</i>	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.
<i>Current Year Status:</i>	Item not corrected.

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STARR COUNTY, TEXAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2013

**IV. 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 2012-02</u></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>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.
<i>Current Year Status:</i>	Item not corrected.

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STARR COUNTY, TEXAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (Continued) FOR THE YEAR ENDED SEPTEMBER 30, 2013

IV. 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 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>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.
<i>Current Year Status:</i>	Item not corrected.

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STARR COUNTY, TEXAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (Continued) FOR THE YEAR ENDED SEPTEMBER 30, 2013

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

<u>Program</u>	<u>Findings/Noncompliance</u>
<i>Finding 2012-04</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>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.
<i>Current Year Status:</i>	No exceptions found as a result of our testing.

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STARR COUNTY, TEXAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (Continued) FOR THE YEAR ENDED SEPTEMBER 30, 2013

V. Prior Findings and Questioned Costs for Federal and State Awards (Continued)

<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>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.
<i>Current Year Status:</i>	Item not corrected. Questioned costs for current year are \$100,000.

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STARR COUNTY, TEXAS

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Finding 2013-01:

The County Treasurer will verify prior to presentation and approval by Commissioners Court that his quarterly report is in accordance with the Public Funds Investment Act.

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

Estimated date of completion: September 30, 2014

Finding 2013-02:

The County Auditor's Office staff performs, on a monthly basis, a detailed review of the Daily Reconciliation Reports prepared by the Tax Assessor/Collector and compares the daily receipts and bank deposits with the Monthly Tax Office Reports. The Tax Assessor/Collector prepares and makes deposits to bank daily.

Person responsible for implementation: Leticia P. Alaniz, Assistant Auditor
Carmen A. Pena, Tax Assessor / Collector

Estimated date of completion: September 30, 2014

Finding 2013-03:

On March 10, 2014, Commissioners Court approved Policies and Procedures to ensure that the County's books are closed and timely financial statements in accordance with GAAP are prepared.

Person responsible for implementation: Rosalinda Guerra, County Auditor

Estimated date of completion: September 30, 2014

Finding 2013-04:

The Auditor's Office will review and recommend to Commissioners Court whether interfund accounts should be reclassified to operating transfers on a quarterly basis.

Person responsible for implementation: Rosalinda Guerra, County Auditor

Estimated date of completion: September 30, 2014

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STARR COUNTY, TEXAS

CORRECTIVE ACTION PLAN FOR PRIOR YEAR FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Finding 2012-01:

On March 10, 2014, Commissioners Court approved the Manual of Policies and Procedures which includes procedures for monthly bank reconciliations and a standard form to be used.

Person responsible for implementation: Department Heads

Estimated date of completion: September 30, 2014

Finding 2012-02:

On November 12, 2013, Commissioners Court approved the Purchasing Policies and Procedures Manual which includes procurement policies and procedures to follow to insure that the County is in compliance.

Person responsible for implementation: Department Heads

Estimated date of completion: September 30, 2014

Finding 2012-03:

The Tax Assessor/Collector has agreed to maintain a general ledger within the office and to prepare and have available a trial balance for review on a monthly basis.

Person responsible for implementation: Commissioners' Court

Estimated date of completion: September 30, 2014

Finding 2012-04:

A corrective action does not apply to this finding.

Finding 2012-05:

The Sheriff's Office was advised that if vendors are state approved, which was the case, no bids are required. In the future they will follow the County's procurement policies and procedures.

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

Estimated date of completion: September 30, 2014

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STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

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	14.239	1001652	\$ 2,650
TDHCA HOME - Homebuyer Assistance	14.239	1001653	<u>64,500</u>
Total Texas Department of Rural Affairs			<u>67,150</u>
 <i>Pass through the Texas Department of Agriculture</i>			
General Land Office	14.228	DRS210179	397,693
TDHCA Contract (self help center)	14.228	711013	289,687
TDRA Contract	14.228	710015	<u>(47,385)</u>
Total Texas Department of Housing & Community Affairs			<u>639,995</u>
Total U.S. Department of Housing and Urban Development			<u>707,145</u>
 U.S. Department of Justice			
<i>Pass through the Criminal Justice Division</i>			
Border Prosecution Unit	00.606	CH-13-A10-25361-01	57,685
Border Prosecution Unit	00.606	CH-13-A10-25361-02	23,420
Border Prosecution Unit	00.421	SF-14-A10-25361-03	<u>9,444</u>
Total Criminal Justice Division			<u>90,549</u>
 <i>Pass through the Office of the Governor - Criminal Justice Division</i>			
Crime Victims Assistance Program	16.575	VA-12-V30-19034-06	57,425
Crime Victims Assistance Program	16.575	VA-12-V30-19034-07	4,506
Victims of Domestic Violence Assistance Program	16.588	WF-12-V30-23157-03	63,222
Victims of Domestic Violence Assistance Program	16.588	WF-13-V30-23157-04	<u>4,768</u>
Total Office of the Governor - Criminal Justice Division			<u>129,921</u>
 <i>Pass through the Office of the Governor - Criminal Justice Division</i>			
JAG Program Cluster			
Border Interdiction Unit - Operation Border Star	16.738	DJ-11-A10-18428-07	177,783
Border Area Violent Crimes Unit (BorderStar)	16.738	DJ-11-A10-22819-04	<u>347,172</u>
Total Office of the Governor - Criminal Justice Division - JAG Program Cluster			<u>524,955</u>

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STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Federal Grantor/ <u>Pass Through Entity</u>	<u>CFDA Numbers</u>	<u>Contract Number</u>	<u>Total Expenditures</u>
U.S. Department of Justice (Continued)			
<i>Pass through the Office of Justice Programs</i>			
SCAAP	16.606	2012-H3995-TX-AP	<u>15,718</u>
Total U.S. Department of Justice			<u>761,143</u>
U.S. Department of Health and Human Services			
<i>Pass through the Health and Human Services Commission (HHSC)</i>			
<i>- Office of Inspector General (OIG)</i>			
Foster Care - Title IV - E	93.658	23943664	<u>29,812</u>
Total U.S. Department of Health and Human Services			<u>29,812</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	-	-	27,884
HIDTA Task Force Grant	-	-	<u>389,783</u>
Total Executive Office of the President			<u>417,667</u>
U.S. Department of Homeland Security			
<i>Pass through the Office of the Governor - Emergency Management Division</i>			
Homeland Security Grants (Oper Stonegarden) - 10	97.067	2010-SG-T8-T0010	332,412
Homeland Security Grants (Oper Stonegarden) - 11	97.067	11-SA-48427-02	461,774
Homeland Security Grants (Oper Stonegarden) - 12	97.067	EMW-2012-SS-00018-S01	63,930
Homeland Security Grants - SHSP	97.073	2010-SS-T0-0008	<u>35,111</u>
Total U.S. Department of Homeland Security			<u>893,227</u>
 TOTAL FEDERAL AWARDS			 <u>\$ 2,808,994</u>

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STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

<u>Federal Grantor/ Pass Through Entity</u>	<u>CFDA Numbers</u>	<u>Contract Number</u>	<u>Total Expenditures</u>
State of Texas			
Texas Department of Transportation			
<i>Direct Program:</i>			
TxDot Border Colonia Access - 3rd Call		8BCF5005	129,006
CACST 5310		51021F3052	<u>4,771</u>
Total Department of Transportation			<u>133,777</u>
Texas Department of Public Safety			
<i>Passed through Texas Border Sheriff's Coalition:</i>			
LBSP - 12 (Starr)		-	109,653
LBSP - 2013		-	<u>203,135</u>
Total Department of Public Safety			<u>312,788</u>
Office of the Attorney General			
<i>Direct Program:</i>			
Attorney General - VINE Contract		12-25176	<u>8,274</u>
Total Office of the Attorney General			<u>8,274</u>
Office of Court Administrator			
<i>Direct Program:</i>			
TX Task Force on Indigent Defense Grant		212-13-214	<u>34,137</u>
Total Office of the Court Administrator			<u>34,137</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	11,994
Joint Law Enforcement Oper - Sheriff /US Marsh		-	10,000
Joint Investigation - DA & ICE		-	<u>23,769</u>
Total pass Treasury Law Enforcement Agency			<u>45,763</u>

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STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Federal Grantor/ <u>Pass Through Entity</u>	<u>CFDA</u> <u>Numbers</u>	<u>Contract</u> <u>Number</u>	<u>Total</u> <u>Expenditures</u>
North American Development Bank			
<i>Direct Funding:</i>			
BEC/NADB SWEP Grant #TX0360		-	314,121
TOTAL STATE AWARDS			848,860
Other Awards			
<i>Direct Funding:</i>			
Chapter 19 Voter Registration		-	7,724
<i>Pass through South Texas Development Council:</i>			
STDC		13-19G01	38,160
<i>Pass through State Comptrollers Office:</i>			
TX Dept of Agriculture - Home Delivery Meals		-	23,861
<i>Pass through City of Laredo:</i>			
911 Addressing Grant		FY-2013	36,580
Total Other Awards			98,601
TOTAL FEDERAL, STATE AND OTHER AWARDS			\$ 3,764,179

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STARR COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SEPTEMBER 30, 2013

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.

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