

CULBERSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

September 30, 2010

KNAPP & COMPANY, P.C.
(CERTIFIED PUBLIC ACCOUNTANTS)

**CULBERSON COUNTY, TEXAS
Annual Financial Report
September 30, 2010**

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Independent Auditor's Report

To the Honorable Judge Carlos Urias and
Members of the Commissioners' Court of
Culberson County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Culberson County, Texas, (the County) as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Culberson County, Texas management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the discretely presented component unit financial statements of Culberson-Hudspeth Counties Juvenile Probation for the year ended August 31, 2010, which represent the only discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Culberson-Hudspeth Counties Juvenile Probation is based on the report of the other auditors.

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

As discussed in Note 1, Culberson County, Texas, prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and remaining fund information of Culberson County, Texas as of September 30, 2010, and the respective changes in financial position, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2011 on our consideration of Culberson 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages i through viii and budgetary comparison information on pages 20 through 31, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Culberson County, Texas', basic modified cash basis financial statements. The combining fund statements, schedule of federal and state awards, and other supplemental information as described in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information as listed in the table of contents, including the combining fund financial statements and the schedule of expenditures of federal awards, have been subjected to the auditing procedures applied in the audit of the basic modified cash basis financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Knapp & Company, P.C.

Dallas, Texas
February 8, 2011

MANAGEMENT DISCUSSION AND ANALYSIS
(Unaudited)



Carlos G. Urias
Culberson County Judge
P.O. Box 927
Van Horn, TX 79855

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 8, 2011

To the Citizens and resident of
Culberson County, Texas

Our discussion and analysis of the County's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2010. Please read it in conjunction with the County's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

The County's net assets increased \$726,440 in 2010.

During 2010 the County substantially completed the new phase of the Border Colonia Access State funded grant program which invested \$276,160 in costs to plan, design and pave road infrastructure improvements. During 2010 the County capitalized \$276,160 relative to this project.

The County paid off its only remaining debt is in the form of one vehicle lease obligation and the County entered into no new leases.

During the year, the County's general fund and total governmental fund revenues exceeded expenditures after transfers by \$565,602 and \$371,445, respectively. Tax revenues were up due primary from the affect of an increase in tax rates. Fines and fees were down primary due to the resignation and period of vacancy in JP pct. 1 during the year. Delinquent tax receivables decreased \$123,291 over 2009 which directly increased tax revenue as reported on a modified cash basis.

The combined general funds reported fund balances of \$2,606,586 as of year end as compared to \$2,040,984 as restated for the beginning of the year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 3 and 4) provide information about the activities of the County as a whole and present a longer term view of the County's finances. Fund financial statements start on page 5. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the County as a Whole

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. The County's financial reporting policy is to use the modified cash basis of accounting, also referred to as the cash basis of accounting, where revenues are recognized when received and expenses when paid. Therefore tax receivables and accounts payables are not reported in the County's financial statements. Such information is disclosed to the extent the information is deemed relevant to the financial statements.

The government wide financial statements report the County's net assets and changes in them. You can think of the County's net assets (the difference between assets and liabilities) as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net assets is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non financial factors, however, such as changes in the County's property tax base and the condition of the County's roads and bridges and facilities, to assess the overall health of the County.

In the Statement of Net Assets and the Statement of Activities, we divide the County into three kinds of activities:

- Governmental activities - Most of the County's basic services are reported here, including the law enforcement, fire, public works, and parks departments, and general administration. Property taxes, licenses and fees, and state and federal grants finance most of these activities. Also the County operates a detention and

rehabilitation facility (jail) and charges outside governmental entities for these services. These fees cover or help cover the cost of certain services the jail provides. The County jail operations are also reported with governmental activities since the net revenues are unrestricted.

- Business-type activities - The County currently does not report business type activities.
- Component units - The County reports the Juvenile Probation Board of Culberson and Hudspeth Counties as a component unit. The County is responsible for accounting for the component unit financial activities which are reported separately from County financial activities in the financial statements

Reporting the County's Most Significant Funds

The fund financial statements begin on page 5 and provide detailed information about the most significant funds, not the County as a whole. Some funds are required to be established by State and Federal law or by debt covenants. However, the Commissioners' Court establishes many other funds to help us control and manage money for particular purposes. Examples are the Road & Bridge accounts and the Criminal Justice Fund. Some like the records preservation, grant funds, Homeland Security, senior nutrition, and Linebacker show that we are meeting legal responsibilities for using certain grant revenues for specified purposes. Governmental entities primarily use two kinds of funds, governmental and proprietary, which use different accounting approaches.

- **Governmental funds-** Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified cash basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information 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. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.
- **Proprietary funds-** The County currently does not report any proprietary fund types.

The County as Trustee

The County is responsible for assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the County's fiduciary activities are reported in separate Statements of Fiduciary Net Assets on page 7. We exclude these activities from the County's other financial statements because the County cannot use these assets to

finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Examples are the County's agency accounts and registry trust funds.

THE COUNTY AS A WHOLE

The County's combined net assets increased by \$726,440 in 2010.

Revenues

The County's total revenues increased just by \$101,566 over prior year primarily due to increase tax collections net of decreased fines and fees.

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 5) reported a combined fund balance of \$2,267,229 as compared to \$1,895,784 in prior year as restated.

General Fund Budgetary Highlights

Over the course of the year the Commissioner's Court made minor amendments to the County budget primarily to address unanticipated expenditures in excess of the original budget due to changes in circumstances and needs of the County. Some of the more significant budget amendments were: Increase of Sheriff department part time help of \$34,000, Decrease Sheriff lease payment budget of \$8,000 to give effect of pay off of prior lease commitments. Decrease of Sheriff department capital outlay budget of \$10,416 and decrease indigent prisoner medical care of \$11,552. Nutrition Center budget for utilities was increased by \$6,299 for need. The Commissioners Court contingency budget was decreased \$6,213 and reallocated to specific needs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end the 2010 fiscal year, the County had approximately \$8 million invested in capital assets. Deprecation and fixed assets is only reported in the government wide financial statement presentation on pages 3 and 4 and does not affect the fund basis financial statement presentation on pages 5 and 6 in accordance the current generally accepted reporting model for state and local governments since fixed assets are expended in the fund basis financial statements.

Some of the major additions in 2010 included state funded street improvements projects of \$276,160, public safety equipment of \$196,654 and building improvement projects. Substantially all of additions were funded with federal and state grant moneys.

Debt

At year end, the County had outstanding no lease obligations when the final \$6,243 prior year balance was paid in November 2009.

There were no new debt additions in 2010.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Budget

The County Commissioners' Court considered many factors before passing the 2010-2011 budget and tax rate.

The tax rate was raised to .81245 per \$100 valuation for 2010/2011 and tax revenues are also expected to increase as tax payments become more timely.

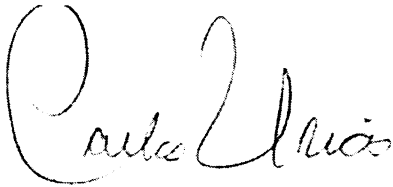
Economic Factors

The Court's goal is to continue cost saving measures that will reduce the tax burden on its constituents and provide better, more effective services. We are always mindful that we are here to serve the needs of the citizens of Culberson County and with that motto in the forefront of our minds we approach this new fiscal year.

Culberson County experienced little growth in 2009-2010. However, for the year 2010-2011 the court is looking at a brighter picture.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Treasurer's Office at P.O. Box 635, Van Horn, Texas, 79855.

A handwritten signature in black ink that reads "Carlos Urias". The signature is written in a cursive style with a large initial "C" and "U".

Carlos Urias
County Judge

CULBERSON COUNTY, TEXAS
TABLE #1
GOVERNMENT WIDE
COMPARATIVE STATEMENT OF NET ASSETS-
MODIFIED CASH BASIS
SEPTEMBER 30, 2010 AND 2009

	<u>PRIMARY GOVERNMENT</u>	
	<u>2010</u>	<u>(restated)</u> <u>2009</u>
<u>ASSETS</u>	<u>Governmental</u> <u>Activities</u>	<u>Governmental</u> <u>Activities</u>
Cash and Cash Equivalents	\$ 1,701,242	\$ 1,406,871
Cash and Cash Equivalents - restricted	146,591	182,266
Certificates of Deposit	597,040	546,830
Total Cash and Deposits	2,444,873	2,135,967
Prepaid expenses	4,138	5,065
Capital Assets		
Land	182,810	182,810
Other Capital Assets	2,521,141	2,172,389
Total Capital Assets	2,703,951	2,355,199
Total Assets	<u>\$ 5,152,962</u>	<u>\$ 4,496,231</u>
 <u>LIABILITIES</u>		
Amounts due others	185,880	245,632
Other liabilities	(4,098)	(384)
Deferred revenue	-	-
Long term debt		
Due within one year	-	6,243
Due in more than one year	-	-
Total liabilities	<u>181,782</u>	<u>251,491</u>
 <u>NET ASSETS</u>		
Investment in capital assets, net of related debt	2,703,951	2,309,006
Restricted for:		
Capital Projects	4,033	24,828
Senior Nutrition	(299,843)	(226,916)
Community Development Projects	-	-
Other purposes	(43,547)	56,888
Unrestricted	2,606,586	2,080,934
Total Net Assets	<u>4,971,180</u>	<u>4,244,740</u>
Total liabilities and net assets	<u>\$ 5,152,962</u>	<u>\$ 4,496,231</u>

CULBERSON COUNTY, TEXAS
TABLE # 2
COMPARATIVE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEARS ENDED SEPTEMBER 30, 2010 AND 2009

<u>Functions/Programs</u>	PRIMARY GOVERNMENT	
	Governmental Activities	Governmental Activities (Restated)
	2010	2009
REVENUES:		
Property Tax	\$ 2,366,274	\$ 2,036,477
License & Permits	51,041	52,561
Fines and Fees	598,320	697,256
Public Service Fees	46,652	38,750
Grant Revenues	771,846	784,493
Intergovernmental Reimbursements	215,554	231,626
Charges for Services	34,333	33,406
Contributions	24,305	21,508
Seizures Proceeds	26,407	159,621
Corrections and Rehabilitation	-	37
Other	27,824	5,255
Total revenues	4,162,556	4,060,990
EXPENDITURES:		
Current:		
General Government	1,318,825	1,266,236
Justice System	385,667	456,683
Public Safety	1,002,729	987,489
Corrections and Rehabilitation	6,801	4,144
Health and Human Services	255,461	295,923
Community and Economic Development	43,533	41,343
Infrastructure and Environmental Services	426,561	465,534
Interest and other charges	-	-
Total expenditures	3,439,577	3,517,352
Excess (deficiency) of revenues over expenditures before transfers	722,979	543,638
Transfers	3,461	-
Excess (deficiency) of revenues over expenditures after transfers	726,440	543,638
Fund balance as beginning	4,244,740	3,761,037
Prior period adjustment	-	(59,935)
Fund balance as restated	4,244,740	3,701,102
Fund balance - ending	\$ 4,971,180	\$ 4,244,740

FINANCIAL SECTION

GOVERNMENT WIDE FINANCIAL STATEMENTS

CULBERSON COUNTY TEXAS
GOVERNMENT WIDE
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
AS OF SEPTEMBER 30, 2010

	<u>Governmental Activities</u>	<u>Component Unit Juvenile Probation</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,701,242	\$ 79,434
Cash and cash equivalents - restricted	146,591	
Certificates of deposit	<u>597,040</u>	<u>-</u>
Total cash and deposits	2,444,873	79,434
Prepaid expenses	4,138	-
Capital assets:		
Land	182,810	-
Other capital assets	<u>2,521,141</u>	<u>-</u>
Total capital assets	2,703,951	-
Total assets	<u>\$ 5,152,962</u>	<u>\$ 79,434</u>
<u>LIABILITIES</u>		
Amounts due to others	185,880	69,896
Other liabilities	(4,098)	
Deferred revenue	-	-
Long-term debt		
Due within one year	-	-
Due in more than one year	<u>-</u>	<u>-</u>
Total liabilities	<u>181,782</u>	<u>69,896</u>
<u>NET ASSETS</u>		
Investment in capital assets, net of related debt	\$ 2,703,951	\$ -
Restricted for:		
Capital projects	4,033	-
Senior Nutrition	(299,843)	-
Other projects	(43,547)	9,538
Unrestricted	<u>2,606,586</u>	<u>-</u>
Total Net Assets	<u>4,971,180</u>	<u>9,538</u>
Total Liabilities and net assets	<u>\$ 5,152,962</u>	<u>\$ 79,434</u>

CULBERSON COUNTY, TEXAS
GOVERNMENT WIDE
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (expense) Revenue and Changes in Net Assets Governmental Activities</u>	<u>Component Unit Juvenile Probation</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants</u>		
PRIMARY GOVERNMENT:						
General Government	\$ 1,318,825	\$ 32,433	\$ 203,282	\$ -	\$ (1,083,110)	
Justice System	385,667	-	-	-	(385,667)	
Public Safety	1,002,729	26,407	187,553	217,955	(570,814)	
Corrections and Rehabilitation	6,801	-	-	-	(6,801)	
Health and Human Services	255,461	-	-	-	(255,461)	
Community and Economic Development	43,533	-	-	87,450	43,917	
Infrastructure and Environmental Services	426,561	1,900	-	291,160	(133,501)	
Total governmental activities	<u>3,439,577</u>	<u>60,740</u>	<u>390,835</u>	<u>596,565</u>	<u>(2,391,437)</u>	
Component Unit - Juvenile probation						
Corrections and Rehabilitation	96,764	-	94,485	-		(2,279)
Total Component Unit	<u>96,764</u>	<u>-</u>	<u>94,485</u>	<u>-</u>		<u>(2,279)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes					2,366,274	
Investment earnings					24,305	
License & permits					51,041	
Fines and fees					644,972	
Contributions					5,002	
Other					22,822	-
Total general revenues and transfers					<u>3,114,416</u>	<u>-</u>
Change in net assets					722,979	(2,279)
Transfers					3,461	-
Change in net assets after transfers					<u>726,440</u>	<u>(2,279)</u>
Net assets - beginning of year as previously reported				4,016,478		11,817
Prior period adjustment - due to state				(35,334)		
Prior period adjustment - capitalized assets				<u>263,596</u>		
Beginning net assets as restated					<u>4,244,740</u>	
Net assets - ending					<u>\$ 4,971,180</u>	<u>\$ 9,538</u>

The accompanying notes are an integral part of the financial statements.

FUND BASIS FINANCIAL STATEMENTS

CULBERSON COUNTY TEXAS
GOVERNMENTAL FUNDS
BALANCE SHEET - MODIFIED CASH BASIS
YEAR ENDED SEPTEMBER 30, 2010

-- GOVERNMENTAL FUNDS--					
<u>ASSETS</u>	MAJOR	Non-Major Funds		TOTAL GOVERNMENTAL FUNDS	Component Unit Juvenile Probation
	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS		
Cash in bank	\$ 1,679,271	\$ -	\$ 21,971	\$ 1,701,242	\$ 79,434
Cash in bank - Restricted	185,865	(39,274)	-	146,591	
Certificates of Deposit and savings	597,040	-	-	597,040	
Postage inventory	3,531	607	-	4,138	-
Due from other funds	374,938	-	-	374,938	5,385
TOTAL ASSETS	\$ 2,840,645	\$ (38,667)	\$ 21,971	\$ 2,823,949	\$ 84,819
 <u>LIABILITIES</u>					
Due to others	\$ 185,865	\$ 15	\$ -	\$ 185,880	72,622
Due to other funds	52,292	304,708	17,938	374,938	2,659
Deferred revenue	-	-	-	-	-
Other liabilities	(4,098)	-	-	(4,098)	-
TOTAL LIABILITIES	234,059	304,723	17,938	556,720	75,281
 <u>FUND BALANCES</u>					
Reserved for:					
Capital project	-	-	4,033	4,033	
Unreserved	2,606,586	-	-	2,606,586	
Unreserved, reported in non major:					
Special revenue - Senior Nutrition	-	(299,843)	-	(299,843)	
Special revenue - Other	-	(43,547)	-	(43,547)	9,538
Capital project funds	-	-	-	-	-
Total fund balances	2,606,586	(343,390)	4,033	2,267,229	a) 9,538
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,840,645	\$ (38,667)	\$ 21,971	\$ 2,823,949	\$ 84,819
Total fund balances as reported above				\$ 2,267,229	a)
Amounts reported for governmental activities in the statement of net assets are different because:					
1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund basis financial statements.				2,703,951	
Net assets of governmental activities				<u>\$ 4,971,180</u>	

The accompanying notes are an integral part of the financial statements.

CULBERSON COUNTY TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS
YEAR ENDED SEPTEMBER 30, 2010

FUNCTIONS/PROGRAMS	GOVERNMENTAL FUNDS				Component Unit Juvenile Probation
	MAJOR	NON-MAJOR FUNDS		TOTAL	
	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS	GOVERNMENTAL FUNDS	
REVENUES:					
Property tax	\$ 2,366,274	\$ -	\$ -	\$ 2,366,274	\$ -
License & Permits	51,041	-	-	51,041	-
Fines and Fees	459,646	138,674	-	598,320	-
Public service fees	46,652	-	-	46,652	-
Grant revenues and intergovernmental	-	771,846	-	771,846	63,254
Intergovernmental reimbursements	215,554	-	-	215,554	31,231
Charges for services	32,433	1,900	-	34,333	-
Seizures	-	26,407	-	26,407	-
Investment income	22,577	1,728	-	24,305	-
Contributions	-	5,002	-	5,002	-
Corrections and rehabilitation	-	-	-	-	-
Other	17,329	5,493	-	22,822	-
Total revenues	<u>3,211,506</u>	<u>951,050</u>	<u>-</u>	<u>4,162,556</u>	<u>94,485</u>
EXPENDITURES:					
Current:					
General Government	1,249,721	14,829	14,995	1,279,545	-
Justice System	371,017	20,893	-	391,910	-
Public Safety	735,900	381,598	-	1,117,498	-
Corrections and Rehabilitation	1,591	2,857	-	4,448	96,764
Health and Human Services	39,139	202,314	-	241,453	-
Community and Economic Development	2,232	87,450	5,800	95,482	-
Infrastructure and Environmental Services	388,076	276,160	-	664,236	-
Debt Service - Bonds Payable					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>2,787,676</u>	<u>986,101</u>	<u>20,795</u>	<u>3,794,572</u>	<u>96,764</u>
Excess (deficiency) of revenues over expenditures	<u>423,830</u>	<u>(35,051)</u>	<u>(20,795)</u>	<u>367,984</u>	<u>(2,279)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	(138,022)	(138,311)	-	(276,333)	-
Transfers (out)	279,794	-	-	279,794	-
Total other financing sources	<u>141,772</u>	<u>(138,311)</u>	<u>-</u>	<u>3,461</u>	<u>-</u>
Net change in fund balances	565,602	(173,362)	(20,795)	371,445 a)	(2,279)
Fund balance - as previously reported	2,076,318	(170,028)	24,828	1,931,118	11,817
Prior period adjustment	(35,334)	-	-	(35,334)	-
Fund balance as restated	<u>2,040,984</u>	<u>-</u>	<u>-</u>	<u>1,895,784</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,606,586</u>	<u>\$ (343,390)</u>	<u>\$ 4,033</u>	<u>\$ 2,267,229</u>	<u>\$ 9,538</u>

**Reconciliation of changes in fund balances to changes in net assets
as reported in the Government Wide Statement of Activities**

Change in net assets as reported above on a fund accounting basis	\$ 371,445 a)
Debt principal payments applied to debt	6,243
Capitalized - capital expenditures	572,364
Depreciation expense recorded	(223,612)
Changes in net assets as reported in the Government Wide Statement of Activities	<u>\$ 726,440</u>

The accompanying notes are an integral part of the financial statements.

CULBERSON COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS
- TRUST AND AGENCY FUNDS
AS OF SEPTEMBER 30, 2010

<u>ASSETS</u>	<u>REGISTRY TRUST FUND</u>
Cash - Restricted	\$ 24,175
Certificates of Deposit	103,639
Due from other funds	<u>-</u>
Total Assets	<u><u>127,814</u></u>
 <u>LIABILITIES</u>	
Trust and Agency Funds payable	127,814
Due to other funds	<u>-</u>
Total Liabilities	<u><u>127,814</u></u>
 <u>FUND BALANCE (DEFICIT)</u>	
Restricted Fund Balance	<u>-</u>
Total Fund Balance	<u><u>-</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 127,814</u></u>

The accompanying notes are an integral part of the financial statements

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Culberson County, Texas (County) is incorporated as a County Corporation under the laws of the State of Texas. The County operates under a charter that establishes management by an elected County Judge and a Commissioners' Court made of four elected members. The accounting and reporting policies of the County relating to the funds and account groups included in the accompanying combined financial statements utilize the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity - In evaluating how to define the County's reporting entity, for financial reporting purposes, management considers the potential of the existence of component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by generally accepted accounting principles. Culberson-Hudspeth Counties Juvenile Probation Board's financial activities are discretely reported as a component unit of Culberson County in the financial statement presentation. Culberson-Hudspeth Counties Juvenile Probation's financial statements for the year ended August 31, 2010 have been condensed and presented discretely in the County's financial statement. The component unit financial statements are available upon request of the County Treasurer's office P.O. Box 1302, Van Horn, TX 79855.

Basic Financial Statements—Government-Wide Statements

The County's basic financial statements include both government wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The County's law enforcement, fire protection, parks, recreation, roads and bridges, jail, and general administrative services are classified as governmental activities.

In the government-wide Statement of Net Assets, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a modified cash basis of accounting which represents a comprehensive basis of accounting different from generally accepted accounting principles. The modified cash basis of accounting, records expenses when paid without regard to economic resources. Revenues are recognized when received therefore receivables and accounts payables are not recorded in the balance sheet. The County's net assets are reported in three parts: investment in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County first utilizes restricted resources to finance qualifying activities.

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Government - Wide Statement of Activities reports both the gross and net cost of each of the County's financial activities by function (law enforcement, parks, airport, roads & bridges, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, roads & bridges, community services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, fines, licenses and fees, intergovernmental revenues, interest income, etc). The County does not allocate indirect costs.

This government-wide focus is on the County's ability to sustain as an entity and the change in the County's net assets resulting from the current year's activities.

Basic Financial Statements — Fund Financial Statements

The financial transactions of the County are reported by fund types in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund group types are used by the County:

Governmental Funds - The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the County:

- General fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on bonds payable. This fund group was not used in 2010 since the County had no bonds payable outstanding during the year.
- Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Proprietary Funds - The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The County does not currently operate any funds as proprietary funds.

Fiduciary Funds - Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support County programs. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Major – Nonmajor Fund Group Classifications - The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non major funds by category are typically summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The County electively segregated and reported non-major funds into two columns in the fund financial statements which represent combined non-major special revenue, and separate column presentation of capital project funds.

Basis of Accounting - Basis of accounting refers to the point at which revenues or expenditures/ expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

- Modified Cash basis - All the financial statements have been presented on the modified cash basis of accounting (also referred to as the cash basis of accounting) which is a comprehensive basis of accounting other than generally accepted accounting principles. Revenues are recognized when received and expenses are recognized when paid. The County has reported depreciation only in the government wide financial statements in accordance with generally accepted accounting principles for state and local governments.

Financial Statement Amounts:

Cash and Cash Equivalents - The County has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents.

Investments - Investments, when applicable, are stated at the lower of cost or market. The County primarily invests in certificates of deposit which are reported at cost which approximates market value.

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Inventories - The County does not inventory supplies. Supplies are expensed when purchased and the effect to the financial statements is not considered to be material. Prepaid and unused postage purchases are inventoried and reported with County assets.

Capital Assets - Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed when paid.

Capital assets are depreciated in the government wide financial statements using the straight line depreciation method of the following estimated depreciable lives by asset category:

<u>Assets</u>	<u>Estimated Depreciable Lives</u>
Buildings	40
Furniture and Equipment	10--15
Vehicles	10
Improvements	9--20
Infrastructure	15--35

GASBS No. 34 requires the County to also report and depreciate infrastructure assets. Infrastructure assets include primarily roads, bridges, and airport runways. The County elected to implement the general provisions of GASBS No. 34 in 2004 and elected to implement the infrastructure provisions on a retroactive basis for infrastructure investments occurring prior to October 1, 2003.

Compensated Absences – The County's accounting policy provides employees the option to be paid unused vacation. The County continues to expense vacation leave and associated employee-related costs when paid. As of September 30, 2010, accrued vacation and accrued compensation time totaled \$34,985, which are not reported as liabilities in the cash basis financial statements but are expensed when paid. Employees also earn sick leave benefits based on time of service. As of September 30, 2010, the County's contingent liability for employee accrued sick and emergency leave benefits totaled \$47,700, which would only be expensed when paid.

Interfund Activity - Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation in the government wide financial statement presentation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Accounting Estimates - The preparation of financial statements using the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Encumbrances - The County does not encumber or reserve an appropriation for future expenditures. Appropriations lapse at fiscal year end and must be appropriated in the next fiscal year budget.

Subsequent Events – The date through which management has reviewed subsequent events is February 8, 2011.

NOTE 2: PROPERTY TAX

The County's annual ad valorem property tax is required to be levied by October 1, or as soon thereafter as practicable, on the assessed value listed as of the prior January 1 for all real and certain personal property. Taxes are due on January 31, of the year following the year of the levy before penalties and interest are assessed.

All taxes are assessed based on 100% of the actual value of property. The State Constitution and the County Charter set a maximum tax rate per \$100 valuation of \$.80 for general fund and \$.15 for road and bridge maintenance. There is no debt limit or margin set by State Law or County Charter. The tax rate for 2009/2010 tax year was \$.75963 per \$100 valuation.

The Texas Property Tax Code (Code), with certain exceptions, exempts intangible personal property, household goods, and family-owned automobiles from taxation. In addition, the Code provides for the establishment of county-wide appraisal districts. The appraisal of property within the County is the responsibility of the county-wide appraisal district.

The appraisal district is required under the Code to appraise all taxable property within the appraisal district on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of real property within the appraisal district must be reviewed every four years; however, the County may, at its own expense, require annual reviews of appraised values. The County may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 2: PROPERTY TAX – continued

Current and delinquent tax payments, received throughout the year, are recognized as revenue in the year received. Property tax receivables, which are not reported in the financial statements under the modified cash basis of accounting, consisted of the following at September 30, 2010:

Current taxes receivable	\$	-
Delinquent taxes receivable		<u>467,782</u>
	\$	<u>467,782</u>

Delinquent taxes by year:		
2009	\$	102,459
2008		57,353
2007		54,687
2006		39,537
2005		30,317
2004		28,412
2003 and prior		<u>155,017</u>
Total delinquent taxes	\$	<u>467,782</u>

NOTE 3: DUE TO/FROM OTHER FUNDS

Current and prior year transactions resulted in the following amounts due (to) from other funds which have been reported in the cash basis balance sheet:

	<u>Due from</u>	<u>Due to</u>
General fund due from Nutrition Center	\$ 138,077	\$ -
General fund due from capital projects	17,938	-
General fund due from 35 and 30	56,847	-
Road and bridges due from general fund	82,051	-
Fund 30 due to general fund	-	4,555
Fund 35 due to general fund	-	52,292
Nutrition Center due to General fund	-	138,077
Capital Projects due to general fund	-	17,938
General fund due to Road and Bridges	-	82,051
 Pool cash reported as due to / from :		
General fund due from Nutrition Center	162,076	-
Nutrition Center due to General fund	-	162,076
Fund 40 and 42 due from general fund	-	37,244
General fund due from Juvenile Probation	37,244	-

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 4: CASH AND CASH EQUIVALENTS

Deposit Risk - As of September 30, 2010, the carrying amount of the County's deposits held in primarily one depository bank was \$2,444,873 for governmental funds and \$127,814 for trust and agency funds and the related banks' balances totaled \$2,509,969 and \$127,814 respectively, with the difference being due for various items in transit. Of the banks' balances, \$502,140 of the governmental funds and \$127,814 of the registry trust funds were insured by the Federal Deposit Insurance Corporation, and the balance of governmental funds and insurance trust funds were secured by bank owned and U.S. guaranteed "Small Business Loans" with outstanding balances of \$3,327,867, pledged to the County, but held by the bank or its agents. Amounts in excess of FDIC insurance limits are considered unsecured for financial reporting purposes considering the custody arrangements.

Restricted Cash - Restricted cash primarily represents amounts due others from registry trust funds and amounts held for special revenue funds which are restricted by grant contract or law.

Pooled Cash - The County operates two pooled accounts, a primary checking account and an interest-bearing money market account, to accomplish cash transactions for a number of funds and sub-funds. Following is a summary of pooled cash as of September 30, 2010:

General Fund:		Operating <u>Checking</u>	Payroll <u>Clearing</u>
10-100-110	General	\$ 1,381,361	\$ (4,260)
20-100-110	Road and Bridge	202,332	1,194
30-100-110	Attorney Hot Checks	(210)	33
35-100-110	Criminal Justice Planning	89	
40-100-110	Juvenile Probation (2)	(29,400)	(2,857)
41-100-110	Juvenile Probation	382	-
42-100-110	Juvenile Probation (2)	(7,844)	-
45-100-110	Senior Nutrition (1)	(162,076)	354
47-100-110	Law Enforcement	221	
81-100-110	Linebacker	-	-
82-100-110	HIDTA	(285)	
85-100-110	Linebacker	(1,240)	-
87-100-110	CJD	(96,809)	973
89-100-110	LBSP 08	(138,971)	10,386
90-100-110	JAG Grant	(53,774)	3,076
		<u>\$ 1,093,776</u>	<u>\$ 8,899</u>

1) reported as due to /from other funds

2) reported as due to/from others

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 5: CHANGES IN FIXED ASSETS

A summary of changes in fixed assets reported in the government wide financial statements follows:

	(Restated) Balance 10/1/2009	Additions	Deletions	Balance 9/30/2010
Primary Government Unit:				
Land	\$ 182,810		\$ -	\$ 182,810
Buildings and improvements	1,895,178	99,550	-	1,994,728
Furniture and Equipment	1,292,339	196,654	-	1,488,993
Vehicles	735,251		-	735,251
Infrastructure - airport	363,645		-	363,645
Infrastructure - streets	2,966,022	276,160	-	3,242,182
	<u>7,435,245</u>	<u>572,364</u>	<u>-</u>	<u>8,007,609</u>
Less Accumulated Depreciation:				
Buildings and improvements	794,606	53,465	-	848,071
Furniture and Equipment	849,646	75,768	-	925,414
Vehicles	428,645	63,098	-	491,743
Infrastructure - airport	313,875	3,829	-	317,704
Infrastructure - streets	2,693,274	27,452	-	2,720,726
	<u>5,080,046</u>	<u>223,612</u>	<u>-</u>	<u>5,303,658</u>
Net Fixed Assets	<u>\$ 2,355,199</u>	<u>\$ 348,752</u>	<u>\$ -</u>	<u>\$ 2,703,951</u>

Following is a recap of Depreciation by function:

Depreciation	
General Government	\$ 39,280
Justice System	-
Public Safety	88,585
Corrections and Rehabilitation	2,353
Health and Human Services	14,008
Community and Economic Development	40,901
Infrastructure and Environmental Services	38,485
	<u>\$ 223,612</u>

Beginning balances have been restated to report capitalization of youth center building improvements made in prior years that were not capitalized. See Note 11.

NOTE 6: LONG-TERM DEBT

A summary of long-term debt follows:

	Balance 10/1/2009	Additions	Retired	Balance 9/30/2010
Equipment Capital Leases	<u>\$ 6,243</u>	<u>\$ -</u>	<u>\$ 6,243</u>	<u>\$ -</u>

Equipment Lease Obligations – The County paid off a lease obligation secured by a 2007 Crown Victoria Police Interceptor. The lease required an initial payment of \$6,000 and three subsequent annual payments of \$6,680 which include interest accrued at 7%. The lease matured November 2009 and was paid off. Interest expense totaled \$437 for the year ended September 30, 2010 for the lease.

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 7: EMPLOYEE PENSION AND RETIREMENT PROGRAMS

Plan Description The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional, joint contributory, defined contribution plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for administration of the statewide agent multiple-employer public employee retirement system consisting of 586 nontraditional 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 TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 or <http://TCDRS.org>.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 years or more of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 10 years of service but must leave their accumulated contribution in the plan to receive any employer-financed benefit. Members who withdraw their personal 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 employer within 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 employer has elected to use the annually determined contribution rate (Variable- Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 7% for calendar year 2009 and 2010. The contribution rate payable by the employee members is also the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost. For the employer's accounting year ending September 30, 2010, the annual pension contributions and cost for the TCDRS plan for the county and employees was \$114,676 based on a 7% contribution rate for each. The annual required contributions were actuarially determined as a percentage of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2009, the basis for determining the contribution rate for calendar year 2010. The December 31, 2009 actuarial valuation is the most recent valuation.

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 7: EMPLOYEE PENSION AND RETIREMENT PROGRAMS - continued

Actuarial Valuation Information:

Actuarial valuation date	12/31/2007	12/31/2008	12/31/2009
Actuarial cost method	entry age	entry age	entry age
Amortization method	Level % of payroll, open	Level % of payroll, closed	Level % of payroll, closed
Amortization period in years	30	11.5	6.2
Asset valuation method	10-yr smoothed value ESF: Fund value	10-yr smoothed value ESF: Fund value	10-yr smoothed value ESF: Fund value
Actuarial Assumptions:			
Investment return	8.00%	8.00%	8.00%
Projected salary increase	5.30%	5.30%	5.40%
Inflation	3.50%	3.50%	3.50%
Cost-of-living adjustment	0.00%	0.00%	0.00%

Accounting Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension (Asset) Obligation
12/31/2005	\$ 50,329	40.86%	\$ 123,189
12/31/2006	\$ 61,255	100.00%	\$ (22,427)
12/31/2007	\$ 97,372	100.00%	\$ (74,499)
12/31/2008	\$ 102,009	54.91%	\$ 185,787
12/31/2009	\$ 120,571	96.70%	\$ 124,680

**Schedule of Funding Progress for the Retirement Plan
for Employees of Hudspeth County, Texas**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (OAAL) UAAL (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2003	2,607,997	2,521,074	(86,923)	103.45%	1,073,870	8.09%
12/31/2004	2,765,276	2,734,639	(30,637)	101.12%	1,130,344	2.71%
12/31/2005	3,036,420	3,159,609	123,189	96.10%	1,185,886	-10.39%
12/31/2006	3,127,449	3,105,022	(22,427)	100.72%	1,233,728	1.82%
12/31/2007	3,393,518	3,319,019	(74,499)	102.24%	1,533,962	4.86%
12/31/2008	3,494,359	3,680,146	185,787	94.95%	1,575,782	-11.79%
12/31/2009	3,736,918	3,861,598	124,680	96.77%	1,722,483	-7.24%

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 8: CONCENTRATIONS OF CREDIT RISK

Property tax receivables are from residences and businesses primarily located in the County. Collection of such taxes is directly related by the general economic conditions of the County. Refer to Note 3 for disclosures relevant to concentration of credit risk for bank deposits.

As of September 30, 2010 the Senior Nutrition Fund 45 owed the general fund \$300,153 for pooled cash overdraft of (\$162,076) plus due to general fund liability of \$138,077. Uncertainty exists as to the programs ability to repay the General fund based on results of operations in the current and prior years. No provision for collection loss has been recorded in the general fund in the modified cash basis financial statements. As of September 30, 2010 the Senior Nutrition Fund reported a deficit fund balance of (\$226,916).

NOTE 9: CONTINGENCIES

Litigation - In the normal course of providing services to the public the County from time to time is subjected to litigation claims. The County defends itself against such claims based on internal assessment of liability and risk. Litigation expenses and damages are recorded as expense in the period when paid. No liabilities have been accrued in the modified cash basis financial statements relative to litigation in process.

Federal Grants – In the normal course of operations, the County receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with the conditions precedent in the granting of funds. Any liability for reimbursement which may arise as the result of these audits is estimated to be form \$-0- to \$50,000 based on County monitoring of compliance. Expenses are reported in the period when paid under the modified cash basis of accounting.

NOTE 10: ACCOUNTING STANDARDS NOT YET ADOPTED

In February 2009 the Governmental Accounting Standards Board issued Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The effective date for implementing the statement is for periods beginning after June 15, 2010. The County has elected not to early implement the standard and plans to implement the requirements in the next annual reporting period. Implementation of the standard is expected to redefine and expand the fund balance classifications as compared to the current reporting. The impact to the financial statements has not been determined.

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 11: PRIOR PERIOD ADJUSTMENTS

The beginning net assets have been restated to give effect of three adjustments associated with prior years. 1) Beginning fixed assets was adjusted to capitalize Youth Center improvements paid by Federal Community Service Block Grant #726-159 of \$233,351 in 2009 and \$30,035 in 2008. This adjustment only affects the Government Wide Financial Statements. 2) Beginning net assets and fund balances of Criminal justice fund 45, which is combined and presented general funds, has been adjusted to correct previously reported amounts due to others. The prior year amount was reduced by \$54,666 to correct the previously reported amount based on actual subsequent payments. 3) Amounts due to others was increased by \$90,000 for clerk bond funds held in escrow for cases in process. Following is a schedule of the effects of the prior period adjustments:

	As Previously Reported	Adjustments	As Restated
1) Capital Assets	<u>\$ 2,091,603</u>	<u>\$ 263,596</u>	<u>\$ 2,355,199</u>
2,3) Amounts due to others	<u>\$ 210,298</u>	<u>\$ 35,334</u>	<u>\$ 245,632</u>
Net Assets	<u>\$ 4,016,478</u>	<u>\$ 228,262</u>	<u>\$ 4,244,740</u>
2) Fines and Fees	\$ 642,590	\$ 54,666	\$ 697,256
1) Community and Economic Development	<u>\$ 274,874</u>	<u>\$ (233,531)</u>	<u>\$ 41,343</u>
Revenue over under expenses	<u>\$ 255,441</u>	<u>\$ 288,197</u>	<u>\$ 543,638</u>

REQUIRED SUPPLEMENTARY INFORMATION

Budget to Actual – Modified Cash Basis

(Unaudited)

CULBERSON COUNTY, TEXAS
GENERAL FUND AND GENERAL GOVERNMENT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
BUDGET TO ACTUAL - MODIFIED CASH BASIS
YEAR ENDED SEPTEMBER 30, 2010

	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
GENERAL FUND REVENUE				
===	=====			
10-300-100	CURRENT TAXES	1,816,802	1,816,802	1,729,304 \$ (87,498)
10-300-110	DELINQUENT TAXES	60,000	60,000	325,501 265,501
10-300-120	FEES OF OFFICE-CLERK	50,000	50,000	41,329 (8,671)
10-300-121	FEES OF OFFICE-TAX OFFICE	4,000	4,000	4,624 624
10-300-122	VAN HORN CEMETARY PAY OUT FEES	-	-	3,200 3,200
10-300-141	LEASE PAYMENT - ACM	-	-	- -
10-300-142	LEASE PAYMENT - SCALES	-	-	- -
10-300-143	LEASE PAYMENT-LOBO LAND	450	450	450 -
10-300-144	R.B.H.I. (OFF.RENT & SERV	-	-	- -
10-300-145	H&HS OFF. RENT	29,910	29,910	29,910 -
10-300-162	BORDER PATROL DENTENTION	-	-	- -
10-300-165	HUDSPETH CO.(ST. PRISONER	-	-	- -
10-300-170	MOTOR VEHICLE REGISTRATIO	4,000	4,000	5,971 1,971
10-300-175	J. P. COURT	360,000	360,000	248,738 (111,262)
10-300-180	INTEREST REVENUE	-	-	16,172 16,172
10-300-181	INTEREST REVENUE - SAVINGS	-	-	95 95
10-300-185	AUCTION PROCEEDS	1,000	1,000	4,410 3,410
10-300-190	IN LIEU OF TAXES- STATE C	84,000	84,000	145,370 61,370
10-300-191	IN LIEU OF TAXES	-	-	1,023 1,023
10-300-200	STATE SALARY SUPPLEMENT	34,862	34,862	56,889 22,027
10-300-202	LEOSE - STATE	1,200	1,200	1,044 (156)
10-300-204	LEOSE-STATE(J.P.& CONST.)	1,300	1,300	638 (662)
10-300-205	J.P. COURT SECURITY FEE	2,000	2,000	1,862 (138)
10-300-206	COURTHOUSE SECURITY FEE	10,000	10,000	6,630 (3,370)
10-300-207	LAW LIBRARY REVENUE	-	-	1,120 1,120
10-300-208	COUNTY FINES/CLERK	2,000	2,000	29,216 27,216
10-300-209	JUSTICE COURT TECHNOLOGY	-	-	- -
10-300-214	HIDTA GRANT 05 REIMBURSEM	-	-	- -
10-300-215	OMNI FEE - COUNTY REVENUE	900	900	954 54
10-300-220	OPERATION WRANGLER REIMBU	-	-	- -
10-300-222	JANITORIAL SERVICES	-	-	- -
10-300-224	INDG.DEF.GT.#212-04-055	-	-	- -
10-300-225	BOND FORFEITURE FEES	-	-	250 250
10-300-330	COMMISSARY SALES REVENUE	-	-	217 217
10-300-331	CD REVENUE	3,000	3,000	6,310 3,310
10-300-332	HOMELAND SECURITY REIMB.	-	-	- -
10-300-333	JAIL-PAY PHONE REVENUE	1,000	1,000	876 (124)
10-300-334	VENDING MACHINES REVENUE	300	300	838 538
10-300-335	INS. LOSS REVENUE	-	-	- -
10-300-336	STATE EXCESS CONTRIBUTION	100	100	- (100)
10-300-337	REGIONAL COMMUNICATIONS PLANNIN	-	-	12,272 12,272
10-300-338	FAX/COPIES REVENUE - CO.J	25	25	359 334
10-300-339	FEES OF OFFICE - SHERIFF	1,300	1,300	2,501 1,201
10-300-340	REBATES REVENUE	-	-	- -
10-300-341	SURRENDER VALUE(INSURANCE	-	-	- -
10-300-342	UNEMPLOYMENT COMPENSATION	-	-	- -
10-300-343	TRANSFERS TO GEN.FUND	-	-	- -
10-300-344	CJD-LINEBACKER REIMBERSME	-	-	- -
10-300-345	BORDER COLONIA-REIMB.TO G	-	-	- -
10-300-346	REIMB. TTL/DEALERSHIP	-	-	- -
10-300-347	TBSC-LINEBACKER REIMBURSE	-	-	- -

CULBERSON COUNTY, TEXAS
GENERAL FUND AND GENERAL GOVERNMENT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
BUDGET TO ACTUAL - MODIFIED CASH BASIS
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	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
10-300-348	R.G.C.O.G. REIMBURSEMENT	-	-	-
10-300-349	L BSP-08 GRANT REIMBURSEMENT	-	-	-
10-300-350	JAG GRANT - REIMBURSEMENT	-	-	-
10-300-505	CASH PROCEEDS FROM TAX SA	-	-	-
10-300-510	SWBPI-REVENUE	-	-	-
10-300-515	REFUND REVENUE	-	2,029	2,029
10-300-516	SOLID WASTE PROJECT REVEN	-	-	-
10-300-517	MISC. REVENUE	220,000	220,000	5,552
	GENERAL FUND REVENUE	<u>2,688,149</u>	<u>2,688,149</u>	<u>2,685,654</u>
				<u>(214,448)</u>
400	COUNTY JUDGE	-	-	-
===	=====	-	-	-
10-400-100	SALARY - COUNTY JUDGE	44,219	44,219	44,219
10-400-103	STATE SALARY SUPPLEMENT E	15,000	15,000	15,222
10-400-105	SALARY - SECRETARY	24,087	24,087	24,086
10-400-200	FICA EXPENSE	6,373	6,373	6,390
10-400-205	TCDRS EXPENSE	5,831	5,831	5,847
10-400-215	MEDICAL INSURANCE EXPENSE	10,540	10,540	11,314
10-400-300	TELEPHONE EXPENSE	2,500	2,500	2,157
10-400-305	POSTAGE EXPENSE	600	600	198
10-400-310	CAPITAL OUTLAY	2,500	2,500	327
10-400-315	CONTINUING EDUCATION	5,000	5,000	3,594
10-400-900	MISCELLANEOUS EXPENSE	-	-	-
	COUNTY JUDGE	<u>116,650</u>	<u>116,650</u>	<u>113,354</u>
				<u>(8,018)</u>
401	COMMISSIONERS COURT			
===	=====			
10-401-100	SALARY - COMMISSIONERS	78,123	78,123	78,123
10-401-200	FICA EXPENSE	5,976	6,175	6,443
10-401-205	TCDRS EXPENSE	5,469	5,469	5,636
10-401-215	MEDICAL INSURANCE EXPENSE	16,360	16,360	16,287
10-401-220	SALARY-RABIES CONTROL	2,400	2,400	2,400
10-401-310	CAPITAL OUTLAY	25,000	25,000	1,204
10-401-450	JUVENILE PROBATION BOARD	4,800	4,800	3,600
10-401-700	INDEPENDENT AUDIT CONTRAC	40,000	38,000	27,319
10-401-701	HEALTH OFFICER	4,800	4,800	4,800
10-401-702	UNEMPLOYMENT	2,000	2,000	1,673
10-401-703	COMPUTER TECHNICIAN	7,000	10,146	10,829
10-401-704	PRINTING & ADVERTISING	3,000	3,000	2,648
10-401-705	CITY - COUNTY LIBRARY	42,000	42,000	42,000
10-401-706	LAW LIBRARY	10,000	13,389	16,570
10-401-707	HISTORICAL MUSEUM	1,000	1,000	-
10-401-708	HISTORICAL COMMISSION	1,000	1,000	-
10-401-709	CHRISTIAN SHELTER	3,600	3,600	3,600
10-401-710	LIABILITY INSURANCE	100,000	100,000	94,804
10-401-711	FIRE MARSHALL	600	600	600
10-401-713	CHILD WELFARE BOARD	1,000	1,000	1,000
10-401-714	GENERAL FUND CONTINGENCY	49,366	43,153	30,043
10-401-718	MEMBERSHIP DUES	8,000	8,000	7,073
10-401-719	COMMISSIONERS CELL PHONE	-	-	-
10-401-720	COURTHOUSE SECURITY	2,000	2,000	168
10-401-721	HIGH POINT SOIL & WATER C	1,000	1,000	-
10-401-722	SALARY-CODE ENFORCEMENT O	-	-	-

CULBERSON COUNTY, TEXAS
GENERAL FUND AND GENERAL GOVERNMENT
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BUDGET TO ACTUAL - MODIFIED CASH BASIS
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	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
10-401-723 FUEL-CODE ENFORCEMENT OFF	-	-	-	-
10-401-724 NUTRITION CENTER MATCH	40,000	40,000	-	40,000
10-401-725 JUVENILE PROBATION MATCH	18,259	18,739	18,739	-
10-401-726 JUVENILE PROB-CAR LEASE	6,680	6,680	-	6,680
COMMISSIONERS COURT	<u>479,433</u>	<u>478,434</u>	<u>375,559</u>	<u>102,875</u>
402 HIGHWAY PATROL				
=====				
10-402-110 SALARY - PART-TIME HELP	16,286	16,286	16,245	41
10-402-200 FICA EXPENSE	1,246	1,246	1,235	11
10-402-205 TCDRS EXPENSE	1,140	1,140	1,137	3
10-402-300 TELEPHONE EXPENSE	2,000	2,000	1,731	269
10-402-305 POSTAGE EXPENSE	-	-	-	-
10-402-310 CAPITAL OUTLAY	1,000	1,493	1,491	2
10-402-351 D.P.S. - LICENSE AND WEIG	-	-	-	-
HIGHWAY PATROL	<u>21,672</u>	<u>22,165</u>	<u>21,839</u>	<u>326</u>
403 COUNTY SHERIFF				
===				
10-403-100 SALARY - COUNTY SHERIFF	40,313	40,313	40,313	-
10-403-102 SALARY - CHIEF DEPUTY	34,665	34,665	34,665	-
10-403-105 SALARIES - SHERIFFS DEPT.	293,558	289,258	287,223	2,035
10-403-110 SALARIES - PART-TIME HELP	45,000	79,000	78,322	678
10-403-112 SALARY - HIDTA 2	-	-	-	-
10-403-115 COMP.TIME SHERIFF'S DEPT.	5,000	6,245	6,126	119
10-403-200 FICA EXPENSE	32,018	33,548	33,671	(123)
10-403-205 TCDRS EXPENSE	26,602	29,372	29,520	(148)
10-403-215 MEDICAL INSURANCE EXPENSE	65,040	65,040	62,897	2,143
10-403-300 TELEPHONE EXPENSE	8,000	7,088	7,100	(12)
10-403-302 LEASE PAYMENTS	8,000	-	-	-
10-403-305 POSTAGE EXPENSE	1,000	705	437	268
10-403-310 CAPITAL OUTLAY	15,000	4,584	4,584	-
10-403-311 TELE-TYPE-LEASE	1,000	-	-	-
10-403-315 CONT. EDUCATION-SHERIFF'S	8,000	7,395	7,809	(414)
10-403-316 PHOTO LAB	1,000	-	-	-
10-403-320 INDIGENT PRISONERS MED. E	20,000	8,438	8,520	(82)
10-403-322 BODY ARMOR	1,000	-	-	-
10-403-323 UNIFORMS - SHERIFF'S DEPT	3,000	3,360	3,360	-
10-403-350 MAINT. & SUPPLIES	10,000	11,572	11,660	(88)
10-403-351 JAIL SUPPLIES	16,000	12,939	11,642	1,297
10-403-365 PRISONERS' FOOD EXPENSES	35,000	35,000	37,367	(2,367)
10-403-400 FUEL & TRAVEL SHERIFF	28,000	28,674	28,530	144
10-403-401 AUTO REPAIRS	10,000	10,000	8,478	1,522
10-403-402 LEOSE-SHERIFF DEPT.	1,500	1,500	421	1,079
10-403-403 COMMUNICATION EQUIPMENT	-	-	-	-
COUNTY SHERIFF	<u>708,696</u>	<u>708,696</u>	<u>702,645</u>	<u>6,051</u>

CULBERSON COUNTY, TEXAS
GENERAL FUND AND GENERAL GOVERNMENT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
BUDGET TO ACTUAL - MODIFIED CASH BASIS
YEAR ENDED SEPTEMBER 30, 2010

	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
404 COUNTY-DISTRICT CLERK				
=====				
10-404-100 SALARY - COUNTY-DISTRICT	40,313	40,313	40,313	-
10-404-105 SALARY - CHIEF DEPUTY	27,586	27,586	27,586	-
10-404-106 SALARY - DEPUTIES	24,087	24,087	24,086	1
10-404-107 SALARY - TEMP.PART-TIME	16,286	16,286	14,553	1,733
10-404-200 FICA EXPENSE	8,283	8,283	7,991	292
10-404-205 TCDRS EXPENSE	7,579	7,579	7,458	121
10-404-215 MEDICAL INSURANCE EXPENSE	16,300	16,300	16,287	13
10-404-300 TELEPHONE EXPENSE	1,000	1,000	186	814
10-404-302 LEASE COPIER	475	475	475	-
10-404-305 POSTAGE EXPENSE	5,000	5,000	3,579	1,421
10-404-310 CAPITAL OUTLAY	1,500	1,500	1,222	278
10-404-315 CONT. EDUCATION	3,000	3,000	2,548	452
10-404-900 MISCELLANEOUS EXPENSE	-	-	-	-
COUNTY-DISTRICT CLERK	<u>151,409</u>	<u>151,409</u>	<u>146,284</u>	<u>5,125</u>
405 TAX ASSESSOR COLLECTOR				
===				
10-405-100 SALARY - TAX ASSESSOR COL	40,313	40,313	40,313	-
10-405-105 SALARY - CHIEF DEPUTY	27,586	27,586	27,586	-
10-405-106 SALARY - DEPUTY	-	-	-	-
10-405-110 SALARY - PART-TIME HELP	16,286	16,085	14,874	1,211
10-405-200 FICA EXPENSE	6,440	6,440	5,879	561
10-405-205 TCDRS EXPENSE	4,753	4,753	4,753	-
10-405-215 MEDICAL INSURANCE EXPENSE	10,850	10,850	10,858	(8)
10-405-300 TELEPHONE EXPENSE	350	350	218	132
10-405-305 POSTAGE EXPENSE	4,000	5,000	4,544	456
10-405-306 VOTER REGISTRATION EXPENS	1,000	585	585	-
10-405-310 CAPITAL OUTLAY	1,800	2,175	2,146	29
10-405-312 PRITCHARD & ABBOTT CONTRA	16,000	16,000	16,000	-
10-405-313 MAINT. AGREEMENT - COPIER	475	475	475	-
10-405-315 CONT. EDUCATION	3,000	3,242	3,233	9
TAX ASSESSOR COLLECTOR	<u>132,853</u>	<u>133,854</u>	<u>131,464</u>	<u>2,390</u>
406 COUNTY ATTORNEY				
===				
10-406-100 SALARY - COUNTY ATTORNEY	40,313	40,313	40,313	-
10-406-105 SALARY - SECRETARY	28,552	28,552	28,552	-
10-406-200 FICA EXPENSE	6,862	6,862	6,840	22
10-406-205 TCDRS EXPENSE	6,279	6,279	6,279	-
10-406-215 MEDICAL INSURANCE EXPENSE	10,840	10,840	10,858	(18)
10-406-300 TELEPHONE EXPENSE	500	500	215	285
10-406-305 POSTAGE EXPENSE	100	100	83	17
10-406-310 CAPITAL OUTLAY	1,000	1,000	295	705
10-406-315 CONT. EDUCATION	4,000	4,000	4,066	(66)
10-406-320 STATE SALARY-H.B.804	20,833	20,833	20,833	-
10-406-900 MISCELLANEOUS EXPENSE	-	-	-	-
COUNTY ATTORNEY	<u>119,279</u>	<u>119,279</u>	<u>118,334</u>	<u>945</u>

CULBERSON COUNTY, TEXAS
GENERAL FUND AND GENERAL GOVERNMENT
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BUDGET TO ACTUAL - MODIFIED CASH BASIS
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	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
407 COUNTY TREASURER				
====				
10-407-100 SALARY - COUNTY TREASURER	40,313	40,313	40,313	-
10-407-110 SALARY - PART-TIME SECRET	24,087	24,087	24,086	1
10-407-200 FICA EXPENSE	4,927	4,927	4,832	95
10-407-205 TCDRS EXPENSE	4,508	4,508	4,508	-
10-407-215 MEDICAL INSURANCE EXPENSE	11,920	11,920	10,858	1,062
10-407-300 TELEPHONE EXPENSE	500	500	119	381
10-407-305 POSTAGE EXPENSE	500	500	256	244
10-407-310 CAPITAL OUTLAY	1,500	1,500	258	1,242
10-407-313 MAINT. AGREEMENT-COPIER	475	475	475	-
10-407-314 MAINT. AGREEMENT SOFTWARE	2,100	2,100	1,256	844
10-407-315 CONTINUING EDUCATION	4,000	4,000	1,592	2,408
10-407-900 MISCELLANEOUS EXPENSE	-	-	-	-
COUNTY TREASURER	<u>94,830</u>	<u>94,830</u>	<u>88,553</u>	<u>6,277</u>
408 COUNTY AUDITOR				
====				
10-408-100 SALARY - COUNTY AUDITOR	40,313	40,313	40,313	-
10-408-105 SALARY-ASSISTANT AUDITOR	27,586	27,586	23,780	3,806
10-408-110 SALARY-PART/TIME ASST.	-	-	-	-
10-408-200 FICA EXPENSE	5,194	5,194	4,874	320
10-408-205 TCDRS EXPENSE	4,753	4,753	4,487	266
10-408-215 MEDICAL INSURANCE EXPENSE	10,840	10,840	10,858	(18)
10-408-300 TELEPHONE EXPENSE	300	300	135	165
10-408-305 POSTAGE EXPENSE	500	500	283	217
10-408-310 CAPITAL OUTLAY	1,500	1,107	629	478
10-408-314 MAINT. AGREEMENT SOFTWARE	2,100	2,100	1,800	300
10-408-315 CONT. EDUCATION	4,000	4,000	2,672	1,328
10-408-900 MISCELLANEOUS EXPENSE	-	-	-	-
COUNTY AUDITOR	<u>97,086</u>	<u>96,693</u>	<u>89,831</u>	<u>6,862</u>
409 JUDICIAL LAW				
====				
10-409-100 SALARIES - J. P.'s	92,601	92,601	63,685	28,916
10-409-101 SALARIES - CONSTABLES	10,157	10,157	9,376	781
10-409-105 SALARY - SECRETARY	27,586	27,586	27,586	-
10-409-110 SALARY - SECRETARY II	25,820	25,820	25,820	-
10-409-115 SALARY - PART TIME	16,286	16,286	4,612	11,674
10-409-200 FICA EXPENSE	13,192	13,192	9,917	3,275
10-409-205 TCDRS EXPENSE	10,931	10,931	8,278	2,653
10-409-215 MEDICAL INSURANCE EXPENSE	26,579	26,579	23,044	3,535
10-409-300 TELEPHONE EXPENSE	4,900	4,900	4,543	357
10-409-305 POSTAGE EXPENSE	4,650	4,650	1,330	3,320
10-409-310 CAPITAL OUTLAY JP#1	500	500	501	(1)
10-409-311 CAPITAL OUTLAY JP#2	500	500	-	500
10-409-312 CAPITAL OUTLAY JP#3	500	500	66	434
10-409-313 CAPITAL OUTLAY JP#4	500	500	-	500
10-409-314 MAINT. AGREEMENT - SOFTWA	1,725	1,725	-	1,725
10-409-315 JUDICIAL LAW-CONT. EDUCAT	10,000	10,000	7,569	2,431
10-409-316 ALARM MAINT. EXPENSE	660	660	600	60
10-409-360 AUTOPSY EXPENSE	10,000	10,000	4,090	5,910
10-409-365 PRISONERS' BOARD - FOOD E	-	-	-	-

CULBERSON COUNTY, TEXAS
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	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
10-409-366	CONST.PRCT.#1 FUEL	-	-	-
10-409-367	CONST.PRCT.#2 FUEL	4,384	4,384	1,505
10-409-368	JUSTICE COURT TECHNOLOGY	-	-	-
10-409-400	CONSTABLE FUEL	-	-	-
	JUDICIAL LAW	<u>261,471</u>	<u>261,471</u>	<u>192,522</u>
				<u>68,949</u>
410	JURY			
===	=====			
10-410-100	SALARY - DISTRICT ATTORNE	15,000	15,000	10,500
10-410-111	SALARY - BAILIFFS	665	665	665
10-410-112	SALARY - COURT REPORTER	2,000	2,000	-
10-410-113	SALARY - COURT ADMINISTRA	700	700	300
10-410-114	SALARY - COURT APPOINTED	-	-	-
10-410-115	INDIGENT ATTYS/FORMUAL GR	11,000	11,000	5,600
10-410-200	FICA EXPENSE	600	600	74
10-410-365	COURT COSTS	10,000	10,000	3,318
10-410-366	JURIES & RELATED EXPENSES	5,000	5,000	4,472
	JURY	<u>44,965</u>	<u>44,965</u>	<u>24,929</u>
				<u>20,036</u>
411	BUILDING MAINTENANCE			
===	=====			
10-411-105	SALARIES - BUILDING MAINT	24,568	24,568	24,568
10-411-110	SALARY-PART/TIME	27,144	27,144	31,550
10-411-200	FICA EXPENSE	3,956	3,956	3,850
10-411-205	TCDRS EXPENSE	2,480	2,480	3,526
10-411-215	MEDICAL INSURANCE EXPENSE	7,240	7,240	4,973
10-411-310	CAPITAL OUTLAY	-	-	-
10-411-350	SUPPLIES - JANITORIAL	3,000	3,000	4,290
10-411-355	REPAIRS & REPLACEMENTS	25,000	25,000	13,018
10-411-370	UTILITIES	80,000	80,000	58,134
10-411-400	FUEL - BUILDING MAITENANC	3,000	3,000	1,764
10-411-900	MISCELLANEOUS - BUILDING	10,000	10,000	4,391
	BUILDING MAINTENANCE	<u>186,388</u>	<u>186,388</u>	<u>150,064</u>
				<u>36,324</u>
412	394TH DISTRICT COURT			
===	=====			
10-412-105	SALARY - 394TH DIST. JUDG	1,355	1,355	1,355
10-412-110	SALARY - COURT REPORTER	6,754	6,754	6,754
10-412-115	SALARY - COURT COORDINATO	4,843	4,843	4,843
10-412-200	FICA EXPENSE	1,000	1,226	1,189
10-412-205	TCDRS EXPENSE	1,000	1,036	1,088
10-412-210	WORKER'S COMP.	53	53	-
10-412-215	MEDICAL INSURANCE EXPENSE	1,865	1,865	1,538
10-412-220	LIBILITY INS.	330	330	300
10-412-225	UNEMPLOYMENT FUND	580	580	-
10-412-300	TELEPHONE EXPENSE	970	642	506
10-412-305	POSTAGE EXPENSE	100	200	195
10-412-310	CAPITAL OUTLAY	210	311	311
10-412-312	JUDGE'S LIBRARY	662	728	728
10-412-314	VISTING JUDGES	1,015	1,015	-
10-412-315	CONT. EDUCATION	210	210	110

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	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)	
10-412-350	SUPPLIES	259	259	180	79
10-412-370	UTILITIES	385	385	385	-
10-412-400	COURT REPORTER EXPENSES	2,060	1,860	517	1,343
10-412-401	CAR ALLOWANCE	2,586	2,586	2,586	-
10-412-402	JUDICIAL ADMIN. DISTRICT	340	340	340	-
10-412-900	MISCELLANEOUS EXPENSE	371	370	217	153
	394TH DISTRICT COURT	26,948	26,948	23,142	3,806
413	EXTENSION SERVICE				
===	=====				
10-413-105	SALARY - EXTENSION AGENT	8,820	9,702	9,498	204
10-413-110	SALARY - PART-TIME HELP	8,016	10,015	9,754	261
10-413-200	FICA EXPENSE	1,288	1,508	1,465	43
10-413-205	TCDRS EXPENSE	617	701	683	18
10-413-300	TELEPHONE EXPENSE	200	200	93	107
10-413-305	POSTAGE EXPENSE	300	300	83	217
10-413-310	CAPITAL OUTLAY	1,500	265	86	179
10-413-315	CONT. EDUCATION	6,600	5,651	4,735	916
10-413-316	PROMO/EDU EXPENSE	3,756	3,756	2,641	1,115
10-413-900	MISCELLANEOUS EXPENSE	2,410	1,410	486	924
	EXTENSION SERVICE	33,507	33,508	29,524	3,984
415	AIRPORT				
===	=====				
10-415-110	PART-TIME HELP	-	-	-	-
10-415-200	FICA EXPENSE	-	-	-	-
10-415-353	IMPROVEMENTS - AIRPORT	2,500	1,702	1,470	232
10-415-370	UTILITIES - AIRPORT	4,000	6,066	5,563	503
10-415-900	MISCELLANEOUS EXPENSES	1,500	232	232	-
	AIRPORT	8,000	8,000	7,265	735
417	VETERANS MEMORIAL PARK				
===	=====				
10-417-110	SALARY-PART TIME	-	-	-	-
10-417-200	FICA EXPENSE	-	-	-	-
10-417-353	IMPROVEMENTS - VET.MEM.PA	5,500	5,500	4,087	1,413
10-417-370	UTILITIES - VET.MEM.PARK	8,500	8,500	8,003	497
10-417-400	FUEL - VET.MEM.PARK	-	-	-	-
	VETERANS MEMORIAL PARK	14,000	14,000	12,090	1,910
421	CEMETERY				
===	=====				
10-421-110	PART-TIME HELP	-	-	-	-
10-421-200	FICA EXPENSE	-	-	-	-
10-421-350	SUPPLIES - CEMETERY	2,500	2,500	500	2,000
10-421-353	IMPROVEMENTS - CEMETERY	2,000	2,000	1,096	904
10-421-370	UTILITIES - CEMETERY	10,000	10,000	8,143	1,857
10-421-400	FUEL - CEMETERY	-	-	-	-
10-421-900	MISCELLANEOUS EXPENSE	-	-	-	-
	CEMETERY	14,500	14,500	9,739	4,761

CULBERSON COUNTY, TEXAS
GENERAL FUND AND GENERAL GOVERNMENT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
BUDGET TO ACTUAL - MODIFIED CASH BASIS
YEAR ENDED SEPTEMBER 30, 2010

	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
423 VETERANS OFFICER				
===				
10-423-105 SALARY - VETERANS OFFICER	1,800	1,800	1,800	-
10-423-200 FICA EXPENSE	200	200	138	62
10-423-315 CONT. EDUCATION - VETERANS	1,200	1,200	-	1,200
10-423-350 SUPPLIES - VETERANS OFFIC	-	-	-	-
10-423-350 SUPPLIES - VETERANS OFFIC	-	-	-	-
VETERANS OFFICER	<u>3,200</u>	<u>3,200</u>	<u>1,938</u>	<u>1,262</u>
425 EMERGENCY MANAGEMENT				
===				
10-425-100 SALARY-EMERGENCY MGNT.	7,500	7,500	6,000	1,500
10-425-105 CONSULTANT SALARY	1,500	1,500	1,250	
10-425-200 FICA EXPENSE	574	574	585	(11)
10-425-350 SUPPLIES EXPENSE	1,000	1,000	-	1,000
10-425-400 FUEL EXPENSE	2,500	2,500	205	2,295
10-425-500 EMERGENCY MGNT. EXPENSE	3,000	3,000	1,071	1,929
EMERGENCY MANAGEMENT	<u>16,074</u>	<u>16,074</u>	<u>9,111</u>	<u>6,713</u>
435 RMP-EXPENSE				
===				
10-435-900 MISC. EXPENSE - RMP	-	-	-	-
RMP-EXPENSE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
440 NON-DEPARTMENTAL				
===				
10-440-114 LEASE PURCHASE-COPIER E	-	-	-	-
10-440-200 FICA EXPENSE	1,000	1,000	311	689
10-440-205 TCDRS EXPENSE	500	500	294	206
10-440-300 COURTHOUSE TELEPHONE EXPE	12,000	12,000	9,701	2,299
10-440-305 POSTAGE EXPENSE	-	-	-	-
10-440-312 INTERNET EXPENSE	4,500	4,500	4,880	(380)
10-440-314 MISCELLANEOUS SUPPLIES EX	3,000	3,000	2,014	986
10-440-601 ELECTION EXPENSE	18,000	18,000	17,198	802
10-440-602 HAVA-ELECTION EXPENSE	-	-	-	-
10-440-603 CHARITY EXPENSE	8,500	8,500	3,605	4,895
10-440-604 LEASE COMPUTER/GE CAPITAL	3,696	3,696	7,476	(3,780)
10-440-605 APPRAISAL DISTRICT	54,644	54,644	56,535	(1,891)
10-440-606 REPEATER LEASE SITE	1,200	1,200	1,351	(151)
10-440-607 DAYCARE CENTER EXPENSE	-	-	-	-
10-440-608 VAN HORN YOUTH ASSN/LITTL	-	-	-	-
10-440-609 EMERGENCY MANAGEMENT EXPE	-	-	-	-
10-440-611 TRAPPER	26,400	26,400	26,400	-
10-440-617 ADULT PROBATION	1,500	1,500	1,591	(91)
10-440-621 OFFICE SUPPLIES	20,000	20,000	18,823	1,177
10-440-623 D.P.S.- CRIM.LAW-M.V.T.	500	500	456	44
10-440-625 RECORDS MANAGEMENT	7,500	7,500	4,375	3,125
10-440-627 PUBLIC TRAINING SERVICE E	750	750	173	577
10-440-628 SHERIFF'S TAX-SALE EXPENS	-	-	-	-
10-440-629 DPS/CLE	500	500	498	2
10-440-xxx MISCELLANEOUS EXPENSE	-	-	(3)	3
10-440-630 BORDER COLONIA-REIMB.TO C	-	-	-	-

CULBERSON COUNTY, TEXAS
GENERAL FUND AND GENERAL GOVERNMENT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
BUDGET TO ACTUAL - MODIFIED CASH BASIS
YEAR ENDED SEPTEMBER 30, 2010

	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
10-440-631 COUNTY FOOD BANK	3,000	3,000	3,000	-
10-440-632 SOLID WASTE PROJECT	-	-	-	-
NON-DEPATMENTAL	<u>167,190</u>	<u>167,190</u>	<u>158,678</u>	<u>8,512</u>
 GENERAL FUND				
INCOME TOTALS	2,688,149	2,688,149	2,685,654	(2,495)
EXPENSE TOTALS	<u>2,698,151</u>	<u>2,698,254</u>	<u>2,406,865</u>	<u>279,825</u>
NET REVENUE OVER EXPENSE BEFORE TRANSFERS and other	(10,002)	(10,105)	278,789	277,330
 10-450-720 TRANSFER	-	-	265,216	265,216
10-200-200 TRANSFER	-	-	(129,400)	(129,400)
10-450-730 TRANSFER TO CAPITAL PROJECTS	-	-	-	-
	<u>(10,002)</u>	<u>(10,105)</u>	<u>414,605</u>	<u>413,146</u>

Expenses Grouped by Uniform Cart of Accounts:

General government	1,249,721
Justice System	371,017
Public Safety	735,900
Corrections and Rehabilitation	1,591
Health and Human Services	39,139
Community and Economic Development	2,232
Infrastructure and Environmental Services	<u>7,265</u>
	<u>\$ 2,406,865</u>

CULBERSON COUNTY, TEXAS
GENERAL FUND AND GENERAL GOVERNMENT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
BUDGET TO ACTUAL - MODIFIED CASH BASIS
YEAR ENDED SEPTEMBER 30, 2010

	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
300 R & B REVENUES				
===				
20-300-100 ROAD & BRIDGE CURRENT TAX	28,178	28,178	261,924	233,746
20-300-110 ROAD & BRIDGE DELINQUENT	8,000	8,000	49,545	41,545
20-300-150 MISCELLANEOUS REVENUE - R	200	200	-	(200)
20-300-170 MOTOR VEHICLE REG. - R &	99,000	99,000	124,557	25,557
20-300-180 INTEREST REVENUE - R & B	-	-	-	-
20-300-185 AUCTION PROCEEDS	-	-	7,150	7,150
20-300-190 LATERAL ROAD - STATE COMP	34,402	34,402	49,359	14,957
20-300-192 REIMB. ST/PROJ. #721841	41,822	41,822	-	(41,822)
R & B REVENUES	211,602	211,602	492,535	280,933
500 COUNTY BARN				
===				
20-500-105 SALARIES - COUNTY BARN	233,949	233,949	224,570	9,379
20-500-110 SALARY-PART TIME	-	-	-	-
20-500-115 SOLID WASTE MGMT COORDINA	2,075	2,075	1,800	275
20-500-200 FICA EXPENSE	18,056	18,056	17,172	884
20-500-205 TCDRS EXPENSE	16,522	16,522	15,923	599
20-500-215 MEDICAL INSURANCE EXPENSE	44,000	44,000	42,547	1,453
20-500-300 TELEPHONE	2,500	2,500	2,506	(6)
20-500-310 CAPITAL OUTLAY	2,000	2,000	1,246	754
20-500-315 CONT. EDUCATION	1,000	1,000	35	965
20-500-350 MAINT. & SUPPLIES	8,000	8,000	5,384	2,616
20-500-351 SAFETY SUPPLIES	1,500	1,500	287	1,213
20-500-370 UTILITIES	6,000	6,000	2,989	3,011
20-500-400 FUEL - COUNTY BARN	10,000	10,000	4,706	5,294
COUNTY BARN	345,602	345,602	319,165	26,437
505 PRECINCT # 1				
===				
20-505-110 SALARY-PART TIME	-	-	-	-
20-505-310 CAPITAL OUTLAY	1,000	1,000	187	813
20-505-315 PREC.1 CONT. ED.	3,000	3,000	1,551	1,449
20-505-350 MAINT. & SUPPLIES	1,000	1,000	124	876
20-505-400 FUEL - PREC. #1	9,000	9,000	7,202	1,798
PRECINCT #-1	14,000	14,000	9,064	4,936
510 PRECINCT #-2				
===				
20-510-310 CAPITAL OUTLAY	1,000	1,000	1,854	(854)
20-510-315 PREC.2 CONT. ED.	3,000	3,000	1,733	1,267
20-510-350 MAINT. & SUPPLIES	1,000	1,000	109	891
20-510-400 FUEL - PREC. #2	9,000	9,000	8,733	267
PRECINCT #-2	14,000	14,000	12,429	1,571

CULBERSON COUNTY, TEXAS
GENERAL FUND AND GENERAL GOVERNMENT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
BUDGET TO ACTUAL - MODIFIED CASH BASIS
YEAR ENDED SEPTEMBER 30, 2010

	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
515 PRECINCT #-3 ===				
20-515-200 FICA EXPENSE	-	-	-	-
20-515-310 CAPITAL OUTLAY	1,000	1,000	38	962
20-515-315 PREC.3 CONT. ED.	3,000	3,000	2,471	529
20-515-350 MAINT. & SUPPLIES	1,000	1,000	-	1,000
20-515-400 FUEL - PREC. #3	9,000	9,000	5,395	3,605
PRECINCT #-4	<u>14,000</u>	<u>14,000</u>	<u>7,904</u>	<u>6,096</u>
520 PRECINCT #-4 ===				
20-520-110 PART/TIME HELP	-	-	-	-
20-520-200 FICA EXPENSE	-	-	-	-
20-520-310 CAPITAL OUTLAY	1,000	1,000	-	1,000
20-520-315 PREC.4 CONT. ED.	3,000	3,000	1,768	1,232
20-520-350 MAINT. & SUPPLIES	1,000	1,000	15	985
20-520-370 UTILITIES	-	-	6,539	(6,539)
20-515-400 FUEL - PREC. #3	9,000	9,000	-	9,000
PRECINCT #-4	<u>14,000</u>	<u>14,000</u>	<u>8,322</u>	<u>5,678</u>
540 NON-DEPARTMENTAL ===				
20-540-302 LEASE PAYMENTS	-	-	-	-
20-540-310 CAPITAL OUTLAY - NEW EQUI	5,000	5,000	-	5,000
20-540-600 R & B CONTINGENCY	50,000	50,000	23,126	26,874
20-540-601 WATER SHED REPAIRS	7,000	7,000	520	6,480
20-540-603 PURCHASE OF EASEMENT	-	-	-	-
20-540-702 UNEMPLOYMENT	1,000	1,000	281	719
NON-DEPARTMENTAL	<u>63,000</u>	<u>63,000</u>	<u>23,927</u>	<u>39,073</u>
ROAD & BRIDGE FUND				
INCOME TOTALS	211,602	211,602	492,535	280,933
EXPENSE TOTALS	464,602	464,602	380,811	83,791
INCOME AND EXPENSE BEFORE:	<u>(253,000)</u>	<u>(253,000)</u>	<u>111,724</u>	<u>364,724</u>
TRANSFERS IN	-	-	-	-
TRANSFERS OUT	-	-	-	-
	<u>(253,000)</u>	<u>(253,000)</u>	<u>111,724</u>	<u>364,724</u>

CULBERSON COUNTY, TEXAS
GENERAL FUND AND GENERAL GOVERNMENT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
BUDGET TO ACTUAL - MODIFIED CASH BASIS
YEAR ENDED SEPTEMBER 30, 2010

	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
300				
====				
45-300-110	180,785	180,785	120,343	(60,442)
45-300-111	5,573	5,573	-	(5,573)
45-300-115	40,000	40,000	-	(40,000)
45-300-120	600	600	1,658	1,058
45-300-130	600	600	581	(19)
45-300-140	2,000	2,000	100	(1,900)
45-300-210	300	300	5,002	4,702
45-300-500	-	-	-	-
45-300-901	-	-	-	-
NUTRITION CENTER REVENUE -45	<u>229,858</u>	<u>229,858</u>	<u>127,684</u>	<u>(102,174)</u>
550				
====				
45-550-105	29,571	24,971	20,281	4,690
45-550-110	60,125	60,125	63,747	(3,622)
45-550-200	6,862	6,862	6,193	669
45-550-205	6,523	6,523	5,121	1,402
45-550-215	5,420	5,420	3,606	1,814
45-550-300	2,000	2,500	2,378	122
45-550-305	100	100	43	57
45-550-310	1,000	1,385	1,385	-
45-550-315	2,000	299	419	(120)
45-550-350	13,000	10,000	10,481	(481)
45-550-355	500	2,350	2,018	332
45-550-370	5,000	11,299	11,405	(106)
45-550-380	89,684	88,684	70,213	18,471
45-550-400	2,000	3,266	3,167	99
45-550-702	500	500	154	346
45-550-703	-	-	-	-
NUTRITION CENTER EXPENSES -45	<u>224,285</u>	<u>224,284</u>	<u>200,611</u>	<u>23,673</u>
INCOME TOTALS	229,858	229,858	127,684	(102,174)
EXPENSE TOTALS	<u>224,285</u>	<u>224,284</u>	<u>200,611</u>	<u>23,673</u>
INCOME AND EXPENSE BEFORE:	5,573	5,574	(72,927)	(78,501)
45-300-500				
45-300-901				
TRANSFER TO DEBT SERVICE FUND	-	-	-	-
TRANSFERS OTHER	-	-	-	-
TRANSFERS FROM GENERAL FUND	-	-	-	-
INCOME OVER (UNDER) EXPENSES	<u>5,573</u>	<u>5,574</u>	<u>(72,927)</u>	<u>(78,501)</u>

GENERAL FUND
Combining Schedules

CULBERSON COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
GENERAL FUND
AS OF SEPTEMBER 30, 2010

	<u>General</u> <u>Government</u>	<u>Roads &</u> <u>Bridges</u>	<u>Criminal</u> <u>Justice</u>	<u>Combined</u>
<u>ASSETS</u>				
Cash - Checking	\$ 1,182,041	\$ 202,332	\$ 226,260	\$ 1,610,633
Cash - Payroll Clearing	(4,260)	1,194		(3,066)
Cash - Checking Clerk	177,352	-	-	177,352
Cash - Checking Tax Assessor	22,608	-	-	22,608
Cash - JP Accounts	57,609	-	-	57,609
Certificates of Deposit and savings	597,040	-	-	597,040
Postage Inventory	3,531	-	-	3,531
Due from (to) other funds	<u>374,938</u>	<u>-</u>	<u>-</u>	<u>374,938</u>
Total Assets	<u>2,410,859</u>	<u>203,526</u>	<u>226,260</u>	<u>2,840,645</u>
<u>LIABILITIES</u>				
Other liabilities	(4,098)			(4,098)
Due to others	151,679		34,186	185,865
Due to other funds	<u>82,051</u>	<u>(82,051)</u>	<u>52,292</u>	<u>52,292</u>
Total Liabilities	<u>229,632</u>	<u>(82,051)</u>	<u>86,478</u>	<u>234,059</u>
<u>FUND EQUITY (DEFICIT)</u>				
Unreserved Fund Balance	<u>2,181,227</u>	<u>285,577</u>	<u>139,782</u>	<u>2,606,586</u>
Total Fund Equity (Deficit)	<u>2,181,227</u>	<u>285,577</u>	<u>139,782</u>	<u>2,606,586</u>
Total Liabilities and Fund Equity	<u>\$ 2,410,859</u>	<u>\$ 203,526</u>	<u>\$ 226,260</u>	<u>\$ 2,840,645</u>

CULBERSON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2010

	GENERAL GOVERNMENT	ROAD & BRIDGE	CRIMINAL JUSTICE	COMBINED
<u>REVENUE</u>				
10-300-100 CURRENT TAXES	\$ 1,729,304	\$ 261,924		\$ 1,991,228
10-300-110 DELINQUENT TAXES	325,501	49,545		375,046
10-300-120 FEES OF OFFICE-CLERK	41,329			41,329
10-300-121 FEES OF OFFICE-TAX OFFICE	4,624			4,624
10-300-122 VAN HORN CEMETARY PAY OUT FEES	3,200			3,200
10-300-141 LEASE PAYMENT-LCM				-
10-300-143 LEASE PAYMENT-LOBO LAND	450			450
10-300-144 R.B.H.I. (OFF.RENT & SERV	-			-
10-300-145 H&HS OFF RENT	29,910			29,910
10-300-150 MISCELLANEOUS REVENUE				-
10-300-170 MOTOR VEHICLE REGISTRATIO	5,971	124,557		130,528
10-300-175 J. P. COURT	248,738			248,738
10-300-180 INTEREST REVENUE	16,267			16,267
10-300-185 AUCTION PROCEEDS	4,410	7,150		11,560
10-300-190 IN LIEU OF TAXES- STATE C	145,370			145,370
10-300-191 IN LIEU OF TAXES	1,023			1,023
10-300-200 STATE SALARY SUPPLEMENT	56,889			56,889
10-300-202 LEOSE - STATE	1,044			1,044
10-300-204 LEOSE-STATE(J.P. & CONST)	638			638
10-300-205 J.P. COURT SECURITY FEE	1,862			1,862
10-300-206 COURTHOUSE SECURITY FEE	6,630			6,630
10-300-207 LAW LIBRARY REVENUE	1,120			1,120
10-300-208 COUNTY FINES/CLERK	29,216			29,216
10-300-214 HIDTA GRANT 05 REIMBURSEMENT	-			-
10-300-215 OMNI FEE - COUNTY REVENUE	954			954
10-300-222 JANITORIAL SERVICES	-			-
10-300-225 BOND FORFEITURE FEES	250			250
10-300-330 COMMISSARY SALES REVENUE	217			217
10-300-331 CD REVENUE	6,310			6,310
10-300-333 JAIL-PAY PHONE REVENUE	876			876
10-300-334 VENDING MACHINES REVENUE	838			838
10-300-336 STATE EXCESS CONTRIBUTION	-			-
10-300-337 REGIONAL INTEROPERABLE COMMUN. PLAN	12,272			12,272
10-300-338 FAX/COPIES REVENUE - CO.J	359			359
10-300-339 FEES OF OFFICE - SHERIFF	2,501			2,501
10-300-340 REBATES REVENUE	-			-
10-300-505 CASH PROCEEDS FROM TAX SA	-			-
10-300-515 REFUND REVENUE	2,029			2,029
10-300-516 SOLID WASTER PROJECT REVENUE	-			-
10-300-517 MISC. REVENUE	5,552			5,552
20-300-190 LATERAL ROAD - STATE COMP		49,359		49,359
35-300-300 CRIMINAL JUSTICE REVENUE	-		33,317	33,317
TOTAL REVENUE	<u>2,685,654</u>	<u>492,535</u>	<u>33,317</u>	<u>3,211,506</u>
<u>EXPENDITURES</u>				
General government	\$ 1,249,721	\$ -	\$ -	\$ 1,249,721
Justice System	371,017			371,017
Public Safety	735,900			735,900
Corrections and Rehabilitation	1,591			1,591
Health and Human Services	39,139			39,139
Community and Economic Development	2,232			2,232
Infrastructure and Environmental Services	7,265	380,811		388,076
Total Expenditures	<u>2,406,865</u>	<u>380,811</u>	<u>-</u>	<u>2,787,676</u>
Revenue Over (Under) Expenditures	<u>278,789</u>	<u>111,724</u>	<u>33,317</u>	<u>423,830</u>
TRANSFERS IN (OUT)	265,216	-	14,578	279,794
TRANSFERS IN (OUT)	(129,400)	-	(8,622)	(138,022)
	<u>135,816</u>	<u>-</u>	<u>5,956</u>	<u>141,772</u>
Revenue and Other Sources Over (Under) Expenditures and Other (Uses)	<u>414,605</u>	<u>111,724</u>	<u>39,273</u>	<u>565,602</u>
Fund Balance Beginning as previously	1,856,622	173,853	45,843	2,076,318
Prior period adjustment - due to state	(90,000)	-	54,666	(35,334)
Beginning fund balance as restated	<u>1,766,622</u>	<u>173,853</u>	<u>100,509</u>	<u>2,040,984</u>
Fund Balance End of Year	<u>\$ 2,181,227</u>	<u>\$ 285,577</u>	<u>\$ 139,782</u>	<u>\$ 2,606,586</u>

Special Revenue Funds

Combining Schedules

CULBERSON COUNTY, TEXAS
COMBINING STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - MODIFIED CASH BASIS
SPECIAL REVENUE FUNDS
YEAR ENDED SEPTEMBER 30, 2010

	HOT CHECK FUND - 30	SENIOR NUTRITION FUND - 45	LAW ENFORCEMENT FUND-47	AIRPORT IMPROV. FUND - 48	CONSTABLE PCT#2 Fund 49	RECORDS PRESERVATION FUND - 50	RECORDS PRESERVATION FUND - 60	HOMELAND SECURITY FUND 77	BORDER COLONIA FUND 80	LINEBACKER FEDERAL FUND 81
ASSETS										
Cash in Bank	\$ (178)	\$ -	\$ 148,425	\$ 23,674	\$ 105	\$ 19,614	\$ 8,513	\$ 1	\$ 18,011	\$ 1
Payroll Clearing		354	221							
Certificates of Deposit		(44)				651				
Postage inventory and other										
Due from other funds										
Total Assets	<u>(178)</u>	<u>310</u>	<u>148,646</u>	<u>23,674</u>	<u>105</u>	<u>19,614</u>	<u>9,164</u>	<u>1</u>	<u>18,011</u>	<u>1</u>
LIABILITIES										
Due to others	4,555	300,153								
Due to other funds										
Deferred revenue										
Other										
Total Liabilities	<u>4,555</u>	<u>300,153</u>								
FUND BALANCE										
Restricted Fund Balance	(4,733)	(299,843)	148,646	23,674	105	19,614	9,164	1	18,011	1
Total Fund Balance	<u>(4,733)</u>	<u>(299,843)</u>	<u>148,646</u>	<u>23,674</u>	<u>105</u>	<u>19,614</u>	<u>9,164</u>	<u>1</u>	<u>18,011</u>	<u>1</u>
Total Liabilities and Fund Balance	<u>(178)</u>	<u>310</u>	<u>148,646</u>	<u>23,674</u>	<u>105</u>	<u>19,614</u>	<u>9,164</u>	<u>1</u>	<u>18,011</u>	<u>1</u>

CULBERSON COUNTY, TEXAS
COMBINING STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - MODIFIED CASH BASIS
SPECIAL REVENUE FUNDS
YEAR ENDED SEPTEMBER 30, 2010

	HIDTA GRANT FUND 82	INDIGENT TRAVEL FUND 83	JUSTICE TEC FUND FUND 84	BLOCK GRANT FUND 86	LINEBACKER FEDERAL FUND 87	COMMISSARY FUND 88	LINEBACKER FUND 89	JAG FUND 90	JAG ARRA FUND 43	TOTAL COMBINED
ASSETS										
Cash in Bank	\$ (285)	\$ -	\$ 12,091	\$ 1,732	\$ (95,808)	\$ 187	\$ (135,593)	\$ (53,773)	\$ -	\$ (54,283)
Payroll Clearing					973		10,385	3,076		15,009
Certificates of Deposit										
Postage inventory and other										607
Due from other funds										
Total Assets	<u>(285)</u>	<u>-</u>	<u>12,091</u>	<u>1,732</u>	<u>(95,835)</u>	<u>187</u>	<u>(125,208)</u>	<u>(50,697)</u>	<u>-</u>	<u>(38,667)</u>
LIABILITIES										
Due to others						15				15
Due to other funds							(224)	224		304,708
Deferred revenue										
Other										
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>(224)</u>	<u>224</u>	<u>-</u>	<u>304,723</u>
FUND BALANCE										
Restricted Fund Balance	(285)	-	12,091	1,732	(95,835)	172	(124,984)	(50,921)	-	(343,390)
Total Fund Balance	<u>(285)</u>	<u>-</u>	<u>12,091</u>	<u>1,732</u>	<u>(95,835)</u>	<u>172</u>	<u>(124,984)</u>	<u>(50,921)</u>	<u>-</u>	<u>(343,390)</u>
Total Liabilities and Fund Balance	<u>(285)</u>	<u>-</u>	<u>12,091</u>	<u>1,732</u>	<u>(95,835)</u>	<u>187</u>	<u>(125,208)</u>	<u>(50,697)</u>	<u>\$ -</u>	<u>(38,667)</u>

CULBERSON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUE AND
EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
SPECIAL REVENUE FUNDS
YEAR ENDED SEPTEMBER 30, 2010

	HOT CHECK FUND - 30	SENIOR NUTRITION FUND - 45	LAW ENFORCEMENT FUND-47	AIRPORT IMPROV. FUND - 48	CONSTABLE PCT#2 Fund -49	RECORDS PRESERVATION FUND - 50
REVENUE						
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees	1,731	120,343			105	6,760
Intergovernmental						
Seizures			26,407			
Contribution		5,002				
Miscellaneous Revenue		2,240	224	-		
Rent		100		1,800		
Interest			1,402			243
Other	-	-	-	-	-	-
Total Revenue	1,731	127,685	28,033	1,800	105	7,003
EXPENDITURES						
Federal/State:						
Administration						
Engineering/Consulting						
Construction						
Local:						
Salary and benefits	33					
Law Enforcement Expenses			16,892			
Records management						13,305
Juvenile probation						
Senior Nutrition services		200,612				
Technology expenses						
Training						
Miscellaneous Expense	1,491					
Capital Outlay	-	-	-	-	-	-
Total Expenditures	1,524	200,612	16,892	-	-	13,305
Revenue Over (Under) Expenditures	207	(72,927)	11,141	1,800	105	(6,302)
Transfer from (to) other funds						
Transfer from (to) other funds	-	-	-	-	-	-
Revenue Over (Under) Expenditures and Transfers	207	(72,927)	11,141	1,800	105	(6,302)
Fund Balance Beginning of Year	(4,940)	(226,916)	137,505	21,874	-	25,916
Fund Balance End of Year	\$ (4,733)	\$ (299,843)	\$ 148,646	\$ 23,674	\$ 105	\$ 19,614
Expenditures grouped by function:						
General government	\$ 1,524	\$ -	\$ -	\$ -	\$ -	\$ 13,305
Justice System						
Public Safety			16,892			
Corrections and Rehabilitation						
Health and Human Services		200,612				
Community and Economic Development						
Infrastructure and Environmental Services	-	-	-	-	-	-
Total expenditures by function	\$ 1,524	\$ 200,612	\$ 16,892	\$ -	\$ -	\$ 13,305

CULBERSON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUE AND
EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
SPECIAL REVENUE FUNDS
YEAR ENDED SEPTEMBER 30, 2010

	RECORDS PRESERVATION FUND - 60	HOMELAND SECURITY FUND 77	BORDER COLONIA FUND 80	INEBACKE FEDERAL FUND 81	HIDTA GRANT FUND 82	INDIGENT TRAVEL FUND 83	JUSTICE TEC FUND FUND 84
REVENUE							
Grants	\$ -	\$ 88,237	\$ 276,160	\$ -	\$ -	\$ -	\$ -
Fees	1,582						8,153
Intergovernmental			15,000				
Seizures							
Contribution							
Miscellaneous Revenue							
Rent							
Interest	76					7	-
Other	-	-	-	-	-	-	-
Total Revenue	1,658	88,237	291,160	-	-	7	8,153
EXPENDITURES							
Federal/State:							
Administration			15,000				
Engineering/Consulting			27,747				
Construction			233,413				
Local:							
Salary and benefits							
Law Enforcement Expenses							
Records management	-						
Juvenile probation							
Senior Nutrition services							
Technology expenses							20,893
Training		15,000					
Miscellaneous Expense						1,702	-
Capital Outlay	-	73,237	-	-	-	-	-
Total Expenditures	-	88,237	276,160	-	-	1,702	20,893
Revenue Over (Under) Expenditures	1,658	-	15,000	-	-	(1,695)	(12,740)
Transfer from (to) other funds							186
Transfer from (to) other funds	-	-	-	-	-	-	-
Revenue Over (Under) Expenditures and Transfers	1,658	-	15,000	-	-	(1,695)	(12,554)
Fund Balance Beginning of Year	7,506	1	3,011	1	(285)	1,695	24,645
Fund Balance End of Year	\$ 9,164	\$ 1	\$ 18,011	\$ 1	\$ (285)	\$ -	\$ 12,091
Expenditures grouped by function:							
General government	\$ -	\$ -	\$ -	\$ -			\$ -
Justice System							20,893
Public Safety		88,237					
Corrections and Rehabilitation							
Health and Human Services						1,702	
Community and Economic Development							
Infrastructure and Environmental Services	-	-	276,160	-	-	-	-
Total expenditures by function	\$ -	\$ 88,237	\$ 276,160	\$ -	\$ -	\$ 1,702	\$ 20,893

CULBERSON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUE AND
EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
SPECIAL REVENUE FUNDS
YEAR ENDED SEPTEMBER 30, 2010

	BLOCK GRANT FUND 86	LINEBACKER FEDERAL FUND 87	COMMISSARY FUND 88	LINEBACKER FUND89	JAG FUND90	JAG ARRA FUND43	TOTAL COMBINED
<u>REVENUE</u>							
Grants	\$ 99,550	\$ -	\$ -	\$ 142,933	\$ 32,348	\$ 117,618	\$ 756,846
Fees							138,674
Intergovernmental							15,000
Seizures							26,407
Contribution							5,002
Miscellaneous Revenue			3,029				5,493
Rent							1,900
Interest							1,728
Other	-	-	-	-	-	-	-
Total Revenue	99,550	-	3,029	142,933	32,348	117,618	951,050
<u>EXPENDITURES</u>							
Federal/State:							
Administration	21,800						36,800
Engineering/Consulting	32,750						60,497
Construction	45,000						278,413
Local:							
Salary and benefits							33
Law Enforcement Expenses		7,623		90,976	25,996		141,487
Records management							13,305
Juvenile probation							-
Senior Nutrition services							200,612
Technology expenses							20,893
Training							15,000
Miscellaneous Expense			2,857				6,050
Capital Outlay	-	-	-	22,156	-	117,618	213,011
Total Expenditures	99,550	7,623	2,857	113,132	25,996	117,618	986,101
Revenue Over (Under) Expenditures	-	(7,623)	172	29,801	6,352	-	(35,051)
Transfer from (to) other funds				(108,051)	(30,446)		(138,311)
Transfer from (to) other funds	-	-	-	-	-	-	-
Revenue Over (Under) Expenditures and Transfers	-	(7,623)	172	(78,250)	(24,094)	-	(173,362)
Fund Balance Beginning of Year	1,732	(88,212)	-	(46,734)	(26,827)	-	(170,028)
Fund Balance End of Year	\$ 1,732	\$ (95,835)	\$ 172	\$ (124,984)	\$ (50,921)	\$ -	\$ (343,390)
Expenditures grouped by function:							
General government	\$ -				\$ -	\$ -	\$ 14,829
Justice System							20,893
Public Safety	12,100	7,623		113,132	25,996	117,618	381,598
Corrections and Rehabilitation			2,857				2,857
Health and Human Services							202,314
Community and Economic Development	87,450						87,450
Infrastructure and Environmental Services	-	-	-	-	-	-	276,160
Total expenditures by function	\$ 99,550	\$ 7,623	\$ 2,857	\$ 113,132	\$ 25,996	\$ 117,618	\$ 986,101

Texas Office of Rural Community Affairs

Contract Schedule

CULBERSON COUNTY, TEXAS
TEXAS OFFICE OF RURAL COMMUNITY AFFAIRS
SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED SEPTEMBER 30, 2010

FEDERAL/STATE FINANCIAL ASSISTANCE
 FEDERAL GRANTOR: U.S. DEPARTMENT OF
 HOUSING AND URBAN DEVELOPMENT (HUD)
 PASS THROUGH GRANTOR: TEXAS OFFICE OF
 RURAL COMMUNITY AFFAIRS
 COMMUNITY DEVELOPMENT BLOCK GRANT
 CFDA NUMBER: 14.225
 CONTRACT NUMBER: R729-080
 CONTRACT PERIOD: 09/15/09 TO 09/14/11

		<u>REVENUE</u>					
		BUDGET	FEDERAL/STATE PRIOR YEARS	CURRENT YEAR	LOCAL	TOTAL	VARIANCE
Federal/State		\$ 234,859	-	\$ 12,100	-	\$ 12,100	\$ 222,759
State:							
Local:							
Total Revenue		234,859	-	12,100	-	12,100	222,759
		<u>EXPENDITURES</u>					
Federal/State:							
Administration		22,000		1,100		1,100	20,900
Architectural and Engineering		22,000		11,000		11,000	11,000
Construction - Fire Protection Facilities		190,859		-		-	190,859
Local:							
Engineering/Architectural Services							
Construction - neighborhood Facilities							
Administration							
Total Expenditures		234,859	-	12,100	-	12,100	222,759
Excess Revenue Over (Under) Expenditures		\$ -	-	\$ -	-	\$ -	-

CULBERSON COUNTY, TEXAS
TEXAS OFFICE OF RURAL COMMUNITY AFFAIRS
SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED SEPTEMBER 30, 2010

FEDERAL/STATE FINANCIAL ASSISTANCE
 FEDERAL GRANTOR: U.S. DEPARTMENT OF
 HOUSING AND URBAN DEVELOPMENT (HUD)
 PASS THROUGH GRANTOR: TEXAS OFFICE OF
 RURAL COMMUNITY AFFAIRS
 COMMUNITY DEVELOPMENT BLOCK GRANT
 CFDA NUMBER: 14.228
 CONTRACT NUMBER: 728-100
 CONTRACT PERIOD: 06/22/08 TO 12/31/10

		<u>REVENUE</u>				
	BUDGET	PRIOR YEARS	FEDERAL/STATE CURRENT YEAR	LOCAL	TOTAL	VARIANCE
Federal/State	\$ 295,384	\$ -	\$ 84,450	\$ -	\$ 84,450	\$ 210,934
State:					-	
Local:					-	
Total Revenue	295,384	-	84,450	-	84,450	210,934
<u>EXPENDITURES</u>						
Federal/State:						
Administration	25,000		17,700		17,700	7,300
Architectural and Engineering	29,500		18,750		18,750	10,750
Construction - Neighborhood Facilities	240,884		48,000		48,000	192,884
Local:					-	
Engineering/Architectural Services					-	
Construction - Neighborhood Facilities					-	
Administration					-	
Total Expenditures	295,384	-	84,450	-	84,450	210,934
Excess Revenue Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CULBERSON COUNTY, TEXAS
TEXAS OFFICE OF RURAL COMMUNITY AFFAIRS
SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED SEPTEMBER 30, 2010

FEDERAL/STATE FINANCIAL ASSISTANCE
 FEDERAL GRANTOR: U.S. DEPARTMENT OF
 HOUSING AND URBAN DEVELOPMENT (HUD)
 PASS THROUGH GRANTOR: TEXAS OFFICE OF
 RURAL COMMUNITY AFFAIRS
 COMMUNITY DEVELOPMENT BLOCK GRANT
 CFDA NUMBER: 14.228
 CONTRACT NUMBER: 726-159
 CONTRACT PERIOD: 06/1/07 TO 10/26/08

	<u>REVENUE</u>					
	BUDGET	FEDERAL/STATE PRIOR YEARS	CURRENT YEAR	LOCAL	TOTAL	VARIANCE
Federal/State	\$ 266,596	\$ 263,596	\$ 3,000	\$ -	\$ 266,596	\$ -
State:				-		
Local:				6,690	6,690	
Total Revenue	266,596	263,596	3,000	6,690	273,286	-
	<u>EXPENDITURES</u>					
Federal/State:						
Administration	20,000	17,000	3,000		20,000	-
Architectural and Engineering	19,000	19,865			19,865	(865)
Construction - neighborhood Facilities	227,596	225,000			225,000	2,596
Local:						
Engineering/Architectural Services					-	-
Construction - neighborhood Facilities		1,731		6,690	8,421	(8,421)
Administration					-	-
Total Expenditures	266,596	263,596	3,000	6,690	273,286	(6,690)
Excess Revenue Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GOVERNMENTAL REPORTING SECTION

CULBERSON COUNTY - TEXAS
SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS
 YEAR ENDED SEPTEMBER 30, 2010

GRANT TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	PASS-THROUGH CONTRACT NUMBER	AUDIT PERIOD EXPENDITURES
U.S. Department of Housing and Urban Development (HUD)				
Passed Trough:				
Office of Rural Community Affairs				
Community Service Block Grant:				
Neighborhood Facilities JIM	14.228	\$ 266,596	726-159	\$ 3,000
Fire Protection Facilities (ARRA)	14.225	\$ 234,859	R729-080	12,500
Neighborhood Facilities AC elect	14.228	\$ 295,384	728-100	84,050
				<u>89,550</u>
Homeland Security:				
Pass through: Texas Engineering Extension Service / and Texas Engineering Extension Service Homeland Security:				
2008 SHSP	97.074	\$ 238,309	2008 SHSP	88,237
				<u>88,237</u>
U.S Department of Justice:				
Pass through: Texas Border Sheriff's Coalition				
Justice Assistance Grant	16.738	\$ 221,222	2008-DD-BX-0188	29,129
Justice Assistance Grant	16.738	\$ 214,000	2009-D1-BX-0141	-
Pass through Governor - Criminal Justice Division				
Boarder Data Exchange	16.738	\$ 294,228	2330701	117,617
Pass through: Governor's Division of Emergency Management				
Justice Assistance Grant	16.738	\$ 30,596	1983903	21,151
Justice Assistance Grant	16.738	\$ 48,360	1983902	11,196
				<u>179,093</u>
Total Federal Financial Assistance				<u>366,880</u>
State Grants:				
Border Colonia Access program - Tx Dot	n/a	\$ 253,579	245BCF5002	276,160
Texas Division of Emergency Management				
Local Border Security Program	n/a	\$ 330,658	LBSP-08	113,804
Total State Grants				<u>389,964</u>
Total State and Federal Financial Assistance				<u>\$ 756,844</u>

CULBERSON COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS

1. *GENERAL*

The Schedule of Expenditures of Federal and State Awards presents the activity of all applicable federal and state awards of Culberson County, Texas. State and federal financial assistance received directly from state and federal agencies as well as federal financial assistance passed through other governmental agencies are included on the Schedule of Expenditures of Federal and State Awards.

2. *BASIS OF ACCOUNTING*

The Schedule of Expenditures of Federal and State Awards is prepared on the modified cash basis of accounting. Expenditures are recognized when paid and revenues when received. Capital expenditures are expended in the schedule of Federal and State Awards in the period of the cash payment.

The format for the Schedule of Expenditures of Federal and State Awards has been prescribed by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Such format includes revenue recognized in the County's general purpose financial statements.

**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 Carlos Urias and
Members of the Commissioners' Court of
Culberson County, Texas:

We have audited the financial statements of Culberson County, Texas as of and for the year ended September 30, 2010, and have issued our report thereon dated February 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of significant deficiencies that we consider to be significant deficiencies in internal control over financial reporting. (2-2006 and 1-2007) 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 County of Culberson, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County of Culberson, Texas, in a separate letter dated February 8, 2011.

This report is intended solely for the information and use of management, the Commissioners Court of Culberson County, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Knapp & Company, P.C.

Dallas, Texas,
February 8, 2011

CULBERSON COUNTY, TEXAS

SCHEDULE OF SIGNIFICANT DEFICIENCIES

For Fiscal Year Ended September 30, 2010

2- 2006 Significant Deficiency – Bank Reconciliation Procedures

Deficiency – During the year under audit, the County's bank account reconciliation procedures used to reconcile pooled cash accounts were improved but deemed to be ineffective. Although there was no need for material adjustments to properly report cash, there were unresolved and unidentified differences observed in pooled operating and payroll accounts which increase the risk of material errors or fraud not being detected on a timely basis.

Reason Improvement is Needed - Failure to reconcile bank accounts on a timely basis results in unrecorded transactions and accounting errors not being identified and resolved on a timely basis, which leads to financial statement misstatements. System generated internal accounting information presented to the Commissioners' Court becomes less reliable over time when accounting errors are not detected and resolved on an ongoing basis. Also most deposit agreements limit the liability to the depository bank for fraudulent disbursements. Failure to reconcile bank accounts on a timely basis subjects the County to greater risk of check fraud if not detected and presented to the bank in accordance with its depository agreement which is typically within 30 to 60 days of receiving a bank statement.

Recommendation - We recommend procedures be adopted requiring that all bank accounts be reconciled **to the general ledger** within 30 days of receiving the bank statement. We recommend bank reconciliations be reviewed for propriety by a designated employee of sufficient understanding that was not party to the reconciliation and disbursement process for that account, typically the County Auditor.

Current Year Status – This is similar to the condition reported in the prior two year audits and though improved the condition was **Not Resolved**. We again report the County's pooled cash accounts, and payroll clearing account were not reconciled to the general ledger at year end.

1 -2007 Significant Deficiency – Month End Closing Procedures and Accounting for Fund Transfers

Deficiency – **As was noted in the prior year audit** the County's year end closing procedures did not result in verification of balancing of the general ledger and fund transfers. As a result we noted the existence of inconsistent posting of fund transfers between funds which caused the transfers to become out of balance.

Reason Improvement Is Needed – The County's internally generated financial statements should be representative of the financial activities of each fund. Transfers between funds and due to/from other fund accounts should net to zero. Any unidentified difference subjects the County to the risk of unidentified material errors or fraud.

Recommendation – We recommend the County Treasurer reconcile transfer accounts monthly to verify that transfers and due/from other funds balance sheet accounts net to zero and revenues are properly classified. We also recommend the County Auditor monitor compliance with month end closing procedures.

Status of Prior year Significant Deficiencies Reported

The following is the status of deficiencies reported in the prior year internal control report:

1-2009 – Monitoring compliance with service contracts - The County Auditor implemented a risk based internal service contract monitoring plan. The County refunded disallowed service fees to the contractor and revised purchasing policies to avoid disallowed costs in the future. This matter was not reported as a repeat finding.

2- 2006 – Bank Reconciliations Procedures – Repeated – Not resolved but not reported as a material weakness in the current year

1 - 2007 Significant Deficiency – Month End Closing Procedures and Accounting for Fund Transfers – Repeated – Not resolved

CULBERSON COUNTY, TEXAS

**MANAGEMENTS'S RESPONSE TO
SCHEDULE SIGNIFICANT DEFICIENCIES**

For Fiscal Year Ended September 30, 2010

Management Response

2-2006 – The County will obtain additional training for the County Treasurer in an effort to design, adopt and implement effective bank reconciliation procedures.

1-2007 – The County Treasurer will verify balancing of transfers, due from accounts, and general ledger balancing on a monthly basis. The County Auditor will monitor compliance with County month end balancing procedures.

General –

The County Auditor will monitor the effectiveness of proposed corrective action.