

CULBERSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

September 30, 2011

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

CULBERSON COUNTY, TEXAS
Annual Financial Report
September 30, 2011

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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, 2011, 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, 2011, 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, 2011, 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 January 28, 2012 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 22 through 33, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Knapp & Company, P.C.

Dallas, Texas
January 28, 2012

MANAGEMENT DISCUSSION AND ANALYSIS
(Unaudited)



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

MANAGEMENT'S DISCUSSION AND ANALYSIS

January 28, 2012

To the Citizens and Residents 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, 2011. Please read it in conjunction with the County's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

The County's net assets increased \$490,788 in 2011.

During 2011 the County substantially completed the Youth Center project that was primarily funded with grant funds. The County also capitalized \$30,335 in paving projects which was the completion of the Border Colonia paving project which resulted in cumulative street paving improvements of \$346,445 in prior and current years.

The County remains debt free with no new debt obligations entered into in 2010/2011 fiscal year.

During the year, the County's general fund and total governmental fund revenues exceeded expenditures after transfers by \$355,492 and \$193,663, respectively. Tax revenues were down slightly which is attributed to decline in valuations. Fines and fees were up primarily in the Clerk's office which is attributed to increase fees associated with deed researches from the oil and gas industry. JP Fees were down some which is attributed to the timing of in prior year change in an elected official JP office. Delinquent tax receivables decreased \$18,003 as compared to year end 2010.

The combined general funds reported fund balances of \$3,031,648 as of yearend as compared to \$2,676,156 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 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 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.

Starting in 2010/2011, the County adopted the fund balance classifications prescribed by GASB 54. Fund balances are now classified as nonspendable, restricted, committed, assigned and unassigned based on the circumstances that apply. In accordance with County policy:

- Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

- Restricted fund balance classification includes funds with constraints placed on the use of resources are either: a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b. Imposed by law through constitutional provisions or enabling legislation.
- Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by court resolution/formal action of the commissioners' court which is the government's highest level of decision-making authority.
- Assigned fund balances include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the commissioners' court action or (b) a by county judge who is the official delegated by the commissioners' court with the authority to assign amounts to be used for specific purposes.
- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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 \$490,788 in 2011.

Revenues

The County's total revenues decreased by \$(274,604) over prior year primarily due to decrease in tax collections and grant revenues, net of increased in 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 \$2,530,462 as compared to \$2,336,799 in prior year as restated.

General Fund Budgetary Highlights

Over the course of the year the Commissioners' 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: Commissioners' Court capital expenditures budget

was decreased by \$(13,500); general fund contingency fund budget was increased by \$12,584; sheriff department medical insurance budget was decreased by \$(8,843) and sheriff department fuel and travel costs were increased by \$9,741. Other minor amendments were made resulting in net total budget expense increase of \$8,185.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end the 2011 fiscal year, the County had approximately \$8.6 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 2011 included state funded street improvements projects of \$30,335, public safety equipment of \$277,104 and \$57,239 in a fire station facility building improvement project. The Youth Center building was substantially completed and equipped in 2011. Most of the additions in 2011 were funded with federal and state grant moneys.

Debt

The County had outstanding debt obligations during the year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Budget

The County Commissioners' Court considered many factors before passing the 2011-2012 budget and tax rate.

The tax rate was raised to .81245 per \$100 valuation for 2011/2012 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. Meeting our goal is ascertainable through diligence and better communication between departments. 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 2010-2011. However, for the year 2011-2012 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, appearing to read "Carlos Urias". The signature is written in a cursive style with a large initial "C".

Carlos Urias
County Judge

CULBERSON COUNTY, TEXAS
TABLE #1
GOVERNMENT WIDE
COMPARATIVE STATEMENT OF NET ASSETS-
MODIFIED CASH BASIS
SEPTEMBER 30, 2011 AND 2010

	<u>PRIMARY GOVERNMENT</u>	
	<u>2011</u>	<u>(restated)</u> <u>2010</u>
<u>ASSETS</u>	<u>Governmental</u> <u>Activities</u>	<u>Governmental</u> <u>Activities</u>
Cash and Cash Equivalents	\$ 1,789,442	\$ 1,701,242
Cash and Cash Equivalents - restricted	329,390	146,591
Certificates of Deposit	<u>556,909</u>	<u>597,040</u>
Total Cash and Deposits	2,675,741	2,444,873
Prepaid expenses	7,058	4,138
Capital Assets		
Land	182,810	182,810
Other Capital Assets	<u>2,818,266</u>	<u>2,521,141</u>
Total Capital Assets	<u>3,001,076</u>	<u>2,703,951</u>
Total Assets	<u>\$ 5,683,875</u>	<u>\$ 5,152,962</u>
 <u>LIABILITIES</u>		
Amounts due others	136,394	116,310
Other liabilities	13,943	(4,098)
Long term debt		
Due within one year	-	-
Due in more than one year	<u>-</u>	<u>-</u>
Total liabilities	<u>150,337</u>	<u>112,212</u>
 <u>NET ASSETS</u>		
Nonspendable	3,001,076	2,703,951
Restricted	166,192	213,570
Committed	388,267	285,577
Assigned	27,246	23,674
Unassigned	<u>1,950,757</u>	<u>1,813,978</u>
Total Net Assets	<u>5,533,538</u>	<u>5,040,750</u>
Total liabilities and net assets	<u>\$ 5,683,875</u>	<u>\$ 5,152,962</u>

CULBERSON COUNTY, TEXAS
TABLE # 2
COMPARATIVE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010

<u>Functions/Programs</u>	<u>PRIMARY GOVERNMENT</u>	
	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
	2011	(Restated) 2010
REVENUES:		
Property Tax	\$ 2,246,914	\$ 2,366,274
License & Permits	50,543	51,041
Fines and Fees	642,100	598,320
Public Service Fees	48,751	46,652
Grant Revenues	651,334	771,846
Intergovernmental Reimbursements	163,089	215,554
Charges for Services	37,052	34,333
Contributions	23,854	24,305
Seizures Proceeds	-	26,407
Other	15,219	27,824
Total revenues	<u>3,878,856</u>	<u>4,162,556</u>
EXPENDITURES:		
Current:		
General Government	1,361,560	1,318,825
Justice System	384,779	385,667
Public Safety	769,631	1,002,729
Corrections and Rehabilitation	147,320	6,801
Health and Human Services	238,884	255,461
Community and Economic Development	53,211	43,533
Infrastructure and Environmental Services	418,107	426,561
Interest and other charges	-	-
Total expenditures	<u>3,373,492</u>	<u>3,439,577</u>
Excess (deficiency) of revenues		
over expenditures before transfers	505,364	722,979
Transfers	<u>(12,576)</u>	<u>3,461</u>
Excess (deficiency) of revenues		
over expenditures after transfers	<u>492,788</u>	<u>726,440</u>
Fund balance at beginning of period	5,040,750	4,244,740
Prior period adjustment	-	69,570
Fund balance as restated	<u>5,040,750</u>	<u>4,314,310</u>
Fund balance - ending	<u>\$ 5,533,538</u>	<u>\$ 5,040,750</u>

GOVERNMENT WIDE FINANCIAL STATEMENTS

CULBERSON COUNTY TEXAS
 GOVERNMENT WIDE
 STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
 AS OF SEPTEMBER 30, 2011

	<u>Governmental Activities</u>	<u>Component Unit Juvenile Probation</u>
 <u>ASSETS</u>		
Cash and cash equivalents	\$ 1,789,442	\$ 105,386
Cash and cash equivalents - restricted	329,390	
Certificates of deposit	<u>556,909</u>	<u>-</u>
Total cash and deposits	2,675,741	105,386
Prepaid expenses	7,058	-
Capital assets:		
Land	182,810	-
Other capital assets	<u>2,818,266</u>	<u>-</u>
Total capital assets	3,001,076	-
Total assets	<u>\$ 5,683,875</u>	<u>\$ 105,386</u>
 <u>LIABILITIES</u>		
Amounts due to others	136,394	95,216
Other liabilities	13,943	
Long-term debt		
Due within one year	-	-
Due in more than one year	<u>-</u>	<u>-</u>
Total liabilities	<u>150,337</u>	<u>95,216</u>
 <u>NET ASSETS</u>		
Nonspendable	\$ 3,001,076	\$ -
Restricted	166,192	10,170
Committed	388,267	-
Assigned	27,246	-
Unassigned	<u>1,950,757</u>	<u>-</u>
Total Net Assets	<u>5,533,538</u>	<u>10,170</u>
 Total Liabilities and net assets	 <u>\$ 5,683,875</u>	 <u>\$ 105,386</u>

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

CULBERSON COUNTY, TEXAS
GOVERNMENT WIDE
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (expense) Revenue and Changes in Net Assets Governmental Activities	Component Unit Juvenile Probation
		Charges for Services	Operating Grants and Contributions	Capital Grants		
PRIMARY GOVERNMENT:						
General Government	\$ 1,361,560	\$ 34,052	\$ 163,089	\$ 9,497	\$ (1,154,922)	
Justice System	384,779	-	7,478	-	(377,301)	
Public Safety	769,631	-	59,293	336,076	(374,262)	
Corrections and Rehabilitation	147,320	-	-	-	(147,320)	
Health and Human Services	238,884	-	-	-	(238,884)	
Community and Economic Development	53,211	-	-	220,876	167,665	
Infrastructure and Environmental Services	418,107	3,000	1,772	16,342	(396,993)	
Total governmental activities	3,373,492	37,052	231,632	582,791	(2,522,017)	
Component Unit - Juvenile probation						
Corrections and Rehabilitation	85,118	-	85,750	-		632
Total Component Unit	85,118	-	85,750	-		632
General revenues:						
Taxes:						
Property taxes, levied for general purposes					2,246,914	
Investment earnings					23,854	
License & permits					50,543	
Fines and fees					690,851	
Contributions					2,752	
Other					12,467	
Total general revenues and transfers					3,027,381	
Change in net assets					505,364	632
Transfers					(12,576)	-
Change in net assets after transfers					492,788	632
Net assets - beginning of year as previously reported				4,971,180		9,538
Prior period adjustment - due to others				69,570		
Beginning net assets as restated					5,040,750	
Net assets - ending					\$ 5,533,538	\$ 10,170

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, 2011

-- 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	\$ 2,323,653	\$ (547,897)	\$ 13,686	\$ 1,789,442	\$ 105,386
Cash in bank - Restricted	136,379	193,011	-	329,390	
Certificates of Deposit and savings	556,909	-	-	556,909	
Postage inventory	6,481	577	-	7,058	-
Due from other funds	212,862	-	-	212,862	5,385
TOTAL ASSETS	\$ 3,236,284	\$ (354,309)	\$ 13,686	\$ 2,895,661	\$ 110,771
 <u>LIABILITIES</u>					
Due to others	\$ 136,379	\$ 15	\$ -	\$ 136,394	17,474
Due to other funds	52,292	142,632	17,938	212,862	83,127
Deferred revenue	-	-	-	-	-
Other liabilities	13,965	(22)	-	13,943	-
TOTAL LIABILITIES	202,636	142,625	17,938	363,199	100,601
 <u>FUND BALANCES</u>					
Nonspendable	-	-	-	-	-
Restricted	-	166,192	-	166,192	\$ 10,170
Committed	388,267	-	-	388,267	-
Assigned	-	27,246	-	27,246	-
Unassigned	2,645,381	(690,372)	(4,252)	1,950,757	-
Total fund balances	3,033,648	(496,934)	(4,252)	2,532,462	a) 10,170
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,236,284	\$ (354,309)	\$ 13,686	\$ 2,895,661	\$ 110,771
Total fund balances as reported above				\$ 2,532,462	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.				3,001,076	
Net assets of governmental activities				<u>\$ 5,533,538</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, 2011

FUNCTIONS/PROGRAMS	GOVERNMENTAL FUNDS				Component Unit Juvenile Probation
	MAJOR	NON-MAJOR FUNDS		TOTAL GOVERNMENTAL FUNDS	
	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS		
REVENUES:					
Property tax	\$ 2,246,914	\$ -	\$ -	\$ 2,246,914	\$ -
License & Permits	50,543	-	-	50,543	-
Fines and Fees	487,858	154,242	-	642,100	-
Public service fees	48,751	-	-	48,751	-
Grant revenues and intergovernmental	16,975	621,467	12,892	651,334	54,519
Intergovernmental reimbursements	163,089	-	-	163,089	31,231
Charges for services	34,052	3,000	-	37,052	-
Seizures	-	-	-	-	-
Investment income	22,098	1,756	-	23,854	-
Contributions	-	2,752	-	2,752	-
Corrections and rehabilitation	-	-	-	-	-
Other	6,253	6,214	-	12,467	-
Total revenues	3,076,533	789,431	12,892	3,878,856	85,750
EXPENDITURES:					
Current:					
General Government	1,267,401	66,063	-	1,333,464	-
Justice System	366,905	17,034	10,800	394,739	-
Public Safety	582,723	373,110	10,377	966,210	-
Corrections and Rehabilitation	139,894	5,073	-	144,967	85,118
Health and Human Services	42,960	181,916	-	224,876	-
Community and Economic Development	11,516	207,984	-	219,500	-
Infrastructure and Environmental Services	356,526	30,335	-	386,861	-
Debt Service - Bonds Payable					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	2,767,925	881,515	21,177	3,670,617	85,118
Excess (deficiency) of revenues over expenditures	308,608	(92,084)	(8,285)	208,239	632
OTHER FINANCING SOURCES (USES)					
Transfers in	(211,487)	(61,460)	-	(272,947)	-
Transfers (out)	260,371	-	-	260,371	-
Total other financing sources	48,884	(61,460)	-	(12,576)	-
Net change in fund balances	357,492	(153,544)	(8,285)	195,663	a) 632
Fund balance - as previously reported	2,606,586	(343,390)	4,033	2,267,229	9,538
Prior period adjustment	69,570	-	-	69,570	-
Fund balance as restated	2,676,156	-	-	2,336,799	-
Fund balance - ending	\$ 3,033,648	\$ (496,934)	\$ (4,252)	\$ 2,532,462	\$ 10,170

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	\$ 195,663	a)
Debt principal payments applied to debt	-	
Capitalized - capital expenditures	592,959	
Depreciation expense recorded	(295,834)	
Changes in net assets as reported in the Government Wide Statement of Activities	\$ 492,788	

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, 2011

<u>ASSETS</u>	<u>REGISTRY TRUST FUND</u>
Cash - Restricted	\$ 24,175
Certificates of Deposit	104,870
Due from other funds	-
	-
Total Assets	129,045
	-
<u>LIABILITIES</u>	
Trust and Agency Funds payable	129,045
Due to other funds	-
	-
Total Liabilities	129,045
	-
<u>FUND BALANCE (DEFICIT)</u>	
Restricted Fund Balance	-
	-
Total Fund Balance	-
	-
Total Liabilities and Fund Balance	\$ 129,045

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, 2011 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 2011 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, 2011, accrued vacation and accrued compensation time totaled \$31,184, 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, 2011, the County's contingent liability for employee accrued sick and emergency leave benefits totaled \$48,985, 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.

Fund Balance Classification Policies and Procedures – The County has adopted the fund balance classifications prescribed by GASBS 54. Fund balances are classified as nonspendable, restricted, committed, assigned and unassigned based on the circumstances that apply. In accordance with County policy:

- Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance classification includes funds with constraints placed on the use of resources are either: a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b. Imposed by law through constitutional provisions or enabling legislation.
- Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by court resolution/formal action of the commissioners' court which is the government's highest level of decision-making authority.
- Assigned fund balances include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the commissioners' court action or (b) by a county judge who is the official delegated by the commissioners' court with the authority to assign amounts to be used for specific purposes.
- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

For the classification of fund balances the County considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and (2) the County considered committed and assigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Minimum Fund Balance Policies – The County has not formally adopted a minimum fund balance policy; however, in practice deficit special revenue funds are classified as unassigned since the deficits are typically paid through pooled cash overdraft or other unassigned funds.

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 – Management has conducted a review of subsequent events through the date of the auditor's report.

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 2010/2011 tax year was \$.81245 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, 2011:

Current taxes receivable	\$	-
Delinquent taxes receivable		480,115
		<u>480,115</u>
		<u>\$ 480,115</u>
 Delinquent taxes by year:		
2010	\$	120,101
2009		77,096
2008		44,615
2007		47,526
2006		32,954
2005		26,148
2004 and prior		131,675
Total delinquent taxes	\$	<u>480,115</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
Capital Projects due to general fund	-	17,938
General fund due to Road and Bridges	-	82,051
Nutrition Center due to General fund	-	138,077
Pooled cash overdraft reported as due from Component unit:		
Fund 40 and 42 due from general fund	-	29,738
General fund due from Juvenile Probation	29,738	-
	<u>\$ 324,651</u>	<u>\$ 324,651</u>

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 4: CASH AND CASH EQUIVALENTS

Deposit Risk - As of September 30, 2011, the carrying amount of the County's deposits held in one depository bank was \$2,675,741 for governmental funds and \$129,045 for trust and agency funds. Of the banks' balances, \$488,470 of the governmental funds and \$129,045 of the registry trust funds were insured by the Federal Deposit Insurance Corporation. The County's depository bank also has pledged bank owned securities with a fair market value of \$3,182,335 to secure County deposits in excess of FDIC insurance limits. 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, 2011:

General Fund:		Operating Checking	Payroll Clearing
10-100-110	General	\$ 1,493,779	\$ 4,721
20-100-110	Road and Bridge	305,364	852
30-100-110	Attorney Hot Checks	(873)	-
40-100-110	Juvenile Probation (1)	(29,491)	(247)
43-100-110	JAG ARRA Grant	128	
45-100-110	Senior Nutrition	(202,435)	300
85-100-110	Linebacker	(1,240)	-
87-100-110	CJD	(96,809)	-
89-100-110	LBSP 08	(172,913)	(17)
90-100-110	JAG Grant	(74,869)	(74)
		<u>\$ 1,220,641</u>	<u>\$ 5,535</u>

1) 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:

	<u>Balance</u> 10/1/2010	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 9/30/2011
Primary Government Unit:				
Land	\$ 182,810		\$ -	\$ 182,810
Buildings and improvements	1,994,728	265,223	-	2,259,951
Furniture and Equipment	1,488,993	297,401	-	1,786,394
Vehicles	735,251		-	735,251
Infrastructure - airport	363,645		-	363,645
Infrastructure - streets	3,242,182	30,335	-	3,272,517
	<u>8,007,609</u>	<u>592,959</u>	<u>-</u>	<u>8,600,568</u>
Less Accumulated Depreciation:				
Buildings and improvements	848,071	53,465	-	901,536
Furniture and Equipment	925,414	133,797	-	1,059,211
Vehicles	491,743	54,195	-	545,938
Infrastructure - airport	317,704	3,829	-	321,533
Infrastructure - streets	2,720,726	50,548	-	2,771,274
	<u>5,303,658</u>	<u>295,834</u>	<u>-</u>	<u>5,599,492</u>
Net Fixed Assets	<u>\$ 2,703,951</u>	<u>\$ 297,125</u>	<u>\$ -</u>	<u>\$ 3,001,076</u>

Following is a recap of Depreciation by function:

Depreciation	
General Government	\$ 37,593
Justice System	840
Public Safety	137,764
Corrections and Rehabilitation	2,353
Health and Human Services	14,008
Community and Economic Development	41,695
Infrastructure and Environmental Services	61,581
	<u>\$ 295,834</u>

NOTE 6: LONG-TERM DEBT

The County had no capital lease or other long-term debt obligations as of September 30, 2011.

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 statewide 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 618 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 2010 and 2011. 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, 2011, the annual pension contributions and cost for the TCDRS plan for the county and employees was \$112,560 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, 2010, the basis for determining the contribution rate for calendar year 2011. The December 31, 2010 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	12/31/2008	12/31/2009	12/31/2010
Actuarial cost method	entry age	entry age	entry age
Amortization method	Level % of payroll, closed	Level % of payroll, closed	Level % of payroll, closed
Amortization period in years	11.5	6.2	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%	5.40%	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
12/31/2006	\$ 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
12/31/2010	\$ 112,561	71.65%	\$ 157,097

**Schedule of Funding Progress for the Retirement Plan
for Employees of Culberson 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)
12/31/2006	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%
12/31/2010	3,618,800	3,775,897	157,097	95.84%	1,608,053	-9.77%

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, 2011, the Senior Nutrition Fund 45 owed the general fund \$340,264 for pooled cash overdraft of (\$202,435) plus due to general fund liability of \$138,077. Uncertainty exists as to the program's ability to repay the General fund from operations in the near future. No provision for collection loss has been recorded in the general fund in the modified cash basis financial statements. As of September 30, 2011 the Senior Nutrition Fund reported a deficit fund balance of (\$340,264).

As of September 30, 2011 Linebacker fund 87 reported a deficit fund balance and pooled cash overdraft of \$(96,810) which represents prior period expenses posted to the fund in excess of grant revenues and transfers received. No provision for collection loss has been recorded in the general fund in the modified cash basis financial statements.

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 from \$-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.

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 10: FUND BALANCE CLASSIFICATION

The following schedule discloses the details of fund balance classifications at September 30, 2011:

	GOVERNMENTAL FUNDS			TOTAL GOVERNMENTAL FUNDS
	MAJOR	NON-MAJOR FUNDS		
	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS	
Fund Balance Classifications:				
Restricted				
JAG ARRA fund 43	\$ -	\$ 128	\$ -	\$ 128
Law Enforcement fund 47	-	131,759	-	131,759
Constable Fund 49	-	555	-	555
Records Preservation fund 50	-	14,854	-	14,854
Records Preservation fund 60	-	9,633	-	9,633
Homeland security fund 77	-	1	-	1
Border Colonia fund 80	-	4,018	-	4,018
Linebacker fund 81	-	1	-	1
Justice Tech fund 84	-	2,783	-	2,783
Block grant fund 86	-	1,732	-	1,732
Commissary fund 88	-	728	-	728
	-	166,192	-	166,192
Committed				
Roads & Bridges	388,267	-	-	388,267
Assigned				
Airport Improvements	-	27,246	-	27,246
Unassigned				
Fund 10	2,362,465	-	-	2,362,465
Fund 91	132,573	-	-	132,573
Criminal justice Fund 35	150,343	-	-	150,343
Fund deficits:				
Capital projects	-	-	(4,252)	(4,252)
Hot Checks fund 30	-	(5,428)	-	(5,428)
Senior Nutrition fund 45	-	(340,264)	-	(340,264)
Linebacker fund 87	-	(96,810)	-	(96,810)
Linebacker fund 89	-	(172,704)	-	(172,704)
JAG fund 90	-	(75,166)	-	(75,166)
	2,645,381	(690,372)	(4,252)	1,950,757
Fund balance - ending	\$ 3,033,648	\$ (496,934)	\$ (4,252)	\$ 2,532,462

CULBERSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 11: PRIOR PERIOD ADJUSTMENT

The beginning net assets/ fund balance was increased and "due to others" was decreased by \$69,570 to correct clerk bond funds to agree with the underlying detailed control listing of current and prior year court cases. Following is a schedule of the effect of the prior period adjustment:

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
Governmental Fund presentation:			
Amounts due to others	\$ 185,880	\$ (69,570)	\$ 116,310
Fund balance	<u>\$ 2,267,229</u>	<u>\$ 69,570</u>	<u>\$ 2,336,799</u>
Government Wide presentation:			
Amounts due to others	\$ 185,880	\$ (69,570)	\$ 116,310
Net Assets	<u>\$ 4,971,180</u>	<u>\$ 69,570</u>	<u>\$ 5,040,750</u>

NOTE 12: RELATED PARTY TRANSACTIONS

During the reporting period the County paid the commissioner for precinct #2 \$12,195 for computer consulting and maintenance services.

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, 2011

		ORIGINAL	AMENDED	MODIFIED	VARIANCE
		BUDGET	BUDGET	CASH BASIS	TO FINAL
				ACTUAL	BUDGET
					POSITIVE
					(NEGATIVE)
300	GENERAL FUND REVENUE				
===	=====				
10-300-100	CURRENT TAXES	1,826,719	1,826,719	1,845,942	\$ 19,223
10-300-110	DELINQUENT TAXES	60,000	60,000	108,785	48,785
10-300-120	FEES OF OFFICE-CLERK	45,000	45,000	126,540	81,540
10-300-121	FEES OF OFFICE-TAX OFFICE	4,000	4,000	16,297	12,297
10-300-122	VAN HORN CEMETARY PAY OUT FEES	-	-	2,500	2,500
10-300-143	LEASE PAYMENT-LOBO LAND	450	450	450	-
10-300-145	H&HS OFF. RENT	29,910	29,910	29,585	(325)
10-300-170	MOTOR VEHICLE REGISTRATION	4,000	4,000	5,718	1,718
10-300-175	J. P. COURT	300,000	300,000	222,317	(77,683)
10-300-180	INTEREST REVENUE	13,000	13,000	17,633	4,633
10-300-181	INTEREST-SAVINGS REVENUE	-	-	-	-
10-300-185	AUCTION PROCEEDS	1,000	1,000	-	(1,000)
10-300-190	IN LIEU OF TAXES- STATE COMPTROLLI	100,000	100,000	146,572	46,572
10-300-191	IN LIEU OF TAXES	1,000	1,000	1,065	65
10-300-200	STATE SALARY SUPPLEMENT	34,862	34,862	15,000	(19,862)
10-300-202	LEOSE - STATE	1,200	1,200	1,700	500
10-300-204	LEOSE-STATE(J.P.& CONST.)	1,300	1,300	-	(1,300)
10-300-205	J.P. COURT SECURITY FEE	2,000	2,000	1,718	(282)
10-300-206	COURTHOUSE SECURITY FEE	10,000	10,000	6,166	(3,834)
10-300-207	LAW LIBRARY REVENUE	800	800	1,085	285
10-300-208	COUNTY FINES/CLERK	10,000	10,000	20,985	10,985
10-300-214	HAVA GRANT REVENUE	-	-	9,497	9,497
10-300-20X	SCAAP GRANT REVENUES	-	-	7,478	7,478
10-300-215	OMNI FEE - COUNTY REVENUE	900	900	941	41
10-300-225	BOND FORFEITURE FEES	-	-	1,155	1,155
10-300-330	COMMISSARY SALES REVENUE	150	150	295	145
10-300-331	CD REVENUE	3,000	3,000	3,769	769
10-300-333	JAIL-PAY PHONE REVENUE/CALLING CA	1,000	1,000	2,517	1,517
10-300-334	VENDING MACHINES REVENUE	300	300	1,478	1,178
10-300-336	STATE EXCESS CONTRIBUTIONS	-	-	452	452
10-300-338	FAX/COPIES REVENUE - CO.JUDGE	50	50	22	(28)
10-300-339	FEES OF OFFICE - SHERIFF	1,000	1,000	609	(391)
10-300-340	REBATE REVENUE	-	-	311	311
10-300-343	TRANSFERS TO GEN.FUND	-	-	56	56
10-300-505	CASH PROCEEDS FROM TAX SALE OF L	-	-	1,920	1,920
10-300-515	REFUND REVENUE	-	-	6,760	6,760
10-300-517	CARRY OVER REVENUE	157,365	157,365	5,591	(151,774)
	GENERAL FUND REVENUE	<u>2,609,006</u>	<u>2,609,006</u>	<u>2,612,909</u>	<u>3,903</u>
400	COUNTY JUDGE				
===	=====				
10-400-100	SALARY - COUNTY JUDGE	45,546	45,546	45,546	-
10-400-103	STATE SALARY SUPPLEMENT E	15,000	15,000	15,000	-
10-400-105	SALARY - SECRETARY	24,809	24,809	24,809	-
10-400-200	FICA EXPENSE	-	450	425	25
10-400-205	TCDRS EXPENSE	6,530	6,530	6,563	(33)
10-400-215	MEDICAL INSURANCE EXPENSE	5,975	5,975	6,006	(31)
10-400-300	TELEPHONE EXPENSE	11,697	11,697	9,228	2,469
10-400-305	POSTAGE EXPENSE	1,500	1,250	1,258	(8)
10-400-310	CAPITAL OUTLAY	300	300	202	98
10-400-315	CONTINUING EDUCATION	1,000	2,500	1,625	875

CULBERSON COUNTY, TEXAS
GENERAL FUND AND GENERAL GOVERNMENT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
BUDGET TO ACTUAL - MODIFIED CASH BASIS
YEAR ENDED SEPTEMBER 30, 2011

	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
10-400-900 MISCELLANEOUS EXPENSE	3,000	1,300	640	660
COUNTY JUDGE	115,357	115,357	111,302	4,055
401 COMMISSIONERS COURT				
===				
10-401-101 SALARY-COMMISSIONER PCT 1	20,117	20,117	20,116	1
10-401-102 SALARY-COMMISSIONER PCT 2	20,117	20,117	20,116	1
10-401-103 SALARY-COMMISSIONER PCT 3	20,117	20,117	20,116	1
10-401-104 SALARY-COMMISSIONER PCT 4	20,117	20,117	20,116	1
10-401-200 FICA EXPENSE	6,156	6,156	6,656	(500)
10-401-205 TCDRS EXPENSE	5,633	5,633	5,801	(168)
10-401-215 MEDICAL INSURANCE EXPENSE	17,545	17,545	10,630	6,915
10-401-220 SALARY-RABIES CONTROL	2,400	2,400	2,400	-
10-401-310 CAPITAL OUTLAY	25,000	11,500	-	11,500
10-401-450 JUVENILE PROBATION BOARD	4,800	4,800	3,600	1,200
10-401-700 INDEPENDENT AUDIT CONTRACT	30,000	24,416	24,416	-
10-401-701 HEALTH OFFICER	4,800	4,800	4,800	-
10-401-702 UNEMPLOYMENT	2,000	2,500	2,365	135
10-401-703 COMPUTER TECHNICIAN	12,195	12,195	12,195	-
10-401-704 PRINTING & ADVERTISING	3,000	3,000	3,436	(436)
10-401-705 CITY - COUNTY LIBRARY	42,000	42,000	42,000	-
10-401-706 LAW LIBRARY	10,000	16,000	18,598	(2,598)
10-401-707 HISTORICAL MUSEUM	1,000	1,000	1,000	-
10-401-708 HISTORICAL COMMISSION	1,000	1,000	1,000	-
10-401-709 CHRISTIAN SHELTER	3,600	3,600	3,600	-
10-401-710 LIABILITY INSURANCE	100,000	100,000	95,428	4,572
10-401-711 FIRE MARSHALL	600	600	600	-
10-401-712 FIRE DEPT. WORKER'S COMP	-	-	-	-
10-401-713 CHILD WELFARE BOARD	1,000	1,000	-	1,000
10-401-714 GENERAL FUND CONTINGENCY	30,000	42,584	44,241	(1,657)
10-401-718 MEMBERSHIP DUES	8,000	8,000	6,975	1,025
10-401-720 COURTHOUSE SECURITY	2,000	2,000	-	2,000
10-401-721 HIGH POINT SOIL & WATER CONS.D.#23	1,000	1,000	1,000	-
10-401-724 Nutrition Center Match	23,385	23,385	-	23,385
10-401-725 JUVENILE PROBATION MATCH	18,259	18,259	18,739	(480)
10-401-726 JUVENILE PROB-CAR LEASE	6,680	6,680	-	6,680
COMMISSIONERS COURT	442,521	442,521	389,944	52,577
402 HIGHWAY PATROL				
=====				
10-402-110 SALARY - PART-TIME HELP	16,775	16,775	16,807	(32)
10-402-200 FICA EXPENSE	1,283	1,283	1,262	21
10-402-205 TCDRS EXPENSE	1,174	1,174	1,176	(2)
10-402-300 TELEPHONE EXPENSE	2,000	2,000	2,105	(105)
10-402-305 POSTAGE EXPENSE	-	-	-	-
10-402-310 CAPITAL OUTLAY	1,000	1,000	689	311
HIGHWAY PATROL	22,232	22,232	22,039	193
403 COUNTY SHERIFF				
=====				

CULBERSON COUNTY, TEXAS
GENERAL FUND AND GENERAL GOVERNMENT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
BUDGET TO ACTUAL - MODIFIED CASH BASIS
YEAR ENDED SEPTEMBER 30, 2011

	ORIGINAL	AMENDED	MODIFIED	VARIANCE
	BUDGET	BUDGET	CASH BASIS	TO FINAL
			ACTUAL	BUDGET
				POSITIVE
				(NEGATIVE)
10-403-100 SALARY-COUNTY SHERIFF	41,522	41,522	41,522	-
10-403-101 SALARY-SECRETARY	24,809	24,809	24,809	-
10-403-102 SALARY-CHIEF DEPUTY	35,705	35,705	35,705	-
10-403-103 SALARY-DEPUTY 1	34,083	34,083	34,083	-
10-403-104 SALARY-DEPUTY 2	33,090	33,090	33,090	-
10-403-105 SALARY-DEPUTY 3	33,090	33,090	33,408	(318)
10-403-106 SALARY-DEPUTY 4	33,090	33,090	33,090	-
10-403-107 SALARY-JAIL ADMIN.	31,981	31,981	31,981	-
10-403-108 SALARY-DISPATCH ADMIN.	31,981	31,981	32,944	(963)
10-403-109 SALARY-JAIL-DISP 1	28,335	28,335	20,041	8,294
10-403-110 SALARY-JAIL-DISP 2	22,752	22,752	18,550	4,202
10-403-111 SALARY-P/T DISPATCH 1	16,775	18,531	24,378	(5,847)
10-403-112 SALARY-P/T DISPATCH 2	16,775	10,083	4,960	5,123
10-403-113 SALARY-P/T DISPATCH 3	16,775	16,775	18,142	(1,367)
10-403-114 SALARY-COOK	29,561	29,561	29,560	1
10-403-115 SALARY-P/T COOK 1	8,256	10,208	10,916	(708)
10-403-116 SALARY-P/T COOK 2	8,256	14,229	15,589	(1,360)
10-403-117 COMP. TIME SHERIFF'S DEPT.	-	2,947	2,947	-
10-403-118 CELL PHONE ALLOTMENT	-	900	825	75
10-403-119 JAG OFFICER OT (ERROR ON TIMESHEI	-	1,701	2,219	(518)
10-403-200 FICA EXPENSE	34,876	34,876	33,797	1,079
10-403-205 TCDRS EXPENSE	31,913	31,913	30,340	1,573
10-403-215 MEDICAL INSURANCE EXPENSE	70,181	61,338	55,182	6,156
10-403-300 TELEPHONE EXPENSE	8,000	7,100	7,080	20
10-403-301 INMATE CALLING CARD EXPENSE	-	-	1,235	(1,235)
10-403-302 CAR LEASE PAYMENTS	-	-	-	-
10-403-303 PRINTER/INK	-	-	-	-
10-403-305 POSTAGE EXPENSE	1,000	1,000	497	503
10-403-310 CAPITAL OUTLAY	2,500	1,610	1,715	(105)
10-403-315 CONT. EDUCATION-SHERIFF'S DEPT.	4,000	4,096	5,557	(1,461)
10-403-316 PHOTO LAB	-	-	-	-
10-403-320 INDIGENT PRISONERS MED. EXPENSE	10,000	10,000	9,281	719
10-403-322 BODY ARMOR	1,000	1,070	1,067	3
10-403-323 UNIFORMS - SHERIFF'S DEPT.	1,500	1,751	1,751	-
10-403-350 MAINT. & SUPPLIES	10,000	7,714	4,309	3,405
10-403-351 JAIL SUPPLIES	12,000	11,000	7,606	3,394
10-403-365 PRISONERS' FOOD EXPENSE	35,000	29,225	32,052	(2,827)
10-403-400 FUEL & TRAVEL SHERIFF	28,000	37,741	36,247	1,494
10-403-401 AUTO REPAIRS	7,000	8,000	8,324	(324)
10-403-402 LEOSE-SHERIFF DEPT.	1,500	1,500	1,500	-
10-403-403 COMMUNICATION EQUIPMENT	-	-	-	-
10-403-404 SCAAP AWARD EXPENSE	-	-	2,720	(2,720)
COUNTY SHERIFF	<u>705,306</u>	<u>705,307</u>	<u>689,019</u>	<u>16,288</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, 2011

	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
404 COUNTY-DISTRICT CLERK				
=====				
10-404-100 SALARY - COUNTY-DISTRICT CLERK	41,522	41,522	41,522	-
10-404-105 SALARY - CHIEF DEPUTY	28,413	28,413	28,413	-
10-404-106 SALARY - DEPUTY	24,809	24,809	24,809	-
10-404-107 SALARY - DEPUTY	16,775	16,775	15,053	1,722
10-404-200 FICA EXPENSE	8,531	8,531	8,240	291
10-404-205 TCDRS EXPENSE	7,806	7,806	7,686	120
10-404-215 MEDICAL INSURANCE EXPENSE	17,545	17,545	13,596	3,949
10-404-300 TELEPHONE EXPENSE	1,000	1,000	300	700
10-404-302 LEASE COPIER	475	475	450	25
10-404-305 POSTAGE EXPENSE	5,000	5,000	2,906	2,094
10-404-310 CAPITAL OUTLAY	1,500	1,500	1,166	334
10-404-315 CONT. EDUCATION	3,000	3,000	2,862	138
COUNTY-DISTRICT CLERK	<u>156,376</u>	<u>156,376</u>	<u>147,003</u>	<u>9,373</u>
405 TAX ASSESSOR COLLECTOR				
====				
10-405-100 SALARY - TAX ASSESSOR COLLECTOR	41,522	41,522	41,522	-
10-405-105 SALARY - CHIEF DEPUTY	28,413	28,413	28,413	-
10-405-106 SALARY - DEPUTY	-	-	-	-
10-405-110 SALARY - PART-TIME HELP	16,775	16,775	9,552	7,223
10-405-200 FICA EXPENSE	6,633	6,633	5,631	1,002
10-405-205 TCDRS EXPENSE	6,070	6,070	4,896	1,174
10-405-215 MEDICAL INSURANCE EXPENSE	11,697	11,697	9,228	2,469
10-405-300 TELEPHONE EXPENSE	350	350	237	113
10-405-305 POSTAGE EXPENSE	6,200	6,200	3,193	3,007
10-405-306 VOTER REGISTRATION EXPENSE	-	-	-	-
10-405-310 CAPITAL OUTLAY	1,000	554	331	223
10-405-312 PRITCHARD & ABBOTT CONTRACT	17,890	17,460	16,476	984
10-405-313 MAINT. AGREEMENT - COPIER	475	475	450	25
10-405-315 CONT. EDUCATION	3,000	3,876	3,876	-
TAX ASSESSOR COLLECTOR	<u>140,025</u>	<u>140,025</u>	<u>123,805</u>	<u>16,220</u>
406 COUNTY ATTORNEY				
====				
10-406-100 SALARY - COUNTY ATTORNEY	41,522	41,522	41,522	-
10-406-105 SALARY-PARA/CT.COORDINATOR	29,408	29,408	29,408	-
10-406-200 FICA EXPENSE	7,020	7,020	6,998	22
10-406-205 TCDRS EXPENSE	6,423	6,423	6,424	(1)
10-406-215 MEDICAL INSURANCE EXPENSE	11,697	11,697	9,228	2,469
10-406-300 TELEPHONE EXPENSE	500	299	182	117
10-406-305 POSTAGE EXPENSE	150	150	83	67
10-406-310 CAPITAL OUTLAY	1,000	597	597	-
10-406-315 CONT. EDUCATION	3,000	3,604	3,604	-
10-406-320 STATE SALARY-H.B.804	20,833	20,833	20,833	-
COUNTY ATTORNEY	<u>121,553</u>	<u>121,553</u>	<u>118,879</u>	<u>2,674</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, 2011

		ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
407	COUNTY TREASURER				
===	=====				
10-407-100	SALARY-COUNTY TREASURER	41,522	41,522	41,522	-
10-407-110	SALARY-ASSISTANT TREASURER	24,809	24,809	24,809	-
10-407-200	FICA EXPENSE	5,074	5,074	4,866	208
10-407-205	TCDRS EXPENSE	4,643	4,643	4,643	-
10-407-215	MEDICAL INSURANCE EXPENSE	11,697	11,697	9,228	2,469
10-407-300	TELEPHONE EXPENSE	500	500	69	431
10-407-305	POSTAGE EXPENSE	500	500	240	260
10-407-310	CAPITAL OUTLAY	1,500	1,500	919	581
10-407-313	MAINT.AGREEMENT-COPIER	475	475	450	25
10-407-314	MAINT. AGREEMENT SOFTWARE	2,100	2,100	900	1,200
10-407-315	CONTINUING EDUCATION	3,000	3,000	1,648	1,352
	COUNTY TREASURER	<u>95,820</u>	<u>95,820</u>	<u>89,294</u>	<u>6,526</u>
408	COUNTY AUDITOR				
=====	=====				
10-408-100	SALARY - COUNTY AUDITOR	41,522	41,522	40,313	1,209
10-408-105	SALARY-ASSISTANT AUDITOR	28,413	28,413	23,439	4,974
10-408-110	SALARY-PART/TIME ASST.	-	-	-	-
10-408-200	FICA EXPENSE	5,287	5,287	4,792	495
10-408-205	TCDRS EXPENSE	4,838	4,838	4,463	375
10-408-215	MEDICAL INSURANCE EXPENSE	11,697	11,697	9,228	2,469
10-408-300	TELEPHONE EXPENSE	300	300	159	141
10-408-305	POSTAGE EXPENSE	500	500	207	293
10-408-310	CAPITAL OUTLAY	1,500	1,500	399	1,101
10-408-314	MAINT. AGREEMENT SOFTWARE	2,100	2,100	1,800	300
10-408-315	CONT. EDUCATION	3,000	3,000	2,210	790
	COUNTY AUDITOR	<u>99,157</u>	<u>99,157</u>	<u>87,010</u>	<u>12,147</u>
409	JUDICIAL LAW				
=====	=====				
10-409-101	SALARY-JP 1	33,000	33,000	29,192	3,808
10-409-102	SALARY-JP 2	15,508	15,508	13,122	2,386
10-409-103	SALARY JP 3	19,747	19,747	19,747	-
10-409-104	SALARY JP 4	15,508	15,508	15,507	1
10-409-105	SALARY - SECRETARY	28,413	28,413	21,894	6,519
10-409-110	SALARY - SECRETARY II	26,594	26,594	26,333	261
10-409-115	SALARY-PART/TIME	5,000	5,000	-	5,000
10-409-117	CONSTABLE 4	3,000	3,000	1,593	1,407
10-409-118	CONSTABLE 3	-	800	800	-
10-409-119	CONSTABLE 2	17,000	17,000	17,000	-
10-409-200	FICA EXPENSE	13,076	13,076	10,962	2,114
10-409-205	TCDRS EXPENSE	11,965	11,965	8,917	3,048
10-409-215	MEDICAL INSURANCE EXPENSE	23,394	23,394	17,053	6,341
10-409-300	TELEPHONE EXPENSE	4,900	4,900	4,713	187
10-409-305	POSTAGE EXPENSE	3,500	3,384	1,478	1,906
10-409-310	CAPITAL OUTLAY JP#1	500	616	663	(47)
10-409-311	CAPITAL OUTLAY JP#2	500	200	461	(261)
10-409-312	CAPITAL OUTLAY JP#3	500	200	145	55
10-409-313	CAPITAL OUTLAY JP#4	500	-	11	(11)
10-409-314	JP 1 CONT. ED.	1,725	-	-	-
10-409-315	JP 2 CONT. ED.	8,000	9,235	9,887	(652)

CULBERSON COUNTY, TEXAS
GENERAL FUND AND GENERAL GOVERNMENT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
BUDGET TO ACTUAL - MODIFIED CASH BASIS
YEAR ENDED SEPTEMBER 30, 2011

	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
10-409-316 JP 3 CONT. ED.	660	225	225	-
10-409-317 JP 4 CONT. ED.	-	-	-	-
10-409-360 AUTOPSY EXPENSE	5,000	7,025	6,625	400
10-409-366 CONST.PRCT.#4 FUEL	2,000	1,200	-	1,200
10-409-367 CONST.PRCT.#2 FUEL	2,000	2,000	2,606	(606)
10-409-368 JUSTICE COURT TECHNOLOGY EXPENSE	-	-	-	-
JUDICIAL LAW	<u>241,990</u>	<u>241,990</u>	<u>208,934</u>	<u>33,056</u>
410 JURY				
====				
10-410-100 SALARY - DISTRICT ATTORNE	15,000	15,000	10,500	4,500
10-410-111 SALARY - BAILIFFS	665	665	665	-
10-410-112 SALARY - COURT REPORTER	2,000	2,000	-	2,000
10-410-113 SALARY - COURT ADMINISTRA	700	700	300	400
10-410-114 SALARY - COURT APPOINTED	-	-	-	-
10-410-115 INDIGENT ATTYS/FORMUAL GR	11,000	11,000	1,363	9,637
10-410-200 FICA EXPENSE	600	600	74	526
10-410-365 COURT COSTS	10,000	10,000	2,114	7,886
10-410-366 JURIES & RELATED EXPENSES	<u>5,000</u>	<u>5,000</u>	<u>820</u>	<u>4,180</u>
JURY	<u>44,965</u>	<u>44,965</u>	<u>15,836</u>	<u>29,129</u>
411 BUILDING MAINTENANCE				
====				
10-411-105 SALARIES - BUILDING MAINTENANCE	25,305	25,305	25,305	-
10-411-110 SALARY-PART/TIME 1&2	27,958	27,958	27,457	501
10-411-200 FICA EXPENSE	4,075	4,075	3,898	177
10-411-205 TCDRS EXPENSE	3,728	3,728	3,693	35
10-411-215 MEDICAL INSURANCE EXPENSE	5,848	5,848	4,861	987
10-411-310 CAPITAL OUTLAY	-	-	-	-
10-411-350 SUPPLIES - JANITORIAL	3,000	3,000	2,553	447
10-411-355 REPAIRS & REPLACEMENTS	8,000	12,000	12,353	(353)
10-411-370 UTILITIES	70,000	66,000	55,760	10,240
10-411-400 FUEL - BUILDING MAINTENANCE	<u>2,000</u>	<u>2,000</u>	<u>2,229</u>	<u>(229)</u>
BUILDING MAINTENANCE	<u>149,914</u>	<u>149,914</u>	<u>138,109</u>	<u>11,805</u>
412 394TH DISTRICT COURT				
====				
10-412-105 SALARY - 394TH DIST. JUDGE	1,355	1,396	1,396	-
10-412-110 SALARY - COURT REPORTER	6,754	6,956	6,949	7
10-412-115 SALARY - COURT COORDINATOR	4,843	4,988	4,988	-
10-412-200 FICA EXPENSE	1,000	1,021	1,218	(197)
10-412-205 TCDRS EXPENSE	1,000	962	1,114	(152)
10-412-210 WORKER'S COMP.	53	53	-	53
10-412-215 MEDICAL INSURANCE EXPENSE	1,865	1,865	1,591	274
10-412-220 LIBILITY INS.	330	330	300	30
10-412-225 UNEMPLOYMENT FUND	580	580	-	580
10-412-300 TELEPHONE EXPENSE	970	970	428	542
10-412-305 POSTAGE EXPENSE	200	200	134	66
10-412-310 CAPITAL OUTLAY	310	410	-	410
10-412-312 JUDGE'S LIBRARY	662	713	799	(86)
10-412-314 VISTING JUDGES	1,015	1,015	-	1,015

CULBERSON COUNTY, TEXAS
GENERAL FUND AND GENERAL GOVERNMENT
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES -
BUDGET TO ACTUAL - MODIFIED CASH BASIS
YEAR ENDED SEPTEMBER 30, 2011

	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)	
10-412-315	CONT. EDUCATION	210	210	137	73
10-412-350	SUPPLIES	259	259	290	(31)
10-412-370	UTILITIES	385	385	385	-
10-412-400	COURT REPORTER EXPENSES	1,860	1,860	600	1,260
10-412-401	CAR ALLOWANCE	2,586	2,435	2,586	(151)
10-412-402	JUDICIAL ADMIN. DISTRICT	340	340	340	-
10-412-900	MISCELLANEOUS EXPENSE	371	-	1	(1)
	394TH DISTRICT COURT	<u>26,948</u>	<u>26,948</u>	<u>23,256</u>	<u>3,692</u>
413	EXTENSION SERVICE				
====	=====				
10-413-105	SALARY - EXTENSION AGENT	9,993	9,993	9,993	-
10-413-110	SALARY - PART-TIME HELP	11,183	11,183	9,679	1,504
10-413-200	FICA EXPENSE	1,620	1,620	1,478	142
10-413-205	TCDRS EXPENSE	783	783	678	105
10-413-300	TELEPHONE EXPENSE	200	200	102	98
10-413-305	POSTAGE EXPENSE	200	200	112	88
10-413-310	CAPITAL OUTLAY	1,500	1,500	1,478	22
10-413-311	TRAVEL	6,600	6,600	2,660	3,940
10-413-315	CONT. EDUCATION	3,000	3,000	1,916	1,084
10-413-316	PROMO/EDU EXPENSE	2,000	2,000	909	1,091
	EXTENSION SERVICE	<u>37,079</u>	<u>37,079</u>	<u>29,005</u>	<u>8,074</u>
415	AIRPORT				
====	=====				
10-415-353	IMPROVEMENTS - AIRPORT	750	1,750	1,628	122
10-415-370	UTILITIES - AIRPORT	6,000	6,000	5,221	779
10-415-900	MISCELLANEOUS EXPENSES	1,500	500	-	500
	AIRPORT	<u>8,250</u>	<u>8,250</u>	<u>6,849</u>	<u>1,401</u>
417	VETERANS MEMORIAL PARK				
====	=====				
10-417-353	IMPROVEMENTS - VET.MEM.PARK	4,500	4,500	739	3,761
10-417-370	UTILITIES - VET.MEM.PARK	8,500	8,500	9,808	(1,308)
	VETERANS MEMORIAL PARK	<u>13,000</u>	<u>13,000</u>	<u>10,547</u>	<u>2,453</u>
421	CEMETERY				
====	=====				
10-421-110	PART-TIME HELP	-	-	-	-
10-421-200	FICA EXPENSE	-	-	-	-
10-421-350	SUPPLIES - CEMETERY	2,500	2,500	187	2,313
10-421-353	IMPROVEMENTS - CEMETERY	2,000	2,000	836	1,164
10-421-370	UTILITIES - CEMETERY	10,000	10,000	10,937	(937)
	CEMETERY	<u>14,500</u>	<u>14,500</u>	<u>11,960</u>	<u>2,540</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, 2011

	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	900	900
10-423-200 FICA EXPENSE	200	200	69	131
10-423-315 CONT. EDUCATION - VETERANS OFFICE VETERANS OFFICER	-	-	-	-
	<u>2,000</u>	<u>2,000</u>	<u>969</u>	<u>1,031</u>
425 EMERGENCY MANAGEMENT ===== =====				
10-425-100 SALARY-EMERGENCY MGNT.	7,500	7,500	6,000	1,500
10-425-105 CONSULTANT SALARY	-	-	-	-
10-425-200 FICA EXPENSE	574	574	459	115
10-425-350 SUPPLIES EXPENSE	250	250	-	250
10-425-400 FUEL EXPENSE	2,500	2,355	768	1,587
10-425-500 EMERGENCY MGNT. EXPENSE	1,000	1,145	1,343	(198)
EMERGENCY MANAGEMENT	<u>11,824</u>	<u>11,824</u>	<u>8,570</u>	<u>3,254</u>
435 RMP-EXPENSE ===== =====				
10-435-900 MISC. EXPENSE - RMP	-	-	-	-
RMP-EXPENSE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
440 NON-DEPATMENTAL ===== =====				
10-440-200 FICA EXPENSE	1,000	1,000	312	688
10-440-205 TCDRS EXPENSE	500	500	294	206
10-440-300 COURTHOUSE TELEPHONE EXPENSE	12,000	12,000	10,118	1,882
10-440-312 INTERNET EXPENSE	4,500	10,084	17,607	(7,523)
10-440-314 MISCELLANEOUS SUPPLIES EXPENSE	2,000	2,000	2,185	(185)
10-440-601 ELECTION EXPENSE	18,000	18,000	12,734	5,266
10-440-602 HAVA-ELECTION EXPENSE	-	-	9,497	(9,497)
10-440-603 CHARITY EXPENSE	2,000	2,350	2,558	(208)
10-440-604 MARLIN LEASING	4,173	4,173	4,338	(165)
10-440-605 APPRAISAL DISTRICT	54,644	54,644	57,347	(2,703)
10-440-606 REPEATER LEASE SITE	1,200	1,200	1,275	(75)
10-440-607 POST OFFICE BOX RENTALS	-	-	-	-
10-440-610 LEASE POSTAGE METER	4,320	4,320	4,320	-
10-440-611 TRAPPER	28,800	28,800	28,000	800
10-440-612 HH&H OFFICE MAINT.	-	2,250	4,500	(2,250)
10-440-617 ADULT PROBATION	1,500	1,500	1,674	(174)
10-440-621 OFFICE SUPPLIES	20,000	19,960	19,604	356
10-440-623 D.P.S. - CRIM.LAW-M.V.T.	-	40	40	-
10-440-625 RECORDS MANAGEMENT	7,500	7,500	4,559	2,941
10-440-627 PUBLIC TRAINING SERVICE EXPENSE	250	250	36	214
10-440-628 SHERIFFS TAX SALE EXPENSE	-	-	1,920	(1,920)
10-440-631 COUNTY FOOD BANK	3,000	3,000	3,000	-
10-440-632 SOLID WASTE PROJECT	-	-	-	-
NON-DEPATMENTAL	<u>165,387</u>	<u>173,571</u>	<u>185,918</u>	<u>(12,347)</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, 2011

	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
GENERAL FUND				
INCOME TOTALS	2,609,006	2,609,006	2,612,909	3,903
EXPENSE TOTALS	<u>2,614,204</u>	<u>2,622,389</u>	<u>2,418,248</u>	<u>204,141</u>
NET REVENUE OVER EXPENSE BEFORE TRANSFERS and other	(5,198)	(13,383)	194,661	208,044
10-450-720 TRANSFER	-	-	128,494	128,494
10-200-200 TRANSFER	-	-	(211,487)	(211,487)
10-450-730 TRANSFER TO CAPITAL PROJECTS	-	-	-	-
	<u>(5,198)</u>	<u>(13,383)</u>	<u>111,668</u>	<u>125,051</u>

Expenses Grouped by Uniform Chart of Accounts:

General government	1,267,401
Justice System	366,905
Public Safety	582,723
Corrections and Rehabilitation	139,894
Health and Human Services	42,960
Community and Economic Development	11,516
Infrastructure and Environmental Services	6,849
	<u>\$ 2,418,248</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, 2011

	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
300 R & B REVENUES				
====				
20-300-100 ROAD & BRIDGE CURRENT TAXES	282,554	282,554	278,149	(4,405)
20-300-110 ROAD & BRIDGE DELINQUENT TAXES	10,000	10,000	15,232	5,232
20-300-150 MISCELLANEOUS REVENUE - R & B	200	200	-	(200)
20-300-170 MOTOR VEHICLE REG. - R & B	99,000	99,000	111,337	12,337
20-300-180 INTEREST REVENUE - R & B	-	-	-	-
20-300-185 AUCTION PROCEEDS	-	-	-	-
20-300-190 LATERAL ROAD - STATE COMPTROLF	35,000	35,000	48,843	13,843
20-300-192 REIMB. ST/PROJ. #721841	-	-	-	-
20-300-517 CARRY OVER REVENUE	-	-	-	-
R & B REVENUES	<u>426,754</u>	<u>426,754</u>	<u>453,561</u>	<u>26,807</u>
500 COUNTY BARN				
====				
20-500-105 SALARIES - COUNTY BARN	233,613	230,613	206,194	24,419
20-500-106 SALARY	-	-	-	-
20-500-107 SALARY	-	-	-	-
20-500-110 SALARY-PART TIME	-	-	-	-
20-500-115 SOLID WASTE MGMT COORDINATOR	2,075	2,075	1,800	275
20-500-118 CELL PHONE ALLOTMENT	-	900	850	-
20-500-200 FICA EXPENSE	18,030	18,030	15,738	2,292
20-500-205 TCDRS EXPENSE	16,498	16,498	14,644	1,854
20-500-215 MEDICAL INSURANCE EXPENSE	46,788	46,788	34,105	12,683
20-500-300 TELEPHONE	2,500	1,600	1,451	149
20-500-310 CAPITAL OUTLAY	2,000	2,000	1,211	789
20-500-315 CONT. EDUCATION	1,000	1,000	-	1,000
20-500-350 MAINT. & SUPPLIES	8,000	8,000	3,161	4,839
20-500-351 SAFETY SUPPLIES	1,500	1,500	954	546
20-500-370 UTILITIES	6,000	6,000	5,028	972
20-500-400 FUEL - COUNTY BARN	10,000	10,000	5,620	4,380
COUNTY BARN	<u>348,004</u>	<u>345,004</u>	<u>290,756</u>	<u>54,198</u>
505 PRECINCT # 1				
====				
20-505-310 CAPITAL OUTLAY	1,000	1,000	-	1,000
20-505-315 PREC.1 CONT. ED.	3,000	3,000	1,724	1,276
20-505-350 MAINT. & SUPPLIES	1,000	1,000	-	1,000
20-505-400 FUEL - PREC. #1	9,450	9,450	8,334	1,116
PRECINCT #-1	<u>14,450</u>	<u>14,450</u>	<u>10,058</u>	<u>4,392</u>
510 PRECINCT #-2				
====				
20-510-310 CAPITAL OUTLAY	1,000	-	-	-
20-510-315 PREC.2 CONT. ED.	3,000	2,500	1,409	1,091
20-510-350 MAINT. & SUPPLIES	1,000	5,000	4,656	344
20-510-400 FUEL - PREC. #2	9,000	6,800	4,363	2,437
PRECINCT #-2	<u>14,000</u>	<u>14,300</u>	<u>10,428</u>	<u>3,872</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, 2011

	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	-	1,000
20-515-315 PREC.3 CONT. ED.	3,000	3,000	1,033	1,967
20-515-350 MAINT. & SUPPLIES	1,000	1,000	48	952
20-515-400 FUEL - PREC. #3	9,000	9,000	6,174	2,826
PRECINCT #4	<u>14,000</u>	<u>14,000</u>	<u>7,255</u>	<u>6,745</u>
520 PRECINCT #4 ====				
20-520-110 PART/TIME HELP	-	-	-	-
20-520-200 FICA EXPENSE	-	-	-	-
20-520-310 CAPITAL OUTLAY	1,000	1,000	200	800
20-520-315 PREC.4 CONT. ED.	3,000	3,000	1,632	1,368
20-520-350 MAINT. & SUPPLIES	1,000	1,000	650	350
20-520-370 UTILITIES	-	-	-	-
20-515-400 FUEL - PREC. #4	9,000	9,000	3,767	5,233
PRECINCT #4	<u>14,000</u>	<u>14,000</u>	<u>6,249</u>	<u>7,751</u>
540 NON-DEPARTMENTAL ====				
20-540-302 LEASE PAYMENTS	-	-	-	-
20-540-310 CAPITAL OUTLAY - NEW EQUIPMENT	5,000	2,000	-	2,000
20-540-600 R & B CONTINGENCY	9,300	22,300	24,273	(1,973)
20-540-601 WATER SHED REPAIRS	7,000	-	-	-
20-540-702 UNEMPLOYMENT	1,000	1,000	657	343
NON-DEPARTMENTAL	<u>22,300</u>	<u>25,300</u>	<u>24,930</u>	<u>370</u>
ROAD & BRIDGE FUND				
INCOME TOTALS	426,754	426,754	453,561	26,807
EXPENSE TOTALS	426,754	427,054	349,676	77,328
INCOME AND EXPENSE BEFORE:	-	(300)	103,885	104,135
TRANSFERS IN	-	-	-	-
TRANSFERS OUT	-	-	-	-
	<u>-</u>	<u>(300)</u>	<u>103,885</u>	<u>104,135</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, 2011

	ORIGINAL BUDGET	AMENDED BUDGET	MODIFIED CASH BASIS ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
300				
NUTRITION CENTER REVENUE -45				
====				
45-300-110 CONTRACT INCOME - TITLE III RGCOG	177,726	177,726	137,312	(40,414)
45-300-111 TDA GRANT INCOME	-	-	-	-
45-300-115 COUNTY MATCHING NUT. CENTER	23,385	23,385	-	(23,385)
45-300-120 PROGRAM INCOME - DOOR	600	600	34	(566)
45-300-130 PROGRAM INCOME - DELIVERY	600	600	196	(404)
45-300-140 CENTER RENTAL	-	-	1,200	1,200
45-300-210 DONATIONS	2,000	2,000	2,753	753
45-300-500 TRANSFER IN GENERAL FUND	-	-	-	-
45-300-901 TRANSFER FROM GENERAL FUND	-	-	-	-
NUTRITION CENTER REVENUE -45	204,311	204,311	141,495	(62,816)
550				
NUTRITION CENTER EXPENSES -45				
====				
45-550-105 SALARY - N/C DIRECTOR	17,066	17,066	16,049	1,017
45-550-106 SALARY-PART-TIME HELP A	15,644	15,644	15,032	612
45-550-107 SALARY-PART-TIME HELP B	15,644	15,644	14,698	946
45-550-108 SALARY-PART-TIME HELP C	15,644	15,644	15,123	521
45-550-109 SALARY-PART-TIME HELP D	15,644	15,644	14,440	1,204
45-550-110 SALARY-PART-TIME HELP E	-	-	-	-
45-550-200 FICA EXPENSE	6,093	6,093	5,593	500
45-550-205 TCDRS EXPENSE	5,575	5,575	5,045	530
45-550-215 MEDICAL INSURANCE EXPENSE	-	-	-	-
45-550-300 TELEPHONE EXPENSE	3,500	3,500	2,295	1,205
45-550-305 POSTAGE	100	100	38	62
45-550-310 CAPITAL OUTLAY	1,300	974	214	760
45-550-315 CONT. EDUCATION - N/C	300	626	357	269
45-550-350 N/C SUPPLIES	12,000	12,000	10,981	1,019
45-550-355 REPAIRS & REPLACEMENTS	3,000	3,000	526	2,474
45-550-370 UTILITIES EXPENSE	14,000	14,000	11,758	2,242
45-550-380 FOOD EXPENSE	75,000	75,000	65,207	9,793
45-550-400 FUEL/AUTO EXPENSE	3,300	3,300	4,182	(882)
45-550-702 UNEMPLOYMENT EXPENSE	500	500	178	322
45-550-703 WORKER'S COMP. EXPENSE	-	-	-	-
45-550-704 RENTAL DEPOSIT RETURN	-	-	200	(200)
NUTRITION CENTER EXPENSES -45	204,310	204,310	181,916	22,394
INCOME TOTALS	204,311	204,311	141,495	(62,816)
EXPENSE TOTALS	204,310	204,310	181,916	22,394
INCOME AND EXPENSE BEFORE:	1	1	(40,421)	(40,422)
45-300-500 TRANSFER TO DEBT SERVICE FUND	-	-	-	-
45-300-901 TRANSFERS OTHER	-	-	-	-
TRANSFERS FROM GENERAL FUND	-	-	-	-
INCOME OVER (UNDER) EXPENSES	1	1	(40,421)	(40,422)

GENERAL FUND
Combining Schedules

CULBERSON COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
GENERAL FUND
AS OF SEPTEMBER 30, 2011

	<u>General Government</u>	<u>Roads & Bridges</u>	<u>Contingency Fund 91</u>	<u>Criminal Justice</u>	<u>Combined</u>
<u>ASSETS</u>					
Cash - Checking	\$ 1,464,041	\$ 305,364	\$ -	\$ 263,550	\$ 2,032,955
Cash - Payroll Clearing	4,721	852	-	-	5,573
Cash - Checking Clerk	187,783	-	-	-	187,783
Cash - Checking Tax Assessor	39,648	-	-	-	39,648
Cash - JP Accounts	61,500	-	-	-	61,500
Cash - Savings	-	-	132,573	-	132,573
Certificates of Deposit and savings	556,909	-	-	-	556,909
Postage Inventory	6,481	-	-	-	6,481
Due from (to) other funds	212,862	-	-	-	212,862
Total Assets	<u>2,533,945</u>	<u>306,216</u>	<u>132,573</u>	<u>263,550</u>	<u>3,236,284</u>
<u>LIABILITIES</u>					
Other liabilities	2,869	-	-	11,096	13,965
Due to others	86,560	-	-	49,819	136,379
Due to other funds	82,051	(82,051)	-	52,292	52,292
Total Liabilities	<u>171,480</u>	<u>(82,051)</u>	<u>-</u>	<u>113,207</u>	<u>202,636</u>
<u>FUND EQUITY (DEFICIT)</u>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	388,267	-	-	388,267
Assigned	-	-	-	-	-
Unassigned	2,362,465	-	132,573	150,343	2,645,381
Total Fund Equity (Deficit)	<u>2,362,465</u>	<u>388,267</u>	<u>132,573</u>	<u>150,343</u>	<u>3,033,648</u>
Total Liabilities and Fund Equity	<u>\$ 2,533,945</u>	<u>\$ 306,216</u>	<u>\$ 132,573</u>	<u>\$ 263,550</u>	<u>\$ 3,236,284</u>

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

YEAR ENDED SEPTEMBER 30, 2011

	GENERAL GOVERNMENT	ROAD & BRIDGE	CONTINGENCY FUND 91	CRIMINAL JUSTICE	COMBINED
REVENUE					
10-300-100 CURRENT TAXES	\$ 1,845,942	\$ 276,955			\$ 2,122,897
10-300-110 DELINQUENT TAXES	108,785	15,232			124,017
10-300-120 FEES OF OFFICE-CLERK	126,540				126,540
10-300-121 FEES OF OFFICE-TAX OFFICE	16,297				16,297
10-300-122 VAN HORN CEMETARY PAY OUT FEES	2,500				2,500
91-300-140 INTEREST ON SAVINGS			696		696
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	29,585				29,585
10-300-150 MISCELLANEOUS REVENUE					-
10-300-170 MOTOR VEHICLE REGISTRATIO	5,718	111,337			117,055
10-300-175 J. P. COURT	222,317				222,317
10-300-180 INTEREST REVENUE	17,633				17,633
10-300-185 AUCTION PROCEEDS					-
10-300-190 IN LIEU OF TAXES- STATE C	146,572				146,572
10-300-191 IN LIEU OF TAXES	1,065				1,065
10-300-200 STATE SALARY SUPPLEMENT	15,000				15,000
10-300-202 LEOSE - STATE	1,700				1,700
10-300-204 LEOSE-STATE(J.P. & CONST.)					-
10-300-205 J.P. COURT SECURITY FEE	1,718				1,718
10-300-206 COURTHOUSE SECURITY FEE	6,166				6,166
10-300-207 LAW LIBRARY REVENUE	1,085				1,085
10-300-208 COUNTY FINES/CLERK	20,985				20,985
10-300-214 HIDTA GRANT 05 REIMBURSEMENT	9,497				9,497
10-300-20X SCAAP GRANT REVENUES	7,478				7,478
10-300-215 OMNI FEE - COUNTY REVENUE	941				941
10-300-222 JANITORIAL SERVICES					-
10-300-225 BOND FORFEITURE FEES	1,155				1,155
10-300-330 COMMISSARY SALES REVENUE	295				295
10-300-331 CD REVENUE	3,769				3,769
10-300-333 JAIL-PAY PHONE REVENUE	2,517				2,517
10-300-334 VENDING MACHINES REVENUE	1,478				1,478
10-300-336 STATE EXCESS CONTRIBUTION	452				452
10-300-337 REGIONAL INTEROPERABLE COMMUN. PLAN					-
10-300-338 FAX/COPIES REVENUE - CO.J	22				22
10-300-339 FEES OF OFFICE - SHERIFF	609				609
10-300-340 REBATES REVENUE	311				311
10-300-505 CASH PROCEEDS FROM TAX SA	1,920				1,920
10-300-515 REFUND REVENUE	6,760				6,760
10-300-516 SOLID WASTER PROJECT REVENUE					-
10-300-517 MISC. REVENUE	5,647				5,647
20-300-190 LATERAL ROAD - STATE COMP		48,843			48,843
35-300-300 CRIMINAL JUSTICE REVENUE				10,561	10,561
TOTAL REVENUE	2,612,909	452,367	696	10,561	3,076,533
EXPENDITURES					
General government	\$ 1,267,401	\$ -	\$ -	\$ -	\$ 1,267,401
Justice System	366,905				366,905
Public Safety	582,723				582,723
Corrections and Rehabilitation	139,894				139,894
Health and Human Services	42,960				42,960
Community and Economic Development	11,516				11,516
Infrastructure and Environmental Services	6,849	349,677			356,526
Total Expenditures	2,418,248	349,677	-	-	2,767,925
Revenue Over (Under) Expenditures	194,661	102,690	696	10,561	308,608
TRANSFERS IN (OUT)	128,494	-	131,877	-	260,371
TRANSFERS IN (OUT)	(211,487)	-	-	-	(211,487)
	(82,993)	-	131,877	-	48,884
Revenue and Other Sources Over (Under) Expenditures and Other (Uses)	111,668	102,690	132,573	10,561	357,492
Fund Balance Beginning as previously	2,181,227	285,577	-	139,782	2,606,586
Prior period adjustment - due to others	69,570	-	-	-	69,570
Beginning fund balance as restated	2,250,797	285,577	-	139,782	2,676,156
Fund Balance End of Year	\$ 2,362,465	\$ 388,267	\$ 132,573	\$ 150,343	\$ 3,033,648

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, 2011

	HOT CHECK FUND - 30	JAG ARRA Fund 43	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
ASSETS									
Cash in Bank	\$ -	\$ 128	\$ -	\$ 131,759	\$ 27,246	\$ 555	\$ 14,854	\$ 8,982	\$ 1
Pooled Cash overdraft	(873)		(202,435)						
Payroll Cleaning			300						
Certificates of Deposit			(74)					651	
Postage inventory and other									
Due from other funds									
Total Assets	<u>(873)</u>	<u>128</u>	<u>(202,209)</u>	<u>131,759</u>	<u>27,246</u>	<u>555</u>	<u>14,854</u>	<u>9,633</u>	<u>1</u>
LIABILITIES									
Due to others									
Due to other funds	4,555		138,077						
Deferred revenue			(22)						
Other									
Total Liabilities	<u>4,555</u>	<u>-</u>	<u>138,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE									
Nonspendable									
Restricted		128		131,759		555	14,854	9,633	1
Committed									
Assigned					27,246				
Unassigned	(5,428)		(340,264)						
Total Fund Balance	<u>(5,428)</u>	<u>128</u>	<u>(340,264)</u>	<u>131,759</u>	<u>27,246</u>	<u>555</u>	<u>14,854</u>	<u>9,633</u>	<u>1</u>
Total Liabilities and Fund Balance	<u>(873)</u>	<u>128</u>	<u>(202,209)</u>	<u>131,759</u>	<u>27,246</u>	<u>555</u>	<u>14,854</u>	<u>9,633</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, 2011

	BORDER COLONIA FUND 80	LINEBACKER FEDERAL FUND 81	HIDTA GRANT FUND 82	JUSTICE TEC FUND FUND 84	BLOCK GRANT FUND 86	LINEBACKER FEDERAL FUND 87	COMMISSARY FUND 88	LINEBACKER FUND 89	JAG FUND 90	TOTAL COMBINED
ASSETS										
Cash in Bank	\$ 4,018	\$ 1		\$ 2,783	\$ 1,732	\$ -	\$ 743	\$ -	\$ -	\$ 192,802
Pooled Cash overdraft						(96,810)				(547,897)
Payroll Clearing								(74,868)		
Certificates of Deposit								(17)	(74)	209
Postage inventory and other										577
Due from other funds										
Total Assets	<u>4,018</u>	<u>1</u>		<u>2,783</u>	<u>1,732</u>	<u>(96,810)</u>	<u>743</u>	<u>(172,928)</u>	<u>(74,942)</u>	<u>(354,309)</u>
LIABILITIES										
Due to others										15
Due to other funds										224
Deferred revenue										142,632
Other										(22)
Total Liabilities							<u>15</u>	<u>(224)</u>	<u>224</u>	<u>142,625</u>
FUND BALANCE										
Nonspendable										
Restricted	4,018	1		2,783	1,732		728			166,192
Committed										
Assigned										27,246
Unassigned						(96,810)		(172,704)	(75,166)	(690,372)
Total Fund Balance	<u>4,018</u>	<u>1</u>		<u>2,783</u>	<u>1,732</u>	<u>(96,810)</u>	<u>728</u>	<u>(172,704)</u>	<u>(75,166)</u>	<u>(496,934)</u>
Total Liabilities and Fund Balance	<u>\$ 4,018</u>	<u>\$ 1</u>		<u>\$ 2,783</u>	<u>\$ 1,732</u>	<u>\$ (96,810)</u>	<u>\$ 743</u>	<u>\$ (172,928)</u>	<u>\$ (74,942)</u>	<u>\$ (354,309)</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, 2011

	HOT CHECK FUND - 30	JAG ARRA Fund 43	SENIOR NUTRITION FUND - 45	LAW ENFORCEMENT FUND-47	AIRPORT IMPROV. FUND - 48	CONSTABLE PCT#2 Fund -49	RECORDS PRESERVATION FUND - 50
REVENUE							
Grants	\$ -	\$ 52,096	\$ -	\$ -	\$ 1,772	\$ -	\$ -
Fees	857		137,313			450	7,568
Intergovernmental							
Seizures							
Contribution			2,752				
Miscellaneous Revenue			230		-		
Rent			1,200		1,800		
Interest				1,424			191
Other	24	-	-	-	-	-	-
Total Revenue	881	52,096	141,495	1,424	3,572	450	7,759
EXPENDITURES							
Federal/State:							
Administration							
Engineering/Consulting							
Construction							
Local:							
Salary and benefits	110	5,330	85,980				
Law Enforcement Expenses				12,036			
Records management							12,519
Juvenile probation							
Senior Nutrition services			95,936				
Communications		3,288					
Technology expenses							
Training				6,275			
Miscellaneous Expense	1,466						
Capital Outlay	-	43,350	-	-	-	-	-
Total Expenditures	1,576	51,968	181,916	18,311	-	-	12,519
Revenue Over (Under) Expenditures	(695)	128	(40,421)	(16,887)	3,572	450	(4,760)
Transfer from (to) other funds							
Transfer from (to) other funds	-	-	-	-	-	-	-
Revenue Over (Under) Expenditures and Transfers	(695)	128	(40,421)	(16,887)	3,572	450	(4,760)
Fund Balance Beginning of Year	(4,733)	-	(299,843)	148,646	23,674	105	19,614
Fund Balance End of Year	\$ (5,428)	\$ 128	\$ (340,264)	\$ 131,759	\$ 27,246	\$ 555	\$ 14,854
Beginning							
Restricted				148,646		105	19,614
Committed							
Assigned					23,674		
Unassigned	(4,733)	-	(299,843)	-	-	-	-
	(4,733)	-	(299,843)	148,646	23,674	105	19,614
Expenditures grouped by function:							
General government	\$ 1,576	\$ 51,968	\$ -	\$ -	\$ -	\$ -	\$ 12,519
Justice System							
Public Safety				18,311			
Corrections and Rehabilitation							
Health and Human Services			181,916				
Community and Economic Development							
Infrastructure and Environmental Services							
Total expenditures by function	\$ 1,576	\$ 51,968	\$ 181,916	\$ 18,311	\$ -	\$ -	\$ 12,519

CULBERSON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUE AND
EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
SPECIAL REVENUE FUNDS
YEAR ENDED SEPTEMBER 30, 2011

	RECORDS PRESERVATION FUND - 60	HOMELAND SECURITY FUND 77	BORDER COLONIA FUND 80	LINEBACKER FEDERAL FUND 81	HIDTA GRANT FUND 82	JUSTICE TEC FUND FUND 84	BLOCK GRANT FUND 86
REVENUE							
Grants	\$ -	\$ 235,487	\$ 16,342	\$ -	\$ -	\$ -	\$ 265,223
Fees	383					7,671	
Intergovernmental							
Seizures							
Contribution							
Miscellaneous Revenue							
Rent							
Interest	86					55	
Other	-	-	-	-	285	-	-
Total Revenue	469	235,487	16,342	-	285	7,726	265,223
EXPENDITURES							
Federal/State:							
Administration			1,000				14,350
Engineering/Consulting			3,400				14,750
Construction			11,942				236,123
Local:							
Salary and benefits							
Law Enforcement Expenses							
Records management							
Juvenile probation							
Senior Nutrition services							
Communications							
Technology expenses						17,034	
Training		1,732					
Miscellaneous Expense							
Capital Outlay	-	233,755	13,993	-	-	-	-
Total Expenditures	-	235,487	30,335	-	-	17,034	265,223
Revenue Over (Under) Expenditures	469	-	(13,993)	-	285	(9,308)	-
Transfer from (to) other funds							
Transfer from (to) other funds	-	-	-	-	-	-	-
Revenue Over (Under) Expenditures and Transfers	469	-	(13,993)	-	285	(9,308)	-
Fund Balance Beginning of Year	9,164	1	18,011	1	(285)	12,091	1,732
Fund Balance End of Year	\$ 9,633	\$ 1	\$ 4,018	\$ 1	\$ -	\$ 2,783	\$ 1,732
Beginning							
Restricted	9,164	1	18,011	1		12,091	1,732
Committed							
Assigned							
Unassigned	-	-	-	-	(285)	-	-
	9,164	1	18,011	1	(285)	12,091	1,732
Expenditures grouped by function:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Justice System						17,034	
Public Safety		235,487					57,239
Corrections and Rehabilitation							
Health and Human Services							
Community and Economic Development							207,984
Infrastructure and Environmental Services			30,335				-
Total expenditures by function	\$ -	\$ 235,487	\$ 30,335	\$ -	\$ -	\$ 17,034	\$ 265,223

CULBERSON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUE AND
EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
SPECIAL REVENUE FUNDS
YEAR ENDED SEPTEMBER 30, 2011

	LINEBACKER COMMISSARY		LINEBACKER	JAG	TOTAL
	FEDERAL				COMBINED
	FUND 87	FUND 88	FUND 89	FUND 90	
REVENUE					
Grants	\$ -	\$ -	\$ 38,529	\$ 12,018	\$ 621,467
Fees					154,242
Intergovernmental					-
Seizures					-
Contribution					2,752
Miscellaneous Revenue		5,675			5,905
Rent					3,000
Interest					1,756
Other	-	-	-	-	309
Total Revenue	-	5,675	38,529	12,018	789,431
EXPENDITURES					
Federal/State:					
Administration					15,350
Engineering/Consulting					18,150
Construction					248,065
Local:					
Salary and benefits			32,845	21,169	145,434
Law Enforcement Expenses			4,008	3,076	19,120
Records management					12,519
Juvenile probation					-
Senior Nutrition services					95,936
Communications					3,288
Technology expenses					17,034
Training					8,007
Miscellaneous Expense	975	5,073			7,514
Capital Outlay	-	-	-	-	291,098
Total Expenditures	975	5,073	36,853	24,245	881,515
Revenue Over (Under) Expenditures	(975)	602	1,676	(12,227)	(92,084)
Transfer from (to) other funds	-	(46)	(49,396)	(12,018)	(61,460)
Transfer from (to) other funds	-	-	-	-	-
Revenue Over (Under) Expenditures and Transfers	(975)	556	(47,720)	(24,245)	(153,544)
Fund Balance Beginning of Year	(95,835)	172	(124,984)	(50,921)	(343,390)
Fund Balance End of Year	\$ (96,810)	\$ 728	\$ (172,704)	\$ (75,166)	\$ (496,934)
Beginning					
Restricted		172			209,537
Committed					-
Assigned					23,674
Unassigned	(95,835)	-	(124,984)	(50,921)	(576,601)
	<u>(95,835)</u>	<u>172</u>	<u>(124,984)</u>	<u>(50,921)</u>	<u>(343,390)</u>
Expenditures grouped by function:					
General government				\$ -	\$ 66,063
Justice System					17,034
Public Safety	975		36,853	24,245	373,110
Corrections and Rehabilitation		5,073			5,073
Health and Human Services					181,916
Community and Economic Development					207,984
Infrastructure and Environmental Services					30,335
Total expenditures by function	\$ 975	\$ 5,073	\$ 36,853	\$ 24,245	\$ 881,515

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, 2011

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 (ARRA)
 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	\$ 57,239	\$ -	\$ 69,339	\$ 165,520
State:							
Local:							
Total Revenue		234,859	12,100	57,239	-	69,339	165,520
		<u>EXPENDITURES</u>					
Federal/State:							
	Administration	22,000	1,100	5,500		6,600	15,400
	Architectural and Engineering	22,000	11,000	8,500		19,500	2,500
	Construction - Fire Protection Facilities	190,859	-	43,239		43,239	147,620
Local:							
	Engineering/Architectural Services						
	Construction - neighborhood Facilities						
	Administration						
Total Expenditures		234,859	12,100	57,239	-	69,339	165,520
Excess Revenue Over (Under) Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CULBERSON COUNTY, TEXAS
TEXAS OFFICE OF RURAL COMMUNITY AFFAIRS
SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED SEPTEMBER 30, 2011

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

REVENUE

	BUDGET	FEDERAL/STATE PRIOR YEARS	CURRENT YEAR	LOCAL	TOTAL	VARIANCE
Federal/State State:	\$ 295,384	\$ 84,450	\$ 207,984	\$ -	\$ 292,434	\$ 2,950
Local:	-	-	-	-	-	-
Total Revenue	295,384	84,450	207,984	-	292,434	2,950

EXPENDITURES

Federal/State:						
Administration	25,000	17,700	8,850		26,550	(1,550)
Architectural and Engineering	29,500	18,750	6,250		25,000	4,500
Construction - Neighborhood Facilities	240,884	48,000	192,884		240,884	-
Local:						
Engineering/Architectural Services						
Construction - Neighborhood Facilities						
Administration						
Total Expenditures	295,384	84,450	207,984	-	292,434	2,950
Excess Revenue Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Single Audit Section

CULBERSON COUNTY - TEXAS
SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS
 YEAR ENDED SEPTEMBER 30, 2011

GRANT TITLE	Single Audit Status	FEDERAL CFDA NUMBER	AWARD AMOUNT	PASS-THROUGH CONTRACT NUMBER	AUDIT PERIOD EXPENDITURES
U.S. Department of Housing and Urban Development (HUD)					
Pass Through:					
Office of Rural Community Affairs					
Community Service Block Grant:					
Fire Protection Facilities (ARRA)	b/major	14.225	\$ 234,859	R729-080	57,239
Neighborhood Facilities AC elect	b/major	14.228	\$ 295,384	728-100	<u>207,984</u>
					<u>265,223</u>
Homeland Security:					
Pass through: Texas Engineering Extension Service / and					
Texas Engineering Extension Service					
Homeland Security:					
2009 SHSP	b/nonmajor	97.074	\$ 224,408	2009 SHSP	87,580
2008 SHSP	b/nonmajor	97.074	\$ 238,309	2008 SHSP	<u>147,907</u>
					<u>235,487</u>
HAVA Grant					
Passed through Texas Secretary of State	b/nonmajor	39.011	\$ 63,581	78530	<u>12,610</u>
U.S Department of Justice:					
Pass through: Texas Border Sheriff's Coalition					
Justice Assistance Grant - Linebacker	b/major	16.580	\$ 221,222	2008-DD-BX-0188	12,817
Justice Assistance Grant - Linebacker	b/major	16.580	\$ 237,650	2010-DD-BX-0484	18,702
Pass through: Governor's Division of Emergency Management					
Edward Byne Memorial Justice Assistance Grant	b/major	16.738	\$ 124,224	DJ-10-A10-19869-04	21,169
Edward Byne Memorial Justice Assistance Grant (ARRA)	b/major	16.803	\$ 44,357	SU-09-A10-2531-01	2,450
Edward Byne Memorial Justice Assistance Grant (ARRA)	b/major	16.803	\$ 294,228	SU-09-A10-23307-01	<u>51,967</u>
					<u>107,105</u>
U. Department of Transportation					
Pass through TX Department of Transportation					
Federal Aviation Admin- Airport improvements	b/nonmajor	20.106	\$ 1,772	AM2009VHORN	<u>1,772</u>
Total Federal Financial Assistance					
					<u>622,197</u>
State Grants:					
Border Colonia Access program - Tx Dot					
Texas Division of Emergency Management	n/a	n/a	\$ 253,579	245BCF5002	16,342
Local Border Security Program	n/a	n/a	\$ 330,658	LBSP-10/11	<u>7,010</u>
Total State Grants					
					<u>23,352</u>
Total State and Federal Financial Assistance					
					<u>\$ 645,549</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, 2011, and have issued our report thereon dated January 28, 2012. 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 the 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs and the schedule of significant deficiencies, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs and schedule of significant deficiencies to be a material weakness. (1-2011).

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. We consider the deficiency described in the accompany schedule of findings and questioned costs and schedule of significant deficiencies to be a significant deficiency. (1-2007).

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*, and which are described in the accompanying schedule of findings and questioned costs and schedule of significant deficiencies as item (1-2011)

We noted certain matters that we reported to management of the County of Culberson, Texas, in a separate letter dated January 28, 2012.

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,
January 28, 2012

CULBERSON COUNTY, TEXAS

SCHEDULE OF SIGNIFICANT DEFICIENCIES

For Fiscal Year Ended September 30, 2011

1- 2011 Significant Deficiency/ Material Weakness – Allowable Costs / Questioned Costs

Deficiency – In the audit of Edward Byne Memorial Justice Assistance Grant (ARRA) CFDA 16.803 – Youth Center Project Contract # SU-09-A10-2531-01 The County paid in advance by credit card to a vendor company owned by Roland Gomez who subsequent to the transactions was elected as a County Commissioner. Grant reimbursement requests were submitted for reimbursement by the County prior to verification of receipt of goods and substantial performance of contracted services. Based on observations made during the audit, the grant reimbursements were received for an estimated \$16,736 in computer equipment, software, and installation services that were not observed during our site visit. Specifically as of the December 5, 2011, (the date of our inspection of the completed Youth Center facility): two of ten grant purchased desk top computers and related software were not present or in service; three of five grant purchased laptop computers and related software were not present or in service; a grant purchased smart board was not present, installed or in service; and grant funded facility internet hardwiring was incomplete and not functional. (This deficiency was considered exclusive to the Youth Center Project Grant number SU-09-A10-2531-01 which had a total award of \$44,357)

Reason Improvement is Needed – Failure to monitor receipt and performance of grant funded goods and services subjects the County to liability for grant funded questioned costs and increases the risk of noncompliance. In effective grant administration could negatively affect the County's ability to receive future grant wards.

Recommendation - We recommend the County discontinue the use of County credit cards or other means of advance paying vendors prior to verification of completeness of delivery of contracted goods and services. We recommend the designated grant administrator monitor performance of grant projects prior to making request for reimbursement to awarding agencies.

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

Deficiency – **As was noted in the prior year's 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 and out of balance

ledgers were not identified or resolved. These matters were substantially resolved by management approved audit adjustments for financial reporting purposes.

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:

2- 2006 – Bank Reconciliations Procedures – Not Repeated –

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, 2011

Management Response

1-2011-The County has discontinued advance funding of grant expenditures. The County is in the process of remedying the questioned costs through an internal audit and a letter of demand to the vendor in question. Both actions are in question regarding the non-delivery of contracted goods and services. Steps will be implemented through policy and court action to discontinue paying vendors prior to verification of completeness of delivery of contracted goods and services. It is imperative that all grant administrators monitor performances and grant projects prior to making request for reimbursements to awarding agencies.

1-2007-The County has updated and converted to a new version of its accounting software system which provides better software controls with respect to the general ledger balancing. Also the treasurer will take greater care posting entries to transfer accounts and in verifying balancing. Our Auditor must and will monitor compliance with month end and closing procedures.

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

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

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

Compliance

We have audited Culberson County, Texas' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of Culberson County, Texas' major federal programs for the year ended September 30, 2011. Culberson County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Culberson County, Texas' management. Our responsibility is to express an opinion on Culberson County, Texas' compliance based on our audit.

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

As described in item 1-2011 in the accompanying schedule of findings and questioned costs and schedule of significant deficiencies, Culberson County, Texas, did not comply with requirements regarding activities allowed or disallowed that are applicable to its administration of Edward Byne Memorial Justice Assistance Grant (ARRA) CFDA 16.803 Youth Center Project contract number SU-09-A10-2531.01. Compliance with such requirements is necessary, in our opinion, for Culberson County, Texas, to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Culberson County, Texas, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

Internal Control Over Compliance

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

over compliance. Accordingly, we do not express an opinion on the effectiveness of Culberson County, Texas' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 1-2011 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 1-2011 to be a significant deficiency.

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

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

Knapp & Company, P.C.

Dallas, Texas,
January 28, 2012

CULBERSON COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For Fiscal Year Ended September 30, 2011

<u>PROGRAM</u>	<u>Description</u>
Type of Report on Financial Statements	Unqualified opinion
Significant Deficiencies (See pages 47 and 48)	1-2011 (Edward Byne Memorial Justice Assistance Grant (ARRA) CFDA 16.803) 1-2007 (Does not directly affect any specific federal program)
Material Weaknesses (See page 47)	1-2011
Noncompliance Material to the Financial Statements	None reported
Type of Report on Compliance with Major Programs	Qualified opinion
Findings and Questioned Costs for Federal Awards as Defined in Section .510 (a), OMB Circular A-133 (Findings and questioned costs > \$10,000)	Questioned cost of \$16,736 (Edward Byne Memorial Justice Assistance Grant (ARRA) CFDA 16.803 – contract SU-09-A10-2531-01) (See also page 47)
Dollar Threshold Considered Between Type A and B Federal and State Programs	\$300,000 (\$500,000 threshold for determining a single audit)
Low Risk Auditee Statements - Status	The County was not classified as a low risk auditee in the context of OMB Circular A-133.
Major Federal Programs	Community Service Block Grant (14.225 ARRA and 14.228) Edward Byne Memorial Justice Assistance Grant (16.738 and 16.803 ARRA) Justice Assistance Linebacker (16.580)
Major State Programs	None
Prior Year Findings or Questioned Costs	2-2006 was not repeated 1-2007 was a repeat finding