

Zapata County, Texas

**Financial Statements
And Supplementary Information**

For the Year Ended September 30, 2009

ZAPATA COUNTY, TEXAS

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FINANCIAL STATEMENTS

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Gloria E. 'Gigi' Flores, CPA

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INDEPENDENT AUDITOR'S REPORT

To the County Judge and County Commissioners
Zapata County, Texas

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Zapata County, Texas, as of September 30, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2010, on our consideration of the Zapata County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information 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 the Zapata County, Texas's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Zapata County, Texas. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Flores Auditing, PLLC

Flores Auditing, PLLC

Laredo, Texas
April 30, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Zapata County, Texas, we offer readers of the County's financial statements, this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2009. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the County's financial statements (beginning on page 4).

FINANCIAL HIGHLIGHTS

Highlights for Government-wide Financial Statements

- The assets of Zapata County exceeded its liabilities at the close of the fiscal year 2008 by \$59,864,201 (total net assets). Of this amount, \$10,600,418 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$10,157,266 (20%) during 2009.
- The governmental net assets increased by \$10,300,174 (23%) and the business-type net assets decreased by \$142,908 (-2%) during 2009.

Highlights for Fund Financial Statements

- As of the close of the current fiscal year, Zapata County's governmental funds reported a combined ending fund balance of \$25,325,359, a decrease of \$4,666,975 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$8,728,242, a decrease of \$1,242,070 in comparison with the prior year. Reserved fund balance for the general fund was \$9,815,780, an increase of \$1,012,011 in comparison with the prior year. Total fund balance was \$18,544,022, a decrease of \$230,059, in the general fund.

Zapata County, Texas
Statement of Net Assets
September 30, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents	\$ 26,457,261	\$ 241,391	\$ 26,698,652
Receivables	1,766,179	202,163	1,968,342
Internal balances	-	1,396,573	1,396,573
Due from other governmental agencies	659,104	-	659,104
Capital assets			
Land	1,554,640	645,520	2,200,160
Infrastructure	-	5,929,211	5,929,211
Buildings and improvements	47,122,695	1,698,205	48,820,900
Equipment and furniture	6,709,600	2,807,370	9,516,970
Construction in Progress	9,441,672	-	9,441,672
Less: accumulated depreciation	<u>(16,018,408)</u>	<u>(5,792,689)</u>	<u>(21,811,097)</u>
Total capital assets	<u>48,810,199</u>	<u>5,287,617</u>	<u>54,097,816</u>
Total assets	<u><u>77,692,743</u></u>	<u><u>7,127,744</u></u>	<u><u>84,820,487</u></u>
LIABILITIES			
Bank Overdraft	-	1,120,401	1,120,401
Accounts payable and accrued expenses	385,898	320,521	706,419
Deferred revenues	-	-	-
Internal balances	1,396,573	-	1,396,573
Due to other governmental agencies	-	-	-
Long-term liabilities			
Due within one year			
Bonds, capital leases and contracts	-	-	-
Due in more than one year			
Bonds, capital leases and contracts	21,431,150	-	21,431,150
Compensated absences	264,055	37,688	301,743
Total liabilities	<u>23,477,676</u>	<u>1,478,610</u>	<u>24,956,286</u>
NET ASSETS			
Invested in capital assets, net of related debt	27,379,049	5,287,617	32,666,666
Restricted for:			
Capital projects	3,945,032	-	3,945,032
Debt service	217,765	-	217,765
Other purposes	12,434,320	-	12,434,320
Unrestricted	10,238,901	361,517	10,600,418
Total net assets	<u>\$ 54,215,067</u>	<u>\$ 5,649,134</u>	<u>\$ 59,864,201</u>

The accompanying notes are an integral part of these financial statements

Zapata County, Texas
Statement of Activities
For the Year Ended September 30, 2009

	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenue		Primary Government		Business-type	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Activities	Total
Functions/Programs						
Primary Government						
Governmental activities	\$ 6,597,686	\$ 300,785	\$ -	\$ (6,061,579)	\$ -	\$ (6,061,579)
General government	6,704,709	1,605,972	-	(5,098,737)	-	(5,098,737)
Public safety	1,472,298	194,994	-	(1,277,304)	-	(1,277,304)
Justice system	3,289,767	714,514	-	(2,575,253)	-	(2,575,253)
Health and human services	3,616,049	-	78,000	(3,538,049)	-	(3,538,049)
Infrastructure and environmental services	2,638,028	25,820	-	(1,156,791)	-	(1,156,791)
Correction and rehabilitation	1,637,545	865,018	-	(772,527)	-	(772,527)
Community and economic development	914,792	-	-	(914,792)	-	(914,792)
Interest on long-term debt	-	-	-	-	-	-
Total governmental activities	26,870,874	3,707,103	78,000	(21,395,032)	-	(21,395,032)
Business-type activities						
Water plant	2,601,058	-	-	-	(859,048)	(859,048)
Airport	114,383	-	-	-	(103,904)	(103,904)
Sheriff commissary	84,445	146,888	-	-	62,443	62,443
Total business-type activities	2,799,886	1,899,377	-	-	(900,509)	(900,509)
Total primary government	\$ 29,670,760	\$ 3,707,103	\$ 78,000	\$ (21,395,032)	\$ (900,509)	\$ (22,295,541)
General revenues:						
Taxes:						
Property taxes, levied for general purposes				23,579,937	-	23,579,937
Property taxes, levied for debt service				2,026,322	-	2,026,322
Investment earnings				347,829	34	347,863
Miscellaneous				2,491,664	-	2,491,664
Other Financing Sources/(Uses)				3,249,454	757,567	4,007,021
Total general revenues, special items, and transfers				31,695,206	757,601	32,452,807
Change in net assets				10,300,174	(142,908)	10,157,266
Net Assets-beginning				43,914,893	5,758,724	49,673,617
Net Assets-ending				\$ 54,215,067	\$ 5,615,816	\$ 59,830,883

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

Zapata County, Texas
Balance Sheet
Governmental Funds
September 30, 2009

	General Fund	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 17,019,548	\$ 3,018,763	\$ 217,765	\$ 6,344,516	\$ 26,600,592
Taxes receivable, net	1,570,141	96,564	98,259	-	1,764,964
Accounts receivable	-	1,215	-	-	1,215
Due from other funds	2,308,235	-	-	-	2,308,235
Receivable from other governments	430,073	110,438	-	78,000	618,511
Total assets	<u>21,327,997</u>	<u>3,226,980</u>	<u>316,024</u>	<u>6,422,516</u>	<u>31,293,517</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Bank Overdraft	-	102,738	-	-	102,738
Accounts payable	308,629	77,269	-	-	385,898
Due to other funds	905,205	322,119	-	2,477,484	3,704,808
Due to other governments	-	-	-	-	-
Deferred revenue-taxes	1,570,141	96,564	98,259	-	1,764,964
Deferred revenue-grants	-	9,750	-	-	9,750
Total liabilities	<u>2,783,975</u>	<u>608,440</u>	<u>98,259</u>	<u>2,477,484</u>	<u>5,968,158</u>
Fund balances:					
Unreserved, reported in:					
General fund	8,728,242	-	-	-	8,728,242
Reserved, reported in:					
General fund	9,815,780	-	-	-	9,815,780
Debt service	-	-	217,765	-	217,765
Capital projects	-	-	-	3,945,032	3,945,032
Special revenues	-	2,618,540	-	-	2,618,540
Total fund balances	<u>18,544,022</u>	<u>2,618,540</u>	<u>217,765</u>	<u>3,945,032</u>	<u>25,325,359</u>
Total liabilities and fund balances	<u>\$ 21,327,997</u>	<u>\$ 3,226,980</u>	<u>\$ 316,024</u>	<u>\$ 6,422,516</u>	<u>\$ 31,293,517</u>

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

Zapata County, Texas
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
September 30, 2009

Total fund balance, governmental funds \$ 25,325,359

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.

Add - capital assets	64,828,607
Deduct - accumulated depreciation	(16,018,408)

Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.

Taxes receivable, deferred	1,510,659
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Some liabilities, (such as Notes payable, Capital lease contract payable, Long-term compensated absences and Bonds payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.

(21,431,150)

Net Assets of Governmental Activities in the Statement of Net Assets	<u>\$ 54,215,067</u>
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The accompanying notes are an integral part of these financial statements.

Zapata County, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2009

	General Fund	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
Property taxes	\$ 20,001,946	\$ 3,285,778	\$ 1,928,063	\$ -	\$ 25,215,787
Fees and fines	-	176,709	-	-	176,709
Intergovernmental	1,700,813	3,461,707	-	78,000	5,240,520
Charges for services	214,851	20,471	-	-	235,322
Investment earnings	271,562	16,378	5,987	53,902	347,829
Miscellaneous	1,945,105	362,350	-	-	2,307,455
Total revenues	<u>24,134,277</u>	<u>7,323,393</u>	<u>1,934,050</u>	<u>131,902</u>	<u>33,523,622</u>
EXPENDITURES					
Current:					
General government	6,386,364	14,621	-	-	6,400,985
Public safety	4,377,330	1,636,894	-	-	6,014,224
Justice system	1,206,015	256,160	-	-	1,462,175
Health and human services	2,277,542	819,566	-	-	3,097,108
Infrastructure and environmental services	212,016	2,479,519	-	-	2,691,535
Corrections and rehabilitation	2,529,809	25,820	-	-	2,555,629
Community and economic development	423,307	1,139,238	-	-	1,562,545
Debt service:					
Principal	-	-	1,105,000	-	1,105,000
Interest and other charges	-	-	914,792	-	914,792
Capital outlay	6,194,386	-	-	9,441,672	15,636,058
Total expenditures	<u>23,606,769</u>	<u>6,371,818</u>	<u>2,019,792</u>	<u>9,441,672</u>	<u>41,440,051</u>
Excess (deficiency) of revenues over expenditures	<u>527,508</u>	<u>951,575</u>	<u>(85,742)</u>	<u>(9,309,770)</u>	<u>(7,916,429)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(757,567)	-	-	-	(757,567)
Other financing sources	-	-	-	4,007,021	4,007,021
Total other financing sources and uses	<u>(757,567)</u>	<u>-</u>	<u>-</u>	<u>4,007,021</u>	<u>3,249,454</u>
Net change in fund balances	(230,059)	951,575	(85,742)	(5,302,749)	(4,666,975)
Fund balances - beginning	18,774,081	1,666,965	303,507	9,247,781	29,992,334
Fund balances - ending	<u>\$ 18,544,022</u>	<u>\$ 2,618,540</u>	<u>\$ 217,765</u>	<u>\$ 3,945,032</u>	<u>\$ 25,325,359</u>

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

Zapata County, Texas
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2009

Net change in fund balances - total governmental funds: \$ (4,666,975)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlay \$15,636,058 exceeded depreciation \$1,849,027 in the current period 13,787,031

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. 75,118

Governmental funds report bond proceeds as current financial resources, In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments.

Repayments:

Principal payments 1,105,000

Change in net assets of governmental activities \$ 10,300,174

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

Zapata County, Texas
Statement of Net Assets
Proprietary Funds
September 30, 2009

	Enterprise Funds			Total Proprietary Funds
	Water Plant	Airport	Sheriff Commissary	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ -	\$ 161,848	\$ 79,543	\$ 241,391
Due from other funds	1,443,926	-	-	1,443,926
Receivables, net	202,163	-	-	202,163
Total current assets	<u>1,646,089</u>	<u>161,848</u>	<u>79,543</u>	<u>1,887,480</u>
Non-current assets:				
Capital assets:				
Land	645,520	-	-	645,520
Infrastructure	5,929,211	-	-	5,929,211
Buildings and improvements	1,641,395	56,810	-	1,698,205
Equipment and furniture	2,807,370	-	-	2,807,370
Less accumulated depreciation	<u>(5,769,197)</u>	<u>(23,492)</u>	<u>-</u>	<u>(5,792,689)</u>
Total non-current assets	<u>5,254,299</u>	<u>33,318</u>	<u>-</u>	<u>5,287,617</u>
Total assets	<u><u>6,900,388</u></u>	<u><u>195,166</u></u>	<u><u>79,543</u></u>	<u><u>7,175,097</u></u>
LIABILITIES				
Current liabilities:				
Bank Overdraft	1,120,401	-	-	1,120,401
Accounts Payable	176,297	-	-	176,297
Due to Other Funds	-	47,353	-	47,353
Compensated absences	37,688	-	-	37,688
Customer Deposits & Water Rights	144,224	-	-	144,224
Bonds, notes and loans payable	-	-	-	-
Total current liabilities	<u>1,478,610</u>	<u>47,353</u>	<u>-</u>	<u>1,525,963</u>
Non-current liabilities				
Bonds, notes and loans payable	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u><u>1,478,610</u></u>	<u><u>47,353</u></u>	<u><u>-</u></u>	<u><u>1,525,963</u></u>
NET ASSETS				
Invested in capital assets, net of related debt	5,254,299	33,318	-	5,287,617
Unrestricted	167,479	114,495	79,543	361,517
Total net assets	<u><u>\$ 5,421,778</u></u>	<u><u>\$ 147,813</u></u>	<u><u>\$ 79,543</u></u>	<u><u>\$ 5,649,134</u></u>

The accompanying notes are an integral part of these financial statements

Zapata County, Texas
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
September 30, 2009

	Enterprise Funds			Total Proprietary Funds
	Water Plant	Airport	Sheriff Commissary	
REVENUES				
Charges for services	\$ 1,742,010	\$ 10,479	\$ -	\$ 1,752,489
Sales of products	-	-	146,888	146,888
Total operating revenues	<u>1,742,010</u>	<u>10,479</u>	<u>146,888</u>	<u>1,899,377</u>
OPERATING EXPENSES				
Personal services	1,281,695	91,512	-	1,373,207
Contractual services	24,471	-	-	24,471
Utilities	213,434	-	-	213,434
Repairs and maintenance	405,425	15,432	-	420,857
Other supplies and expenses	416,584	6,019	84,445	507,048
Depreciation	259,449	1,420	-	260,869
Total Operating expenses	<u>2,601,058</u>	<u>114,383</u>	<u>84,445</u>	<u>2,799,886</u>
Operating income (loss)	<u>(859,048)</u>	<u>(103,904)</u>	<u>62,443</u>	<u>(900,509)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	34	-	-	34
Interest expense	-	-	-	-
Total non-operating revenue (expenses)	<u>34</u>	<u>-</u>	<u>-</u>	<u>34</u>
Income (loss) before contributions and transfers	<u>(859,014)</u>	<u>(103,904)</u>	<u>62,443</u>	<u>(900,475)</u>
TRANSFERS IN	666,055	91,512	-	757,567
TRANSFERS OUT	-	-	-	-
Change in net assets	<u>(192,959)</u>	<u>(12,392)</u>	<u>62,443</u>	<u>(142,908)</u>
Total net assets - beginning	5,614,737	126,887	17,100	5,758,724
Total net assets - ending	<u>\$ 5,421,778</u>	<u>\$ 114,495</u>	<u>\$ 79,543</u>	<u>\$ 5,615,816</u>

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

Zapata County, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2009

	Enterprise Funds			Total Proprietary Funds
	Water Plant	Airport	Sheriff Commissary	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,742,010	\$ 10,479	\$ 146,888	\$ 1,899,377
Payments to employees	(1,281,695)	(91,512)	-	(1,373,207)
Payments to vendors, suppliers, and insurance administrators	(1,059,914)	(21,451)	(84,445)	(1,165,810)
Internal transactions	-	-	-	-
Net cash provided by operating activities	<u>(599,599)</u>	<u>(102,484)</u>	<u>62,443</u>	<u>(639,640)</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES				
Transfers in	666,055	91,512	-	757,567
Net cash provided by non capital financing activities	<u>666,055</u>	<u>91,512</u>	<u>-</u>	<u>757,567</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Short term loan payable	-	-	-	-
Interest paid on debt	-	-	-	-
Customer Deposits & Water Rights	-	-	-	-
Long term notes payable	-	-	-	-
Net cash provided by capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	34	-	-	34
Capital Contributions	(66,490)	172,820	-	106,330
Net cash provided by investing activities	<u>(66,456)</u>	<u>172,820</u>	<u>-</u>	<u>106,364</u>
Net increase (decrease) in cash and cash equivalents	-	161,848	62,443	224,291
Cash and pooled investments, beginning of year	-	-	17,100	17,100
Cash and pooled investments, end of year	<u>\$ -</u>	<u>\$ 161,848</u>	<u>\$ 79,543</u>	<u>\$ 241,391</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (loss)	(859,048)	(103,904)	62,443	(900,509)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	259,449	1,420	-	260,869
Change in assets and liabilities:				
Receivables, net	-	-	-	-
Accounts and other payables	-	-	-	-
Net cash provided by operating activities	<u>\$ (599,599)</u>	<u>\$ (102,484)</u>	<u>\$ 62,443</u>	<u>\$ (639,640)</u>

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

Zapata County, Texas
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 4,355,899</u>
Total current assets	<u><u>4,355,899</u></u>
LIABILITIES	
Due to other funds	-
Due to other governments	301,941
Refunds payable and others	<u>4,053,958</u>
Total liabilities	<u><u>\$ 4,355,899</u></u>

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

Zapata County, Texas
Notes to the Financial Statements
September 30, 2009

NOTE 1 GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. While the previous model emphasized fund types (the total of all funds of a particular type), in the new reporting model the focus is on either the County as a whole or as major individual funds (within the fund financial statements).

Both the government-wide and fund financial statements within the basic financial statements categorize primary activities as either governmental activities or business-type activities. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional categories (public safety, public works, etc.) that are otherwise being 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. The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from fines and forfeitures, licenses and permit fees, taxes and charges for services. The operating grants include operating-specific and discretionary (either operating or capital grants while the capital grants columns reflects capital-specific grants.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales or use taxes, intergovernmental revenues, interest income, etc.). Historically, the previous model did not summarize or present net cost by function or activity. The County does not currently employ an indirect cost allocation system.

This government-wide focus is more on the sustainability of the County as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The fund financial statements are, in substance, very similar to the financial statements presented in the previous model. Emphasis here is on the governmental or business-type categories. Management has elected to treat all governmental funds as major funds.

Business-type activity fund statements should directly reconcile to the business-type activity column presented in the government-wide statements.

The governmental funds statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted.

This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the sources and use of liquid resources, and (c) demonstrate how the County's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

Zapata County, Texas
Notes to the Financial Statements
September 30, 2009

The County's fiduciary funds (which have been redefined and narrowed in scope) are presented in the fund financial statements by type (agency). 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 in the government-wide statements.

The focus of the revised model is on the County as a whole and the fund statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by category). Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

NOTE 2 MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

1. 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 measurement made, regardless of the measurement focus applied.

The Government-wide Financial Statements and the Proprietary and Fiduciary Fund Financial Statements are presented on an accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented on a modified accrual basis.

Accrual:

All proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the County receives cash.

Modified Accrual:

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule is that debt service expenditures, compensated absences and claims and judgments, are recognized when due.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement #33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met should under most circumstances, be reported as advances by the provider and deferred revenues by the recipient.

Zapata County, Texas
Notes to the Financial Statements
September 30, 2009

2. FINANCIAL STATEMENT PRESENTATION

The financial transactions of the County are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures, or expenses as appropriate. The various funds are reported by generic classification within the financial statements. Governmental resources allocated to, and accounted for, in the individual funds are based on the specific activities in accordance with laws, regulations, or other restrictions.

GOVERNMENTAL FUNDS:

The focus of Governmental Funds measurement (in the Fund Financial 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 governmental bonds, loans, and capital leases.

Capital Projects Funds are used to account for the financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by Business-type/Proprietary Funds).

PROPRIETARY FUND TYPES:

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by pledge of the net revenues, (b) has third party requirements that the costs, be of providing services including capital costs, be recovered with fees and charges or (c) has pricing policy designed for the fees and charges to recover similar costs. The County may additionally elect to treat other County business similarly.

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. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds.

Trust and Agency Funds are used to account for the trust (either pension, investments [held for third parties] or private purpose) or agencies, which are custodial in nature.

Zapata County, Texas
Notes to the Financial Statements
September 30, 2009

Non-Current Governmental Assets/Liabilities:

GASB Statement #34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental column in the government-wide Statement of Net Assets.

NOTE 3 ASSETS, LIABILITIES AND FUND EQUITY

1. CASH AND CASH EQUIVALENTS AND BANK OVERDRAFT

The County has defined Cash and Cash Equivalents to include change funds, demand deposits, certificates of deposit, and money market certificates.

2. INVENTORIES

The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets of their respective funds.

3. CAPITAL ASSETS AND DEPRECIATION

Capital Assets which include property, plant, equipment and infrastructure assets (e.g. roads and similar immovable items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the County are depreciated using the straight-line method over the estimated useful life of the assets as follows:

Buildings and improvements	15 to 40 years
Equipment (computer, office and vehicles)	5 years
Infrastructure-roads (paved, caliche, or dirt)	15 to 40 years
Infrastructure-water and wastewater lines and pump stations	40 years

Zapata County, Texas
Notes to the Financial Statements
September 30, 2009

4. INTERFUND TRANSACTIONS

During the course of normal operations, the County has many transactions between funds. The accompanying Fund Level financial statements reflect as transfers the expenditures and transfers of resources to provide services, construct assets and meet debt service requirements. The effect of interfund activity has been eliminated in the Government-wide financial statements, except for transactions between the governmental and business-type activities.

5. DUE FROM OTHER GOVERNMENTAL UNITS

To recognize resources available for Special Revenue Funds and Capital Projects Funds, the County records amounts due from grantors upon receipt of the award and records the award as deferred revenue. For grants that require expenditures for eligible grant purposes in order to earn the award, revenues are recognized when expenditures are made. For other grants and financial assistance, the amounts due from other governmental units and deferred revenue are reduced upon receipt of payment and revenues are then recognized.

6. FUND EQUITY

Certain fund balances or portions thereof have been reserved to indicate amounts that are not appropriated for expenditures or are legally segregated for a specific future purpose. Designation of a portion of the fund balance is established to indicate tentative plans for financial resource utilization in a future period.

7. CAPITAL GRANT

Capital grants restricted for capital acquisitions or construction, other than those associated with proprietary funds, are accounted for in the applicable Capital Projects Funds. Grant monies restricted for acquisition of Enterprise Fund capital assets are recorded as contributed equity in the applicable enterprise fund. Therefore, depreciation expense relating to fixed assets contributed or acquired with grant monies is deducted from the applicable contributed capital.

8. BUDGETARY INFORMATION

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The County Judge is the budget officer and has the responsibility of preparing the County's budgeted expenditures.
2. All County departments and organizations submit their budget requests to the County Judge for the fiscal year commencing the following October 1, by July 1.
3. During July, Commissioners Court conducts informal budget workshops with each department head to discuss their budget requests.
4. On or about July 31, the County Judge prepares a proposed budget to cover all proposed expenditures of the County for the current year. Copies of the proposed budget are filed with the County Clerk. The proposed budget is available for inspection by taxpayers.

Zapata County, Texas
Notes to the Financial Statements
September 30, 2009

5. After the filing of the proposed budget, on a date after August 15th, but prior to September 30 of the current year, Commissioners Court conducts a public hearing on the County's proposed budget. Any taxpayer of the County of Zapata had the right to present and participate in the hearing. At the conclusion of the hearing, the proposed budget, as prepared by the County Judge, is acted upon by the Commissioners Court. The Court had the authority to make such changes in the budget, as in its judgment the facts and the law warrant and the interest of the taxpayers demand, provided the amounts budgeted for current expenditures from the various funds for the County do not exceed the balances in these funds as of October 1 plus the anticipated revenue for the current year for which the budget is made, as estimated by the County Judge.

6. Under no circumstances can Commissioners Court authorize expenditures that will exceed appropriations. Commissioners Court must authorize budget amendments transferring funds among different departments within the same fund.

Anytime any revisions are necessary that alter the total appropriations of any fund, Commissioners Court must enter an order setting forth how the budget is to be amended, declaring an emergency, finding that grave public necessity exists to meet unusual and unforeseen conditions which could not, by reasonably diligent thought and attention, have been included in the original budget.

Budgets adopted on an annual basis are consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, non-grant special revenue, and debt service funds. All annual appropriations lapse at fiscal year end. Budgetary integration is not employed for capital projects funds, because they include projects which extend over a period of several years.

NOTE 4 DEPOSITS AND INVESTMENTS

Cash deposits held at financial institutions can be categorized into the following three categories of credit risk:

Category 1 - Deposits which are insured or collateralized with securities held by the entity or by its agents in the entity's name.

Category 2 - Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 - Deposits which are not collateralized.

Based on three levels of risk, all of the County's cash deposits are classified as Category 1.

Deposits - State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposit. The County's deposits, including certificates of deposits, were fully insured or collateralized as required by the state statutes at September 30, 2009. At year-end, the carrying amount of the County's deposits was \$31,054,551 and the respective bank balances totaled \$32,748,754 and TexPool balances of \$6,316. Included in the bank balances are certificates of deposits totaling \$25,271,001. Of the total bank balance, \$250,000 was covered by Federal Depository Insurance, the remainder was covered by collateral with a value of \$46,463,282. The collateral is held by the

Zapata County, Texas
Notes to the Financial Statements
September 30, 2009

Federal Reserve Bank of Dallas in the County's name under a joint safekeeping agreement with Zapata National Bank of Zapata, Texas.

State statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; and (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

The County did not have any investments during the year or at September 30, 2009.

NOTE 5 TAXES RECEIVABLE

A summary of taxes receivable at September 30, 2009 follows:

	General Funds	Special Revenue Funds	Debt Service Funds	Totals
Taxes receivable delinquent	\$ 1,744,601	\$ 107,293	\$ 109,177	\$ 1,961,071
Allowance for uncollectible accounts	(174,460)	(10,729)	(10,918)	(196,107)
Taxes receivable, net of allowance for uncollectible accounts	<u>\$ 1,570,141</u>	<u>\$ 96,564</u>	<u>\$ 98,259</u>	<u>\$ 1,764,964</u>

Property taxes attach as an enforceable lien as of January 1. The taxes are levied each October 1 based on the assessed value listed as of the date the enforceable lien attaches. Appraised values are established by the Zapata County Appraisal District, assessed at 100% of appraised value, and certified by the Appraisal Review Board. These taxes are due from October 1 of the year in which levied until January 31 of the following year without interest or penalty. On February 1 of each year, the taxes are subject to simple interest and penalties.

The current tax levy, reduced by an allowance for uncollectible taxes receivable, is recognized in the accounts when levied October 1, and is recorded as deferred revenue at that time. Such deferred revenues are recognized as revenues when they are collected.

Zapata County, Texas
Notes to the Financial Statements
September 30, 2009

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at September 30, 2009 are as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 2,308,235	\$ 905,205
Special Revenues	0	322,119
Capital Projects	0	2,477,484
Proprietary Funds	1,443,926	47,353
	\$ 3,752,161	\$ 3,752,161

NOTE 7 OPERATING TRANSFERS

Operating transfers during the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 0	\$ 757,567
Special Revenue	0	0
Debt Service	0	0
Capital Projects	0	0
Proprietary Funds	757,567	0
	\$ 757,567	\$ 757,567

NOTE 8 DUE FROM OTHER GOVERNMENTS

Significant amounts due from other governments as of September 30, 2009 include:

<u>Due From</u>	<u>Amount</u>
<i>General Fund</i>	
U.S. Marshal	\$ 430,073
Texas Department of Rural Affairs	85,700
City of Laredo	36,813
Office of the Governor	65,925

Zapata County, Texas
Notes to the Financial Statements
September 30, 2009

NOTE 9 CAPITAL ASSETS

Governmental Activities

Details of changes in capital assets for the year September 30, 2009 are as follows:

	Balance 10/1/2008	Additions	Adjustments/ Retirements	Balance 9/30/2009
Land	\$ 1,554,640	\$ 0	\$ 0	\$ 1,554,640
Buildings and Improvements	31,038,848	16,083,847	0	47,122,695
Furniture and Equipment	6,709,600	0	0	6,709,600
Construction in Progress	9,889,461	9,441,672	9,889,461	9,441,672
	<u>\$ 49,192,549</u>	<u>\$ 25,525,519</u>	<u>\$ 9,889,461</u>	<u>\$ 64,828,607</u>
Less accumulated depreciation				<u>(16,018,408)</u>
Totals				<u><u>\$ 48,810,199</u></u>

- (1) During August of 2000, the County hired a professional firm to prepare a complete inventory and valuation of their land, buildings and improvements and furniture and equipment. Replacement cost was used for all unknown values.
- (2) Depreciation expense for governmental activities for the year September 30, 2009 was \$1,849,027.

Business-type Activities

	Waterplant	Airport	Total
Land	\$ 645,520	\$ 0	\$ 645,520
Buildings and Improvements	1,641,395	56,810	1,698,205
Furniture and Equipment	2,807,370	0	2,807,370
Infrastructure	5,929,211	0	5,929,211
	<u>\$ 11,023,496</u>	<u>\$ 56,810</u>	<u>\$ 11,080,306</u>
Less accumulated depreciation	<u>(5,769,197)</u>	<u>(23,492)</u>	<u>(5,792,689)</u>
Totals	<u><u>\$ 5,254,299</u></u>	<u><u>\$ 33,318</u></u>	<u><u>\$ 5,287,617</u></u>

The County recognized \$260,869 of depreciation expense related to the Proprietary Funds in fiscal year 2009.

Zapata County, Texas
Notes to the Financial Statements
September 30, 2009

NOTE 10 LONG-TERM DEBT

The following is a summary of changes in general ledger in general long-term debt of the County for the year ended September 30, 2009:

	Balance 10/1/2008	Additions	Retirement	Balance 9/30/2009
Primary Government:				
Bonds Payable-2006	\$ 14,146,150	\$ 0	\$ 535,000	\$ 13,611,150
Bonds Payable-2005	8,390,000	0	570,000	7,820,000
Totals	<u>\$ 22,536,150</u>	<u>\$ 0</u>	<u>\$ 1,105,000</u>	<u>\$ 21,431,150</u>

Bonds Payable

Bonds payable at September 30, 2009 are comprised of the following issues:

	<u>Primary Government General Long- Term Debt</u>	<u>Waterplant Enterprise Fund Debt</u>	<u>Total</u>
Limited Tax Refunding Bonds, Series 2005 Due in annual installments ranging from \$495,000 to \$855,000 through 2020; interest at 3.0% to 4.25%	\$ 7,820,000		\$ 7,820,000
Unlimited Tax Road Bonds, Series 2006 Due in annual installments ranging from \$385,000 to \$1,110,000 through 2026; interest at 4.0% to 5.125%	<u>\$ 13,611,150</u>		<u>\$ 13,611,150</u>
Total Bonds Payable	<u>\$ 21,431,150</u>		<u>\$ 21,431,150</u>

Zapata County, Texas
Notes to the Financial Statements
September 30, 2009

The annual debt service requirements to amortize general obligations bonds outstanding at September 30, 2009 are as follows:

<u>Maturity</u>	<u>Principal</u>
2010	1,145,000
2011	1,190,000
2012	1,235,000
2013	1,285,000
2014	1,330,000
Thereafter	15,246,150
Totals	<u>\$ 21,431,150</u>

All bonds constitute direct obligations of the County, payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the County.

All bonds may be prepaid or redeemed prior to their respective scheduled due dates as per provisions in the bond agreements.

There were no authorized and unissued general obligation bonds at September 30, 2009. The County is in compliance with all bond covenants on outstanding general obligation bonded debt.

Primary Government

The maturity schedule of the 2005 and 2006 bond series is as follows:

<u>Year Ended September 30</u>	<u>2005 Series Principal</u>	<u>2006 Series Principal</u>	<u>Total</u>
2010	590,000	555,000	1,145,000
2011	610,000	580,000	1,190,000
2012	630,000	605,000	1,235,000
2013	655,000	630,000	1,285,000
2014	675,000	655,000	1,330,000
Thereafter	4,660,000	10,586,150	15,246,150
	<u>\$ 7,820,000</u>	<u>\$13,611,150</u>	<u>\$21,431,150</u>

Zapata County, Texas
Notes to the Financial Statements
September 30, 2009

NOTE 11 LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS LIABILITY

State and federal laws and regulations require the County to place final covers on its landfill site when it stops accepting waste at these sites. The County will also be required to perform certain maintenance and monitoring functions for thirty years at the landfill site.

The Governmental Accounting Standards Board (GASB) Statement Number 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs," addresses the financial statement effect of complying with EPA and state requirements. GASB Statement 18 requires that all closure and postclosure care costs be recognized during the operating life of the landfill. Accordingly, a portion of the total estimated closure and postclosure care costs, based on the ratio of landfill capacity, should be recognized as an expense and/or liability each period the landfill accepts waste.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care costs. The County established a separate account in October 1997 for these purposes. It is anticipated that future inflation costs will be paid in part from interest earnings on this account. However, if additional postclosure care requirements are determined (due changes in technology or applicable laws or regulations, for example) or interest earnings are inadequate, these costs may need to be covered by charges to future landfill users or from future tax revenue.

NOTE 12 EMPLOYEE RETIREMENT BENEFITS

Texas County and District Retirement System

A. Plan Description:

The District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 586 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

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 8 or more years of service, with 20 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 8 years of service but must leave their accumulated contributions 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.

Zapata County, Texas
Notes to the Financial Statements
September 30, 2009

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.

B. Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the 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 7.38 % for calendar year 2009. The contribution rate payable by the employee members is 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.

C. Annual Pension Cost

For the employer's accounting year ending September 30, 2009, the annual pension cost for the TCDRS plan for its employees was \$770,482 and the actual contributions were \$730,806.

The annual required contributions were actuarially determined as a percent 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, 2007, and December 31, 2008, the basis for determining the contribution rate for calendar year 2008 and 2009. The December 31, 2008 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial valuation date	12/31/06	12/31/07	12/31/08
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, closed
Amortization period (yrs)	30	30	20
Amortization valuation method	SAF: 10 yr Smoothed value ESF: Fund value	SAF: 10 yr Smoothed value ESF: Fund value	SAF: 10 yr Smoothed value ESF: Fund value
Actuarial assumptions:			
Investment Return	8.00%	8.00%	8.00%
Projected salary increases	5.3%	5.3%	5.3%
Inflation:	3.5%	3.5%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

Zapata County, Texas
Notes to the Financial Statements
September 30, 2009

<u>Accounting Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Of APC Contributed</u>	<u>Net Pension Obligation</u>
2009	\$770,482	100%	\$0

D. Transition Disclosure:

It was determined in accordance with GASB Statement No. 27 that the pension liability was zero at the transition to that statement effective January 1, 2001, because all actuarially required contributions for the accounting years for the period January 1, 1987 through December 31, 2009 have been paid. There was no previously reported pension liability before the transition. Therefore, the difference between the pension liability at transition and the previously reported pension liability is zero.

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

Actuarial valuation date	12/31/06	12/31/07	12/31/08
Actuarial value of assets	18,256,862	20,271,762	20,381,709
Actuarial accrued liability (AAL)	17,100,711	19,120,384	20,998,562
Unfunded actuarial accrued liability (UAAL)	(1,156,151)	(1,151,378)	616,853
Funded ratio	106.76%	106.02%	97.06%
Annual covered payroll (actuarial)	8,230,839	9,140,115	10,278,200
UAAL as a percentage of covered payroll	(14.05%)	(12.60%)	(6.00%)

NOTE 13 CONTINGENCIES

A. Litigation

Various lawsuits are pending against the County involving general liability, civil rights actions and various contractual matters. In the opinion of County management, the potential claims against the County not covered by insurance resulting from such litigation will not materially affect the financial position of the County.

B. Federally Assisted Programs

The County participates in a number of federally assisted grant programs. Although the County's grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 and OMB Circular A-133 through September 30, 2009, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

GENERAL FUND

The **General Fund** is used to account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Current Property Taxes	\$ 19,234,116	\$ 19,234,116	\$ 19,455,780	\$ 221,664
Delinquent property taxes	250,000	250,000	369,419	119,419
Penalties and interest on taxes	150,000	150,000	176,747	26,747
Total taxes	<u>19,634,116</u>	<u>19,634,116</u>	<u>20,001,946</u>	<u>367,830</u>
Licenses and permits:				
Business and license and permits	8,000	8,000	2,626	(5,374)
Total licenses and permits	<u>8,000</u>	<u>8,000</u>	<u>2,626</u>	<u>(5,374)</u>
Intergovernmental				
Zapata I.S.D. shared tax office	176,000	176,000	178,054	2,054
Water connections	78,000	78,000	67,342	(10,658)
Total intergovernmental	<u>254,000</u>	<u>254,000</u>	<u>245,396</u>	<u>(8,604)</u>
Charges for services:				
Sheriff fees	4,000	4,000	4,310	310
Bond fees	-	-	8,133	8,133
County clerk fees	120,000	120,000	122,418	2,418
District clerk fees	70,000	70,000	77,027	7,027
Other fees	4,000	4,000	2,963	(1,037)
Total charges for services	<u>198,000</u>	<u>198,000</u>	<u>214,851</u>	<u>16,851</u>
Interest	500,000	500,000	271,562	(228,438)

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Other:				
Rent-Civic Center	4,500	4,500	6,875	2,375
Pavilion	9,000	9,000	9,285	285
Zapata Community Center	28,000	28,000	26,361	(1,639)
Swimming pool	400	400	2,020	1,620
Jail	2,200,000	2,200,000	1,455,417	(744,583)
Jail Telephone Commission	20,000	20,000	33,987	13,987
Landfill	200,000	200,000	145,344	(54,656)
Emergency Medical Service	300,000	300,000	240,347	(59,653)
Oil and Gas Royalty	700,000	700,000	1,381,540	681,540
Clinic Reimbursement	660,000	660,000	-	(660,000)
Miscellaneous	231,000	231,000	96,720	(134,280)
Total Other	<u>4,352,900</u>	<u>4,352,900</u>	<u>3,397,896</u>	<u>(955,004)</u>
TOTAL REVENUES	<u>24,947,016</u>	<u>24,947,016</u>	<u>24,134,277</u>	<u>(812,739)</u>
EXPENDITURES:				
General Government				
County Judge				
Personnel	243,556	243,556	239,837	3,719
Fringe Benefits	119,640	119,640	75,570	44,070
Travel and Education	18,000	18,000	17,489	511
Contract Services	50,000	50,000	50,920	(920)
Supplies	9,200	9,200	9,972	(772)
Other	26,000	26,000	23,572	2,428
Total County Judge	<u>466,396</u>	<u>466,396</u>	<u>417,360</u>	<u>49,036</u>
County Commissioner Precinct 1				
Personnel	84,387	84,387	85,855	(1,468)
Fringe Benefits	39,561	39,561	26,930	12,631
Travel and Education	4,000	4,000	3,215	785
Other	19,800	15,800	26,524	(10,724)
Total County Commissioner Precinct 1	<u>147,748</u>	<u>143,748</u>	<u>142,524</u>	<u>1,224</u>

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	2009			
	Budgeted Amounts		Actual Amounts,	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
County Commissioner Precinct 2				
Personnel	105,735	105,735	104,394	1,341
Fringe Benefits	58,380	58,380	35,025	23,355
Travel and Education	4,000	4,000	2,435	1,565
Supplies	8,000	-	-	-
Other	45,000	64,000	57,596	6,404
Total County Commissioner Precinct 2	<u>221,115</u>	<u>232,115</u>	<u>199,450</u>	<u>32,665</u>
County Commissioner Precinct 3				
Personnel	97,811	97,811	98,234	(423)
Fringe Benefits	49,452	49,452	33,777	15,675
Travel and Education	4,000	4,000	1,580	2,420
Supplies	25,000	15,000	6,117	8,883
Other	15,000	21,000	23,655	(2,655)
Total County Commissioner Precinct 3	<u>191,263</u>	<u>187,263</u>	<u>163,363</u>	<u>23,900</u>
County Commissioner Precinct 4				
Personnel	133,505	133,505	132,676	829
Fringe Benefits	64,340	64,340	44,900	19,440
Travel and Education	9,400	9,400	9,016	384
Supplies	5,000	1,000	2,725	(1,725)
Total County Commissioner Precinct 4	<u>212,245</u>	<u>208,245</u>	<u>189,317</u>	<u>18,928</u>
County Auditor				
Personnel	139,818	139,818	140,979	(1,161)
Fringe Benefits	65,748	65,748	53,570	12,178
Travel and Education	10,000	15,500	14,811	689
Supplies	11,200	9,200	8,177	1,023
Other	10,000	6,500	6,427	73
Total Auditor	<u>236,766</u>	<u>236,766</u>	<u>223,964</u>	<u>12,802</u>
Tax Assessor/Collector				
Personnel	200,317	200,317	196,404	3,913
Fringe Benefits	100,235	100,235	71,167	29,068
Travel and Education	12,000	12,000	11,269	731
Supplies	35,000	35,000	34,706	294
Other	32,500	32,500	32,587	(87)
Total Tax Assessor/Collector	<u>380,052</u>	<u>380,052</u>	<u>346,133</u>	<u>33,919</u>

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
County Clerk				
Personnel	138,301	138,301	141,226	(2,925)
Fringe Benefits	65,691	65,691	61,347	4,344
Travel and Education	7,700	7,700	7,760	(60)
Contract Services	42,000	52,000	50,346	1,654
Supplies	18,000	20,000	22,718	(2,718)
Other	43,400	31,400	37,450	(6,050)
Total County Clerk	<u>315,092</u>	<u>315,092</u>	<u>320,847</u>	<u>(5,755)</u>
County Treasurer				
Personnel	237,845	237,845	238,908	(1,063)
Fringe Benefits	108,387	108,387	93,176	15,211
Travel and Education	10,000	10,000	7,396	2,604
Supplies	10,000	10,000	10,955	(955)
Other	6,850	6,850	6,950	(100)
Total County Treasurer	<u>373,082</u>	<u>373,082</u>	<u>357,385</u>	<u>15,697</u>
Personnel Department				
Personnel	27,669	27,669	30,326	(2,657)
Fringe Benefits	13,084	13,024	12,490	534
Travel and Education	900	900	840	60
Supplies	600	600	566	34
Total Personnel Department	<u>42,253</u>	<u>42,193</u>	<u>44,222</u>	<u>(2,029)</u>
Custodial and Maintenance Service				
Personnel	110,933	110,933	112,577	(1,644)
Fringe Benefits	71,646	71,646	56,840	14,806
Contract Services	27,200	27,200	29,431	(2,231)
Supplies	26,200	26,200	25,911	289
Other	17,000	17,000	17,927	(927)
Total Custodial and Maintenance Service	<u>252,979</u>	<u>252,979</u>	<u>242,686</u>	<u>10,293</u>

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Non-Department				
Personnel	55,245	55,245	56,991	(1,746)
Fringe Benefits	23,724	23,724	25,935	(2,211)
Travel and Education	9,800	9,800	7,945	1,855
Contract Services	395,000	585,000	462,648	122,352
Supplies	47,500	47,500	62,125	(14,625)
Telephone	350,000	350,000	284,565	65,435
Utilities-General	1,100,000	1,100,000	1,031,097	68,903
Insurance-General	420,000	420,000	379,435	40,565
Other	690,898	840,898	663,874	177,024
Total Non-Department	<u>3,092,167</u>	<u>3,432,167</u>	<u>2,974,615</u>	<u>457,552</u>
Grants and Other Contributions				
Grants Matching	1,226,785	1,226,785	764,498	462,287
Total Grants and Other Contributions	<u>1,226,785</u>	<u>1,226,785</u>	<u>764,498</u>	<u>462,287</u>
Total General Government	<u>7,157,943</u>	<u>7,496,883</u>	<u>6,386,364</u>	<u>1,110,519</u>
Public Safety				
Sheriff Department				
Personnel	1,552,399	1,552,399	1,513,682	38,717
Fringe Benefits	718,062	718,062	562,620	155,442
Travel and Education	20,500	20,500	17,728	2,772
Supplies	177,000	177,000	97,931	79,069
Other	111,500	111,500	74,293	37,207
Total Sheriff Department	<u>2,579,461</u>	<u>2,579,461</u>	<u>2,266,254</u>	<u>313,207</u>
CSI Specialist				
Personnel	36,713	36,713	46,692	(9,979)
Fringe Benefits	15,113	15,113	15,728	(615)
Travel and Education	8,600	8,600	8,488	112
Supplies	5,000	5,000	3,649	1,351
Other	15,000	15,000	8,515	6,485
Total CSI Specialist	<u>80,426</u>	<u>80,426</u>	<u>83,072</u>	<u>(2,646)</u>

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Constables				
Personnel	50,844	50,844	51,443	(599)
Fringe Benefits	43,146	46,144	25,621	20,523
Travel and Education	8,000	6,550	5,829	721
Supplies	21,800	21,438	15,861	5,577
Other	6,000	4,814	6,254	(1,440)
Total Constables	<u>129,790</u>	<u>129,790</u>	<u>105,008</u>	<u>24,782</u>
Fire Fighting and Ambulance Services				
Personnel	1,221,377	1,221,377	1,319,288	(97,911)
Fringe Benefits	513,540	513,540	412,454	101,086
Travel and Education	30,000	30,000	21,893	8,107
Contract Services	36,000	36,000	15,436	20,564
Supplies	105,000	105,000	86,300	18,700
Other	64,800	64,800	48,809	15,991
Total Fire Fighting and Ambulance Services	<u>1,970,717</u>	<u>1,970,717</u>	<u>1,904,180</u>	<u>66,537</u>
Safety and Risk Management				
Personnel	7,441	7,441	6,067	1,374
Fringe Benefits	2,168	2,168	1,586	582
Travel and Education	3,000	3,000	2,741	259
Supplies	8,650	8,650	5,744	2,906
Other	3,000	3,000	2,678	322
Total Safety and Risk Management	<u>24,259</u>	<u>24,259</u>	<u>18,816</u>	<u>5,443</u>
Total Public Safety	<u>4,784,653</u>	<u>4,784,653</u>	<u>4,377,330</u>	<u>407,323</u>
Justice System				
Justices of the Peace				
Personnel	228,573	229,335	229,257	78
Fringe Benefits	122,766	122,824	67,879	54,945
Travel and Education	18,300	18,300	15,727	2,573
Contract Services	36,000	16,000	19,944	(3,944)
Supplies	17,800	39,700	34,765	4,935
Other	14,500	12,600	12,490	110
Total Justices of the Peace	<u>437,939</u>	<u>438,759</u>	<u>380,062</u>	<u>58,697</u>

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
County Attorney				
Personnel	267,595	267,595	235,132	32,463
Fringe Benefits	108,467	108,467	83,181	25,286
Travel and Education	6,000	6,000	5,693	307
Supplies	6,000	4,200	4,011	189
Other	31,000	32,800	26,214	6,586
Total County Attorney	<u>419,062</u>	<u>419,062</u>	<u>354,231</u>	<u>64,831</u>
49th District Court				
Personnel	106,999	106,999	93,248	13,751
Fringe Benefits	49,975	49,975	34,559	15,416
Travel and Education	5,500	5,500	1,637	3,863
Contract Services	168,500	168,500	113,872	54,628
Supplies	4,850	4,850	3,534	1,316
Other	29,200	29,200	23,951	5,249
Total 49th District Court	<u>365,024</u>	<u>365,024</u>	<u>270,801</u>	<u>94,223</u>
District Clerk				
Personnel	124,455	124,455	125,943	(1,488)
Fringe Benefits	62,583	62,583	44,577	18,006
Travel and Education	4,500	4,925	4,908	17
Supplies	16,000	16,000	15,424	576
Other	13,000	12,575	10,069	2,506
Total District Clerk	<u>220,538</u>	<u>220,538</u>	<u>200,921</u>	<u>19,617</u>
Total Justice System	<u>1,442,563</u>	<u>1,443,383</u>	<u>1,206,015</u>	<u>237,368</u>
Health and Human Services				
Indigent Health Care				
Personnel	31,815	31,815	33,015	(1,200)
Fringe Benefits	14,017	14,017	13,115	902
Travel and Education	4,000	4,000	4,184	(184)
Supplies	500	500	565	(65)
Indigent Health Care	1,781,380	1,712,039	1,620,552	91,487
Total Indigent Health Care	<u>1,831,712</u>	<u>1,762,371</u>	<u>1,671,431</u>	<u>90,940</u>

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Health Care Clinic				
Personnel	38,763	38,763	38,750	13
Fringe Benefits	22,448	22,448	21,358	1,090
Supplies	2,500	2,500	544	1,956
Total Health Care Clinic	<u>63,711</u>	<u>63,711</u>	<u>60,652</u>	<u>3,059</u>
Environmental Health				
Personnel	261,514	261,514	239,848	21,666
Fringe Benefits	167,076	167,076	119,636	47,440
Travel and Education	4,000	4,000	3,495	505
Supplies	76,000	66,000	27,967	38,033
Other	153,922	163,922	154,513	9,409
Total Environmental Health	<u>662,512</u>	<u>662,512</u>	<u>545,459</u>	<u>117,053</u>
Total Health and Human Services	<u>2,557,935</u>	<u>2,488,594</u>	<u>2,277,542</u>	<u>211,052</u>
Environmental Services				
Recycling				
Personnel	51,721	51,721	50,165	1,556
Fringe Benefits	33,481	33,481	21,390	12,091
Travel and Education	3,500	3,500	2,994	506
Supplies	6,000	6,000	4,484	1,516
Other	4,000	4,000	5,381	(1,381)
Total Recycling	<u>98,702</u>	<u>98,702</u>	<u>84,414</u>	<u>14,288</u>
Code Enforcement				
Personnel	20,380	20,380	23,287	(2,907)
Fringe Benefits	11,948	11,948	9,157	2,791
Travel and Education	12,800	12,800	11,361	1,439
Contract Services	40,000	40,000	36,696	3,304
Supplies	6,000	6,000	5,895	105
Other	7,000	7,000	2,957	4,043
Total Code Enforcement	<u>98,128</u>	<u>98,128</u>	<u>89,353</u>	<u>8,775</u>

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Agriculture and Livestock				
Personnel	36,861	36,861	21,318	15,543
Fringe Benefits	23,621	23,621	8,429	15,192
Travel and Education	4,800	2,400	2,087	313
Supplies	5,500	7,900	6,415	1,485
Total Agriculture and Livestock	<u>70,782</u>	<u>70,782</u>	<u>38,249</u>	<u>32,533</u>
Total Environmental Services	<u>267,612</u>	<u>267,612</u>	<u>212,016</u>	<u>55,596</u>
Corrections and Rehabilitation				
County Jail				
Personnel	393,502	393,502	381,424	12,078
Fringe Benefits	237,993	237,993	157,023	80,970
Travel and Education	7,500	7,500	2,851	4,649
Supplies	18,000	18,000	8,826	9,174
Other	168,400	168,400	105,856	62,544
Total County Jail	<u>825,395</u>	<u>825,395</u>	<u>655,980</u>	<u>169,415</u>
Regional Jail				
Personnel	1,099,426	1,099,426	1,129,689	(30,263)
Fringe Benefits	573,023	573,023	415,544	157,479
Travel and Education	20,500	20,500	18,487	2,013
Supplies	33,500	33,500	25,093	8,407
Other	354,000	354,000	285,016	68,984
Total Regional Jail	<u>2,080,449</u>	<u>2,080,449</u>	<u>1,873,829</u>	<u>206,620</u>
Total Corrections and Rehabilitation	<u>2,905,844</u>	<u>2,905,844</u>	<u>2,529,809</u>	<u>376,035</u>
Community and Economic Development				
Zapata Civic Center				
Personnel	82,106	82,106	83,293	(1,187)
Fringe Benefits	47,728	47,728	37,369	10,359
Travel and Education	1,200	1,200	290	910
Supplies	8,000	8,000	5,083	2,917
Other	31,000	31,000	15,653	15,347
Total Zapata Civic Center	<u>170,034</u>	<u>170,034</u>	<u>141,688</u>	<u>28,346</u>

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
San Ygnacio Civic Center				
Personnel	11,000	11,000	10,050	950
Fringe Benefits	962	962	830	132
Supplies	1,000	1,000	1,038	(38)
Other	4,000	4,000	3,360	640
Total San Ygnacio Civic Center	16,962	16,962	15,278	1,684
Lopeno Civic Center				
Personnel	12,081	12,081	12,074	7
Fringe Benefits	9,584	9,584	6,499	3,085
Supplies	2,000	2,000	24	1,976
Other	6,000	6,000	1,347	4,653
Total Lopeno Civic Center	29,665	29,665	19,944	9,721
Falcon Community Center				
Personnel	4,026	4,026	4,025	1
Fringe Benefits	902	902	726	176
Supplies	1,500	1,500	1,491	9
Total Falcon Community Center	6,428	6,428	6,242	186
Parks and Buildings				
Other	-	-	24,126	(24,126)
Total Parks and Buildings	-	-	24,126	(24,126)
County Library System				
Personnel	108,482	108,482	108,994	(512)
Fringe Benefits	65,626	65,626	32,121	33,505
Travel and Education	6,000	5,000	3,639	1,361
Supplies	43,000	43,000	38,128	4,872
Other	15,800	33,800	33,147	653
Total County Library System	238,908	255,908	216,029	39,879
Total Community and Economic Development	461,997	478,997	423,307	55,690

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Capital Outlay				
County Commissioner Precinct #1	670,000	670,000	97,767	572,233
County Commissioner Precinct #2	1,923,000	1,908,000	177,550	1,730,450
County Commissioner Precinct #3	300,000	300,000	30,856	269,144
County Commissioner Precinct #4	325,000	324,180	155,012	169,168
Non Department	140,000	140,000	69,054	70,946
Grants and Other Contributions	25,000	25,000	2,446,302	(2,421,302)
Health Care Clinic	50,000	119,341	85,190	34,151
Oil and Gas Funds	-	-	354,989	(354,989)
Carry-Over Reserve	-	-	252,664	(252,664)
Capital Outlay Department	1,252,000	1,251,000	2,525,002	(1,274,002)
Total Capital Outlay	<u>4,685,000</u>	<u>4,737,521</u>	<u>6,194,386</u>	<u>(1,456,865)</u>
TOTAL EXPENDITURES	<u>24,263,547</u>	<u>24,603,487</u>	<u>23,606,769</u>	<u>996,718</u>
Excess (deficiency) of revenues over expenditures	<u>683,469</u>	<u>343,529</u>	<u>527,508</u>	<u>183,979</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(828,844)	(828,844)	(757,567)	71,277
Other financing uses	-	-	-	-
Net other financing sources (uses)	<u>(828,844)</u>	<u>(828,844)</u>	<u>(757,567)</u>	<u>71,277</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(145,375)	(485,315)	(230,059)	255,256
FUND BALANCE AT BEGINNING OF YEAR	<u>18,774,081</u>	<u>18,774,081</u>	<u>18,774,081</u>	-
FUND BALANCE AT END OF YEAR	<u>18,628,706</u>	<u>18,288,766</u>	<u>18,544,022</u>	<u>255,256</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for resources allocated to specific purposes. A special revenue fund continues in existence as long as governmental resources are allocated to its specific purposes.

**ZAPATA COUNTY, TEXAS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2009**

	GENERAL ROAD AND BRIDGE	SPECIAL ROAD AND BRIDGE	LATERAL ROADS	TEXAS JUVENILE PROBATION	TDR 727115	CITY OF LAREDO TASK FORCE	SHERIFFS BORDER STAR	COUNTY ATTORNEY FUND	NUTRITION & I & A	HOTEL- MOTEL TAX
ASSETS										
Cash	\$ 4,642	\$ 25,089	\$ 390,999	\$ 136,470	\$ 314,419	\$ -	\$ -	\$ 224,970	\$ -	\$ 26,979
Certificates of Deposit	-	1,037,462	108,308	-	-	-	-	-	-	-
Taxes Receivable, Net	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	7,700	36,813	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 4,642	\$ 1,062,551	\$ 499,307	\$ 136,470	\$ 322,119	\$ 36,813	\$ -	\$ 224,970	\$ -	\$ 26,979
LIABILITIES AND FUND BALANCES										
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,813	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	77,269	-	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	322,119	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-	-
Deferred Revenues - Taxes	-	-	-	-	-	-	-	-	-	-
Deferred Revenues - Grants	-	-	-	9,750	-	-	-	-	-	-
Deferred Revenues - Other	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	77,269	-	9,750	322,119	36,813	-	-	-	-
FUND BALANCES:										
Unreserved - Undesignated	4,642	985,282	499,307	126,720	-	-	-	224,970	-	26,979
Total Fund Balances	4,642	985,282	499,307	126,720	-	-	-	224,970	-	26,979
Total Liabilities and Fund Balances	\$ 4,642	\$ 1,062,551	\$ 499,307	\$ 136,470	\$ 322,119	\$ 36,813	\$ -	\$ 224,970	\$ -	\$ 26,979

(CONTINUED)

**ZAPATA COUNTY, TEXAS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2009**

	COUNTY LIBRARY	COUNTY RECORDS MANAGEMENT	BORDER SECURITY	TOBACCO SETTLEMENT	STONE-GARDEN	OFFICE OF THE GOVERNOR JA08J	OFFICE OF THE GOVERNOR JA09J	BORDER COLONIA ACCESS	OPERATION LINEBACKER
ASSETS									
Cash	\$ 18,393	\$ 230,251	\$ -	\$ 299,604	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of Deposit	-	-	-	-	-	-	-	-	-
Taxes Receivable, Net	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	1,215	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	63,005	-	-	815	2,105	-	-
Other Receivables	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Total Assets	\$ 18,393	\$ 231,466	\$ 63,005	\$ 299,604	\$ -	\$ 815	\$ 2,105	\$ -	\$ -
LIABILITIES AND FUND BALANCES									
Bank Overdraft	\$ -	\$ -	\$ 63,005	\$ -	\$ -	\$ 815	\$ 2,105	\$ -	\$ -
Accounts Payable	-	-	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-
Deferred Revenues - Taxes	-	-	-	-	-	-	-	-	-
Deferred Revenues - Grants	-	-	-	-	-	-	-	-	-
Deferred Revenues - Other	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	63,005	-	-	815	2,105	-	-
FUND BALANCES:									
Unreserved - Undesignated	18,393	231,466	-	299,604	-	-	-	-	-
Total Fund Balances	18,393	231,466	-	299,604	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 18,393	\$ 231,466	\$ 63,005	\$ 299,604	\$ -	\$ 815	\$ 2,105	\$ -	\$ -

**ZAPATA COUNTY, TEXAS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2009**

	SHERIFF FORFEITURE	EMS FIRE MARSHAL	JUSTICE COURT TECHNOLOGY	SHERIFF TRAINING	RESERVE FUND	COURTHOUSE SECURITY	TOTALS
ASSETS							
Cash	\$ 26,464	\$ -	\$ 36,790	\$ 11,558	\$ 48,575	\$ 77,790	\$ 1,872,993
Certificates of Deposit	-	-	-	-	-	-	1,145,770
Taxes Receivable, Net	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	1,215
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	110,438
Other Receivables	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-
Total Assets	\$ 26,464	\$ -	\$ 36,790	\$ 11,558	\$ 48,575	\$ 77,790	\$ 3,130,416
LIABILITIES AND FUND BALANCES							
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,738
Accounts Payable	-	-	-	-	-	-	77,269
Due to Other Governments	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	322,119
Due to Others	-	-	-	-	-	-	-
Deferred Revenues - Taxes	-	-	-	-	-	-	-
Deferred Revenues - Grants	-	-	-	-	-	-	9,750
Deferred Revenues - Other	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	511,876
FUND BALANCES:							
Unreserved - Undesignated	26,464	-	36,790	11,558	48,575	77,790	2,618,540
Total Fund Balances	26,464	-	36,790	11,558	48,575	77,790	2,618,540
Total Liabilities and Fund Balances	\$ 26,464	\$ -	\$ 36,790	\$ 11,558	\$ 48,575	\$ 77,790	\$ 3,130,416

ZAPATA COUNTY, TEXAS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2008

	GENERAL ROAD AND BRIDGE	SPECIAL ROAD AND BRIDGE	LATERAL ROADS	TEXAS JUVENILE PROBATION	TDRA 727115	CITY OF LAREDO TASK FORCE	BORDER STAR	COUNTY ATTORNEY FUND	NUTRITION & I & A	HOTEL-MOTEL TAX
Revenues:										
Taxes	\$ -	2,480,509	\$ 515,981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 289,288
License and permits	-	362,350	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	194,994	7,700	149,064	135,000	-	545,403	-
Charges for Services	-	-	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	155,740	-	-	-	-	-	-	-	-
Interest	18	11,544	2,864	752	-	-	-	214	-	144
Other	-	-	-	-	-	-	-	-	-	-
Total Revenues	18	3,010,143	518,845	195,746	7,700	149,064	135,000	214	545,403	289,432
Expenditures:										
Current:										
Judicial	-	-	-	223,310	-	-	-	32,850	-	-
Law Enforcement	-	-	-	-	-	149,064	135,000	-	-	-
Corrections	-	-	-	-	-	-	-	-	-	-
Highways and Streets	-	2,358,897	120,622	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	545,403	-
Economic and Urban Development	-	-	-	-	7,700	-	-	-	-	274,220
Other	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	2,358,897	120,622	223,310	7,700	149,064	135,000	32,850	545,403	274,220
Excess (deficiency) of Revenues over Expenditures	18	651,246	398,223	(27,564)	-	-	-	(32,636)	-	15,212
Other Financing Sources (Uses):										
Operating transfers in	-	-	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	18	651,246	398,223	(27,564)	-	-	-	(32,636)	-	15,212
Fund Balances at Beginning of Year	4,624	334,036	101,084	154,284	-	-	-	257,606	-	11,767
Fund Balances at End of Year	\$ 4,642	\$ 985,282	\$ 499,307	\$ 126,720	\$ -	\$ -	\$ -	\$ 224,970	\$ -	\$ 26,979

(CONTINUED)

ZAPATA COUNTY, TEXAS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2008

	COUNTY LIBRARY	COUNTY RECORDS MANAGEMENT	BORDER SECURITY	TOBACCO SETTLEMENT	STONE-GARDEN	OFFICE OF THE GOVERNOR JA08J	OFFICE OF THE GOVERNOR JA09J	BORDER COLONIA ACCESS	OPERATION LINEBACKER
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	5,268	-	367,007	169,111	730,348	23,715	2,105	857,318	217,536
Charges for Services	-	20,471	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	5,268	20,471	367,007	169,111	730,348	23,715	2,105	857,318	217,536
Expenditures:									
Current:									
Judicial	-	-	-	-	-	-	-	-	-
Law Enforcement	-	-	367,007	-	730,348	-	-	-	217,536
Corrections	-	-	-	-	-	23,715	2,105	-	-
Highways and Streets	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Economic and Urban Development	-	-	-	224,042	-	-	-	857,318	-
Other	2,060	4,398	-	-	-	-	-	-	-
Total Expenditures	2,060	4,398	367,007	224,042	730,348	23,715	2,105	857,318	217,536
Excess (deficiency) of Revenues over Expenditures	3,208	16,073	-	(54,931)	-	-	-	-	-
Other Financing Sources (Uses):									
Operating transfers in	-	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	3,208	16,073	-	(54,931)	-	-	-	-	-
Fund Balances at Beginning of Year	15,185	215,393	-	354,535	-	-	-	-	-
Fund Balances at End of Year	\$ 18,393	\$ 231,466	\$ -	\$ 299,604	\$ -	\$ -	\$ -	\$ -	\$ -

ZAPATA COUNTY, TEXAS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2008

	SHERIFF FORFEITURE	EMS FIRE MARSHAL	JUSTICE COURT TECHNOLOGY	SHERIFF TRAINING	RESERVE FUND	COURTHOUSE SECURITY	TOTALS
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3,285,778
License and permits	-	-	-	-	-	-	362,350
Intergovernmental	-	50,121	-	7,017	-	-	3,461,707
Charges for Services	-	-	-	-	-	-	20,471
Fines and Forfeitures	16,549	-	-	-	-	4,420	176,709
Interest	119	-	153	-	214	356	16,378
Other	-	-	-	-	-	-	-
Total Revenues	16,668	50,121	153	7,017	214	4,776	7,323,393
Expenditures:							
Current:							
Judicial	-	-	-	-	-	-	256,160
Law Enforcement	27,642	-	2,739	7,558	-	-	1,636,894
Corrections	-	-	-	-	-	-	25,820
Highways and Streets	-	-	-	-	-	-	2,479,519
Health and Welfare	-	50,121	-	-	-	-	819,566
Economic and Urban Development	-	-	-	-	-	-	1,138,238
Other	-	-	-	-	8,163	-	14,621
Total Expenditures	27,642	50,121	2,739	7,558	8,163	-	6,371,818
Excess (deficiency) of Revenues over Expenditures	(10,974)	-	(2,586)	(541)	(7,949)	4,776	951,575
Other Financing Sources (Uses):							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-	-	-	-
Excess (deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(10,974)	-	(2,586)	(541)	(7,949)	4,776	951,575
Fund Balances at Beginning of Year	37,438	-	39,376	12,099	56,524	73,014	1,666,965
Fund Balances at End of Year	\$ 26,464	\$ -	\$ 36,790	\$ 11,558	\$ 48,575	\$ 77,790	\$ 2,618,540

ZAPATA COUNTY, TEXAS
SPECIAL ROAD AND BRIDGE
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
REVENUES:				
Taxes:				
Current Property Taxes	\$ 2,457,665	\$ 2,457,665	\$ 2,441,738	\$ (15,927)
Delinquent property taxes	15,000	15,000	27,344	12,344
Penalties and interest on taxes	5,000	5,000	11,427	6,427
Total taxes	<u>2,477,665</u>	<u>2,477,665</u>	<u>2,480,509</u>	<u>2,844</u>
Licenses and permits:				
Registration and licenses	257,000	257,000	362,350	105,350
Total licenses and permits	<u>257,000</u>	<u>257,000</u>	<u>362,350</u>	<u>105,350</u>
Fines and Forfeitures				
County clerk	15,000	15,000	18,381	3,381
District clerk	21,000	21,000	16,387	(4,613)
Justices of the peace	40,000	40,000	120,972	80,972
Total charges for services	<u>76,000</u>	<u>76,000</u>	<u>155,740</u>	<u>79,740</u>
Interest	<u>5,000</u>	<u>5,000</u>	<u>11,544</u>	<u>6,544</u>
TOTAL REVENUES	<u>2,815,665</u>	<u>2,815,665</u>	<u>3,010,143</u>	<u>194,478</u>
EXPENDITURES:				
General Government				
County Commissioner Precinct 1				
Personnel	182,268	182,268	177,457	4,811
Fringe Benefits	95,909	95,909	67,282	28,627
Total County Commissioner Precinct 1	<u>278,177</u>	<u>278,177</u>	<u>244,739</u>	<u>33,438</u>
County Commissioner Precinct 2				
Personnel	138,087	138,087	138,919	(832)
Fringe Benefits	79,116	79,116	47,844	31,272
Total County Commissioner Precinct 2	<u>217,203</u>	<u>217,203</u>	<u>186,763</u>	<u>30,440</u>
County Commissioner Precinct 3				
Personnel	112,205	112,205	87,216	24,989
Fringe Benefits	59,558	59,558	32,800	26,758
Total County Commissioner Precinct 3	<u>171,763</u>	<u>171,763</u>	<u>120,016</u>	<u>51,747</u>
County Commissioner Precinct 4				
Personnel	134,460	134,460	133,826	634
Fringe Benefits	71,429	71,429	54,741	16,688
Total County Commissioner Precinct 4	<u>205,889</u>	<u>205,889</u>	<u>188,567</u>	<u>17,322</u>

ZAPATA COUNTY, TEXAS
SPECIAL ROAD AND BRIDGE
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	2009			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Road and Bridge				
Personnel	372,315	372,315	389,934	(17,619)
Fringe Benefits	208,885	208,885	160,505	48,380
Travel and Education	5,000	5,000	2,931	2,069
Supplies	210,000	210,000	163,272	46,728
Other	195,500	170,500	137,476	33,024
Total Special Road and Bridge	<u>991,700</u>	<u>966,700</u>	<u>854,118</u>	<u>112,582</u>
Capital Outlay				
County Commissioner Precinct #1	150,000	150,000	130,249	19,751
County Commissioner Precinct #2	170,000	170,000	159,943	10,057
County Commissioner Precinct #3	190,000	190,000	192,486	(2,486)
County Commissioner Precinct #4	275,000	275,000	98,702	176,298
Special Road and Bridge	70,999	95,999	183,314	(87,315)
Total Capital Outlay	<u>855,999</u>	<u>880,999</u>	<u>764,694</u>	<u>116,305</u>
TOTAL EXPENDITURES	<u>2,720,731</u>	<u>2,720,731</u>	<u>2,358,897</u>	<u>361,834</u>
Excess (deficiency) of revenues over expenditures	94,934	94,934	651,246	556,312
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Other financing uses	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	94,934	94,934	651,246	556,312
FUND BALANCE AT BEGINNING OF YEAR	334,036	334,036	334,036	-
FUND BALANCE AT END OF YEAR	<u>428,970</u>	<u>428,970</u>	<u>985,282</u>	<u>556,312</u>

Zapata County, Texas
Texas Juvenile Probation Commission
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended September 30, 2009

	A	C	E	F	G	H	X	Y	Z	PLACEMENTS	INTEREST	INTEREST
REVENUES												
Intergovernmental	\$ 30,674	\$ -	\$ -	\$ 45,515	\$ 7,702	\$ 32,832	\$ 6,063	\$ 41,863	\$ 14,145	\$ 16,200	\$ -	\$ 194,994
Interest	-	-	-	-	-	-	-	-	-	-	752	752
Total Revenues	\$ 30,674	\$ -	\$ -	\$ 45,515	\$ 7,702	\$ 32,832	\$ 6,063	\$ 41,863	\$ 14,145	\$ 16,200	\$ 752	\$ 195,746
EXPENDITURES												
Justice System												
Salaries and Fringe Benefits	\$ 30,674	\$ -	\$ -	\$ 45,515	\$ 7,002	\$ -	\$ -	\$ 40,603	\$ 14,145	\$ -	\$ -	\$ 137,939
Travel	-	-	-	-	-	-	-	1,260	-	-	-	1,260
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Non-Residential Services	-	-	-	-	700	-	6,063	-	-	-	-	6,763
Residential Services	-	-	-	-	-	32,832	-	-	-	16,200	-	49,032
Capital Outlay	-	-	28,316	-	-	-	-	-	-	-	-	28,316
Total Expenditures	\$ 30,674	\$ -	\$ 28,316	\$ 45,515	\$ 7,702	\$ 32,832	\$ 6,063	\$ 41,863	\$ 14,145	\$ 16,200	\$ -	\$ 223,310
Excess of Revenues Over/ (Under) Expenditures			(28,316)								752	(27,564)
Fund Balance Beginning of Year			152,027								2,257	154,284
Fund Balance End of Year			\$ 123,711								\$ 3,009	\$ 126,720

Zapata County, Texas
Texas Juvenile Probation Commission - State Aid
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2009

	Contract # TJPC-A-2009-253			Contract # TJPC-A-2010-253			Total Actual Amounts as of 9/30/09		
	Budget	Cumulative thru 9/30/08	Actual 10/1/2008 thru 8/31/09	Total	Variance Positive (Negative)	Budget		Actual	Variance Positive (Negative)
REVENUES									
Intergovernmental	\$ 29,701	\$ 2,663	\$ 27,038	\$ 29,701	\$ -	\$ 38,154	\$ 3,636	\$ (34,518)	\$ 30,674
Interest	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 29,701</u>	<u>\$ 2,663</u>	<u>\$ 27,038</u>	<u>\$ 29,701</u>	<u>\$ -</u>	<u>\$ 38,154</u>	<u>\$ 3,636</u>	<u>\$ (34,518)</u>	<u>\$ 30,674</u>
EXPENDITURES									
Justice System									
Salaries and Fringe Benefits	\$ 29,701	\$ 2,663	\$ 27,038	\$ 29,701	\$ -	\$ 37,454	\$ 3,636	\$ 33,818	\$ 30,674
Travel	-	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	700	-	700	-
Non-Residential Services	-	-	-	-	-	-	-	-	-
Residential Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>\$ 29,701</u>	<u>\$ 2,663</u>	<u>\$ 27,038</u>	<u>\$ 29,701</u>	<u>\$ -</u>	<u>\$ 38,154</u>	<u>\$ 3,636</u>	<u>\$ 34,518</u>	<u>\$ 30,674</u>

Zapata County, Texas
Texas Juvenile Probation Commission - Commitment Reduction Program
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2009

Contract # TJPC-C-2010-253			
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 25,000	\$ -	\$ -
Interest	-	-	-
Total Revenues	\$ 25,000	\$ -	\$ -
 EXPENDITURES			
Justice System			
Salaries and Fringe Benefits	\$ -	\$ -	\$ -
Travel	-	-	-
Operating Expenses	-	-	-
Non-Residential Services	-	-	-
Residential Services	25,000	-	-
Total Expenditures	\$ 25,000	\$ -	\$ -

Zapata County, Texas
Texas Juvenile Probation Commission - Title IV-E Contracts
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2009

	Contract # TJPC-E-2009-253			Contract # TJPC-E-2010-253			Total Actual Amounts as of 9/30/09	
	Budget	Cumulative thru 9/30/08	Actual 10/1/2008 thru 8/31/09	Total	Variance Positive (Negative)	Budget		Actual
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES								
Justice System								
Salaries and Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-
Non-Residential Services	-	-	-	-	-	-	-	-
Residential Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ 28,316	\$ 28,316	\$ 28,316	\$(28,316)	\$ -	\$ -	\$ 28,316
Excess of Revenues Over/ (Under) Expenditures				\$(28,316)				\$(28,316)
Fund Balance Beginning of Year				152,027			123,711	152,027
Fund Balance End of Year				\$ 123,711		\$ 123,711	\$ 123,711	\$ 123,711

Zapata County, Texas
Texas Juvenile Probation Commission - Progressive Sanctions JPOs
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2009

	Contract # TJPC-F-2009-253			Contract # TJPC-F-2010-253			Total Actual Amounts as of 9/30/09
	Budget	Cumulative thru 9/30/08	Actual 10/1/2008 thru 8/31/09	Total	Variance Positive (Negative)	Budget	
REVENUES							
Intergovernmental	\$ 44,358	\$ 3,888	\$ 40,470	\$ 44,358	\$ -	\$ 44,358	\$ 45,515
Interest	-	-	-	-	-	-	-
Total Revenues	\$ 44,358	\$ 3,888	\$ 40,470	\$ 44,358	\$ -	\$ 44,358	\$ 45,515
EXPENDITURES							
Justice System							
Salaries and Fringe Benefits	\$ 44,358	\$ 3,888	\$ 40,470	\$ 44,358	\$ -	\$ 44,358	\$ 45,515
Travel	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-
Non-Residential Services	-	-	-	-	-	-	-
Residential Services	-	-	-	-	-	-	-
Total Expenditures	\$ 44,358	\$ 3,888	\$ 40,470	\$ 44,358	\$ -	\$ 44,358	\$ 45,515

Zapata County, Texas
Texas Juvenile Probation Commission - Progressive Sanctions 123
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2009

Contract # TJPC-G-2009-253					
	Budget	Cumulative thru 9/30/08	Actual 10/1/2008 thru 8/31/09	Total	Variance Positive (Negative)
REVENUES					
Intergovernmental	\$ 8,453	\$ 751	\$ 7,702	\$ 8,453	\$ -
Interest	-	-	-	-	-
Total Revenues	<u>\$ 8,453</u>	<u>\$ 751</u>	<u>\$ 7,702</u>	<u>\$ 8,453</u>	<u>\$ -</u>
EXPENDITURES					
Justice System					
Salaries and Fringe Benefits	\$ 7,753	\$ 751	\$ 7,002	\$ 7,753	\$ -
Travel	-	-	-	-	-
Operating Expenses	-	-	-	-	-
Non-Residential Services	700	-	700	700	-
Residential Services	-	-	-	-	-
Total Expenditures	<u>\$ 8,453</u>	<u>\$ 751</u>	<u>\$ 7,702</u>	<u>\$ 8,453</u>	<u>\$ -</u>

Zapata County, Texas
Texas Juvenile Probation Commission - Diversionary
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2009

	Contract # TJPC-H-2009-253			Contract # TJPC-H-2010-253			Total Actual Amounts as of 9/30/09
	Budget	Cumulative thru 9/30/08	Actual 10/1/2008 thru 8/31/09	Total	Variance Positive (Negative)	Budget	
REVENUES							
Intergovernmental	\$ 32,832	\$ -	\$ 32,832	\$ 32,832	\$ -	\$ 16,416	\$ -
Interest	-	-	-	-	-	-	-
Total Revenues	<u>\$ 32,832</u>	<u>\$ -</u>	<u>\$ 32,832</u>	<u>\$ 32,832</u>	<u>\$ -</u>	<u>\$ 16,416</u>	<u>\$ 32,832</u>
EXPENDITURES							
Justice System							
Salaries and Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-
Non-Residential Services	-	-	-	-	-	-	-
Residential Services	32,832	-	32,832	32,832	-	16,416	32,832
Total Expenditures	<u>\$ 32,832</u>	<u>\$ -</u>	<u>\$ 32,832</u>	<u>\$ 32,832</u>	<u>\$ -</u>	<u>\$ 16,416</u>	<u>\$ 32,832</u>

Zapata County, Texas
Texas Juvenile Probation Commission - ICBP Regional
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2009

	Contract # TJPC-X-2009-253				Contract # TJPC-X-2010-253			Total Actual Amounts as of 9/30/09
	Budget	Cumulative thru 9/30/08	Actual 10/1/2008 thru 8/31/09	Total	Variance Positive (Negative)	Budget	Actual	
REVENUES								
Intergovernmental	\$ 6,063	\$ -	\$ 6,063	\$ 6,063	\$ -	\$ 8,506	\$ -	\$ 6,063
Interest	-	-	-	-	-	-	-	-
Total Revenues	\$ 6,063	\$ -	\$ 6,063	\$ 6,063	\$ -	\$ 8,506	\$ -	\$ 6,063
EXPENDITURES								
Justice System								
Salaries and Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-
Non-Residential Services	6,063	-	6,063	6,063	-	8,506	8,506	6,063
Residential Services	-	-	-	-	-	-	-	-
Total Expenditures	\$ 6,063	\$ -	\$ 6,063	\$ 6,063	\$ -	\$ 8,506	\$ 8,506	\$ 6,063

Zapata County, Texas
Texas Juvenile Probation Commission - Community Corrections Assistance
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2009

	Contract # TJPC-Y-2009-253				Contract # TJPC-Y-2010-253			Total Actual Amounts as of 9/30/09	
	Budget	Cumulative thru 9/30/08	Actual 10/1/2008 thru 8/31/09	Total	Variance Positive (Negative)	Budget	Actual		Variance Positive (Negative)
REVENUES									
Intergovernmental	\$ 41,947	\$ 3,675	\$ 38,272	\$ 41,947	\$ -	\$ 41,947	\$ 3,591	\$ (38,356)	\$ 41,863
Interest	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 41,947	\$ 3,675	\$ 38,272	\$ 41,947	\$ -	\$ 41,947	\$ 3,591	\$ (38,356)	\$ 41,863
EXPENDITURES									
Justice System									
Salaries and Fringe Benefits	\$ 40,687	\$ 3,675	\$ 37,012	\$ 40,687	\$ -	\$ 40,687	\$ 3,591	\$ 37,096	\$ 40,603
Travel	1,260	-	1,260	1,260	-	1,260	-	1,260	1,260
Operating Expenses	-	-	-	-	-	-	-	-	-
Non-Residential Services	-	-	-	-	-	-	-	-	-
Residential Services	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 41,947	\$ 3,675	\$ 38,272	\$ 41,947	\$ -	\$ 41,947	\$ 3,591	\$ 38,356	\$ 41,863

Zapata County, Texas
Texas Juvenile Probation Commission - Salary Adjustment
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2009

	Contract # TJPC-Z-2009-253				Contract # TJPC-Z-2010-253			Total Actual Amounts as of 9/30/09	
	Budget	Cumulative thru 9/30/08	Actual 10/1/2008 thru 8/31/09	Total	Variance Positive (Negative)	Budget	Actual		Variance Positive (Negative)
REVENUES									
Intergovernmental	\$ 14,250	\$ 1,201	\$ 13,049	\$ 14,250	\$ -	\$ 14,250	\$ 1,096	\$ (13,154)	\$ 14,145
Interest	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 14,250</u>	<u>\$ 1,201</u>	<u>\$ 13,049</u>	<u>\$ 14,250</u>	<u>\$ -</u>	<u>\$ 14,250</u>	<u>\$ 1,096</u>	<u>\$ (13,154)</u>	<u>\$ 14,145</u>
EXPENDITURES									
Justice System									
Salaries and Fringe Benefits	\$ 14,250	\$ 1,201	\$ 13,049	\$ 14,250	\$ -	\$ 14,250	\$ 1,096	\$ 13,154	\$ 14,145
Travel	-	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-	-
Non-Residential Services	-	-	-	-	-	-	-	-	-
Residential Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>\$ 14,250</u>	<u>\$ 1,201</u>	<u>\$ 13,049</u>	<u>\$ 14,250</u>	<u>\$ -</u>	<u>\$ 14,250</u>	<u>\$ 1,096</u>	<u>\$ 13,154</u>	<u>\$ 14,145</u>

Zapata County, Texas
Texas Juvenile Probation Commission - Placements
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2009

	Contract - 2009 - Placements				Variance Positive (Negative)
	Budget	Cumulative thru 9/30/08	Actual 10/1/2008 thru 8/31/09	Total	
REVENUES					
Intergovernmental	\$ 16,200	\$ -	\$ 16,200	\$ 16,200	\$ -
Interest	-	-	-	-	-
Total Revenues	<u>\$ 16,200</u>	<u>\$ -</u>	<u>\$ 16,200</u>	<u>\$ 16,200</u>	<u>\$ -</u>
EXPENDITURES					
Justice System					
Salaries and Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-
Operating Expenses	-	-	-	-	-
Non-Residential Services	-	-	-	-	-
Residential Services	16,200	-	16,200	16,200	-
Total Expenditures	<u>\$ 16,200</u>	<u>\$ -</u>	<u>\$ 16,200</u>	<u>\$ 16,200</u>	<u>\$ -</u>

Zapata County, Texas
Texas Juvenile Probation Commission - Interest
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2009

	Contract - 2009 - Interest			Contract - 2010 - Interest			Total Actual Amounts as of 9/30/09	
	Budget	Cumulative thru 9/30/08	Actual 10/1/2008 thru 8/31/09	Total	Variance Positive (Negative)	Budget		Actual
REVENUES								
Intergovernmental Interest	\$ -	\$ -	\$ 704	\$ 704	\$ 704	\$ -	\$ 48	\$ 48
Total Revenues	\$ -	\$ -	\$ 704	\$ 704	\$ 704	\$ -	\$ 48	\$ 48
EXPENDITURES								
Justice System								
Salaries and Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-
Non-Residential Services	-	-	-	-	-	-	-	-
Residential Services	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess of Revenues Over/ (Under) Expenditures				704	48		752	752
Fund Balance Beginning of Year								
				2,257	2,961		2,257	2,257
Fund Balance End of Year				\$ 2,961	\$ 3,009		\$ 3,009	\$ 3,009

**ZAPATA COUNTY, TEXAS
 TEXAS DEPARTMENT OF RURAL AFFAIRS
 STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2009**

	Contract # 727115				Variance Positive/ (Negative)
	Budget	Amount Previously Reported	Oct. 1, 2008 thru Sept. 30, 2009	Total	
REVENUES:					
Intergovernmental	500,000	492,300	7,700	500,000	-
TOTAL REVENUES	500,000	492,300	7,700	500,000	-
EXPENDITURES:					
Community and Economic Development					
Sewer Facilities	372,645	372,645	-	372,645	-
Rehabilitation, Sewer Services	43,355	43,355	-	43,355	-
Engineering/Architecture	84,000	76,300	7,700	84,000	-
TOTAL EXPENDITURES	500,000	492,300	7,700	500,000	-

ZAPATA COUNTY, TEXAS
LAREDO FINANCIAL NARCOTICS ENFORCEMENT TASK FORCE
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

Contract Period: 10/1/08 thru 09/30/09

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
REVENUES:			
Intergovernmental	149,064	149,064	-
TOTAL REVENUES	<u>149,064</u>	<u>149,064</u>	<u>-</u>
EXPENDITURES:			
Corrections and Rehabilitation			
Personnel	148,033	148,033	-
Fuel	1,031	1,031	-
TOTAL EXPENDITURES	<u>149,064</u>	<u>149,064</u>	<u>-</u>

ZAPATA COUNTY, TEXAS
SHERIFF'S OFFICE - OPERATION BORDER STAR
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	Contract # DJ07A101982102		
	Budget	Actual	Variance Postive/ (Negative)
REVENUES:			
Intergovernmental	135,000	135,000	-
TOTAL REVENUES	135,000	135,000	-
 EXPENDITURES:			
Corrections and Rehabilitation			
Personnel	101,250	101,250	-
Fringe Benefits	33,750	33,750	-
TOTAL EXPENDITURES	135,000	135,000	-

ZAPATA COUNTY, TEXAS
SHERIFF'S OFFICE - BORDER SECURITY
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
REVENUES:			
Intergovernmental	367,007	367,007	-
TOTAL REVENUES	<u>367,007</u>	<u>367,007</u>	<u>-</u>
EXPENDITURES:			
Corrections and Rehabilitation			
Personnel and Fringe Benefits	345,236	345,236	-
Fuel	21,771	21,771	-
TOTAL EXPENDITURES	<u>367,007</u>	<u>367,007</u>	<u>-</u>

ZAPATA COUNTY, TEXAS
SHERIFF'S OFFICE - OPERATION STONEGARDEN
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

Grant Period: September 1, 2008 thru May 1, 2011

CFDA Number: 97.067

	Budget Year One	Actual	Variance Postive/ (Negative)
REVENUES:			
Intergovernmental	753,510	730,348	(23,162)
TOTAL REVENUES	753,510	730,348	(23,162)
EXPENDITURES:			
Corrections and Rehabilitation			
Personnel and Fringe Benefits	175,390	167,291	8,099
Fuel	15,000	-	15,000
Vehicle Maintenance	5,000	4,153	847
Capital Outlay	558,120	558,904	(784)
TOTAL EXPENDITURES	753,510	730,348	23,162

**ZAPATA COUNTY, TEXAS
 JUVENILE JUSTICE ALTERNATIVE
 STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2009**

Contract Period: 9/1/08 thru 08/31/09

Contract # JA08J201478810					
Budget	Amount Previously Reported	Oct. 1, 2008 thru Sept. 30, 2009	Total	Variance Postive/ (Negative)	
REVENUES:					
Intergovernmental	55,300	-	23,175	23,175	(32,125)
TOTAL REVENUES	55,300	-	23,175	23,175	(32,125)
EXPENDITURES:					
Corrections and Rehabilitation					
Contractual & Professional Services	55,300	-	23,175	23,175	32,125
TOTAL EXPENDITURES	55,300	-	23,175	23,175	32,125

ZAPATA COUNTY, TEXAS
JUVENILE JUSTICE ALTERNATIVE
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

Contract Period: 9/1/09 thru 08/31/10

	Contract # JA09J201478811		
	Budget	Sept. 1, 2009 thru Sept. 30, 2009	Variance Positive/ (Negative)
REVENUES:			
Intergovernmental	63,030	2,105	(60,925)
TOTAL REVENUES	63,030	2,105	(60,925)
EXPENDITURES:			
Corrections and Rehabilitation			
Contractual & Professional Services	45,200	2,105	43,095
Personnel	4,200	-	4,200
Supplies & Direct Operating Expenses	760	-	760
Travel & Training	12,870	-	12,870
TOTAL EXPENDITURES	63,030	2,105	60,925

**ZAPATA COUNTY, TEXAS
 BORDER COLONIA PROGRAM
 STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2009**

	Contract # 5BCF5004				
Budget	Amount Previously Reported	Oct. 1, 2008 thru Sept. 30, 2009	Total	Variance Positive/ (Negative)	
REVENUES:					
Intergovernmental	1,420,182	530,661	857,318	1,387,979	(32,203)
TOTAL REVENUES	1,420,182	530,661	857,318	1,387,979	(32,203)
EXPENDITURES:					
Community and Economic Development					
Road Construction	991,421	341,494	617,724	959,218	32,203
Drainage Construction	169,698	4,590	165,108	169,698	-
Engineering/Architecture	190,561	139,824	50,737	190,561	-
Administrative	68,502	44,753	23,749	68,502	-
TOTAL EXPENDITURES	1,420,182	530,661	857,318	1,387,979	32,203

ZAPATA COUNTY, TEXAS
SHERIFF'S OFFICE - OPERATION LINEBACKER
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Positive/ (Negative)
REVENUES:			
Intergovernmental	249,100	217,536	(31,564)
TOTAL REVENUES	<u>249,100</u>	<u>217,536</u>	<u>(31,564)</u>
EXPENDITURES:			
Corrections and Rehabilitation			
Personnel and Fringe Benefits	71,516	57,630	13,886
Fuel	10,000	-	10,000
Repairs	7,833	7,833	-
Travel	15,000	7,322	7,678
Capital Outlay	144,751	144,751	-
TOTAL EXPENDITURES	<u>249,100</u>	<u>217,536</u>	<u>31,564</u>

DEBT SERVICE FUND

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and fiscal agent fees. The resources of this fund are generated by tax levies based upon property values.

ZAPATA COUNTY, TEXAS
DEBT SERVICE FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance-- favorable (Unfavorable)</u>
REVENUES:			
Taxes:			
Current property taxes	\$ 1,865,906	\$ 1,889,755	\$ 23,849
Delinquent property taxes	10,000	26,021	16,021
Penalty and Interest on taxes	6,000	12,287	6,287
Total taxes	<u>1,881,906</u>	<u>1,928,063</u>	<u>46,157</u>
Interest	<u>15,000</u>	<u>5,987</u>	<u>(9,013)</u>
TOTAL REVENUES	<u>1,896,906</u>	<u>1,934,050</u>	<u>37,144</u>
EXPENDITURES:			
Debt Service:			
Principal Retirement	1,105,000	1,105,000	-
Interest and Fiscal Charges	929,499	914,792	14,707
Total Debt Service	<u>2,034,499</u>	<u>2,019,792</u>	<u>14,707</u>
TOTAL EXPENDITURES	<u>2,034,499</u>	<u>2,019,792</u>	<u>14,707</u>
Excess (deficiency) of revenues over Expenditures	<u>(137,593)</u>	<u>(85,742)</u>	<u>51,851</u>
Other Financing Sources (Uses):			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of Revenues and Other Financing Sources Over Expenditures Other Financing Uses	<u>(137,593)</u>	<u>(85,742)</u>	<u>51,851</u>
Fund Balance at Beginning of Year	<u>303,507</u>	<u>303,507</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 165,914</u>	<u>\$ 217,765</u>	<u>\$ 51,851</u>

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for all resources to be used for the acquisition and/or construction of major capital facilities, which are not financed by proprietary fund types.

ZAPATA COUNTY, TEXAS

CAPITAL PROJECTS FUND COMBINING BALANCE SHEET SEPTEMBER 30, 2009

	<u>Road Bonds</u>	<u>TDRA Tech Facility</u>	<u>Water Plant</u>	<u>Total</u>
ASSETS				
Cash	\$ 851,323	\$ -	\$ 293,906	\$ 1,145,229
Certificates of Deposit	5,199,287	-	-	5,199,287
Due from Other Governments	-	78,000	-	78,000
Total Assets	<u>\$ 6,050,610</u>	<u>\$ 78,000</u>	<u>\$ 293,906</u>	<u>\$ 6,422,516</u>
LIABILITIES AND FUND BALANCES				
Due to Other Funds	<u>\$ 2,105,578</u>	<u>\$ 78,000</u>	<u>\$ 293,906</u>	<u>\$ 2,477,484</u>
Total Liabilities	<u>2,105,578</u>	<u>78,000</u>	<u>293,906</u>	<u>2,477,484</u>
FUND BALANCES:				
Unreserved - Undesignated	<u>3,945,032</u>	<u>-</u>	<u>-</u>	<u>3,945,032</u>
Total Fund Balances	<u>3,945,032</u>	<u>-</u>	<u>-</u>	<u>3,945,032</u>
Total Liabilities and Fund Balances	<u>\$ 6,050,610</u>	<u>\$ 78,000</u>	<u>\$ 293,906</u>	<u>\$ 6,422,516</u>

ZAPATA COUNTY, TEXAS
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Road Bonds	TDRA Tech Facility	Water Plant	Total
REVENUES:				
Intergovernmental	\$ -	\$ 78,000	\$ -	\$ 78,000
Interest	53,902	-	-	53,902
Total Revenues	<u>53,902</u>	<u>78,000</u>	<u>-</u>	<u>131,902</u>
EXPENDITURES:				
Capital Outlay	5,356,651	78,000	4,007,021	9,441,672
Total Expenditures	<u>5,356,651</u>	<u>78,000</u>	<u>4,007,021</u>	<u>9,441,672</u>
Excess (deficiency) of revenues over expenditures	<u>(5,302,749)</u>	<u>-</u>	<u>(4,007,021)</u>	<u>(9,309,770)</u>
Other Financing Sources (Uses):				
Loan Proceeds	-	-	4,007,021	4,007,021
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,007,021</u>	<u>4,007,021</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(5,302,749)</u>	<u>-</u>	<u>-</u>	<u>(5,302,749)</u>
Fund Balance at beginning of year	9,247,781	-	-	9,247,781
Fund balance at end of year	<u>\$ 3,945,032</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,945,032</u>

ZAPATA COUNTY, TEXAS
UNLIMITED TAX ROAD BONDS
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	Budget	Amount Previously Reported	Oct. 1, 2008 thru Sept. 30, 2009	Total	Variance Postive/ (Negative)
REVENUES:					
Interest	\$ -	\$ 919,207	\$ 53,902	\$ 973,109	\$ 973,109
TOTAL REVENUES	<u>-</u>	<u>919,207</u>	<u>53,902</u>	<u>973,109</u>	<u>973,109</u>
EXPENDITURES:					
Community and Economic Development					
Issuance Costs	268,462	268,462	-	268,462	-
Construction in Progress	14,731,538	6,402,964	5,356,651	11,759,615	2,971,923
TOTAL EXPENDITURES	<u>15,000,000</u>	<u>6,671,426</u>	<u>5,356,651</u>	<u>12,028,077</u>	<u>2,971,923</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,000,000)</u>	<u>(5,752,219)</u>	<u>(5,302,749)</u>	<u>(11,054,968)</u>	<u>3,945,032</u>
Other Financing Sources (Uses):					
Other Financing Sources	15,000,000	15,000,000	-	15,000,000	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Other Financing Sources (Uses)	<u>15,000,000</u>	<u>15,000,000</u>	<u>-</u>	<u>15,000,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	9,247,781	(5,302,749)	3,945,032	3,945,032
Fund Balance at beginning of year	-	-	9,247,781	-	-
Fund Balance at end of year	<u>\$ -</u>	<u>\$ 9,247,781</u>	<u>\$ 3,945,032</u>	<u>\$ 3,945,032</u>	<u>\$ 3,945,032</u>

ZAPATA COUNTY, TEXAS
TEXAS DEPARTMENT OF RURAL AFFAIRS
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	Contract # RTC803				Variance Positive/ (Negative)
	Budget	Amount Previously Reported	Oct. 1, 2008 thru Sept. 30, 2009	Total	
REVENUES:					
Intergovernmental	\$ -	\$ -	\$ 78,000	\$ 78,000	\$ 78,000
Interest	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>78,000</u>	<u>78,000</u>	<u>78,000</u>
EXPENDITURES:					
Community and Economic Development					
Technology Facility	1,500,000	-	78,000	78,000	1,422,000
TOTAL EXPENDITURES	<u>1,500,000</u>	<u>-</u>	<u>78,000</u>	<u>78,000</u>	<u>1,422,000</u>
Excess (deficiency) of revenues over (under) expenditures	(1,500,000)	-	-	-	1,500,000
Other Financing Sources (Uses):					
Other Financing Sources	-	-	-	-	-
Transfers Out	-	-	-	-	-
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,500,000)	-	-	-	1,500,000
Fund Balance at beginning of year	-	-	-	-	-
Fund Balance at end of year	<u>\$ (1,500,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500,000</u>

ZAPATA COUNTY, TEXAS
TEXAS WATER DEVELOPMENT BOARD - WATER PLANT
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2009

	Budget	Amount Previously Reported	Oct. 1, 2008 thru Sept. 30, 2009	Total	Variance Positive/ (Negative)
REVENUES:					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:					
Community and Economic Development					
Construction in Progress	-	602,251	4,007,021	4,609,272	(4,609,272)
TOTAL EXPENDITURES	<u>-</u>	<u>602,251</u>	<u>4,007,021</u>	<u>4,609,272</u>	<u>(4,609,272)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(602,251)</u>	<u>(4,007,021)</u>	<u>(4,609,272)</u>	<u>(4,609,272)</u>
Other Financing Sources (Uses):					
Loan Proceeds	-	602,251	4,007,021	4,609,272	4,609,272
Transfers Out	-	-	-	-	-
Net Other Financing Sources (Uses)	<u>-</u>	<u>602,251</u>	<u>4,007,021</u>	<u>4,609,272</u>	<u>4,609,272</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FIDUCIARY FUNDS

Trust and Agency Funds – Trust Funds are used to account for assets held by the County in a trustee capacity. Agency Funds are used to account for assets held by the County as the agent for individuals, private organizations, other governments, and/or other funds.

ZAPATA COUNTY, TEXAS
 FIDUCIARY FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 2009

AGENCY FUNDS

	County Clerk Trust	District Clerk Trust	District Attorney	Tax Assessor Collector	Jail Inmates	Appellate Judicial	Cemetery	Payroll Clearing	Employee Christmas Fund	Totals
\$	63,780	\$ 2,944,412	\$ 27,325	\$ 301,141	\$ 195,639	\$ 800	\$ 91,751	\$ 325,784	\$ 405,267	\$ 4,355,899
	63,780	2,944,412	27,325	301,141	195,639	800	91,751	325,784	405,267	4,355,899
	-	-	-	301,141	-	800	-	-	-	301,941
	-	-	27,325	-	-	-	91,751	325,784	405,267	850,127
	63,780	2,944,412	-	-	195,639	-	-	-	-	3,203,831
\$	63,780	\$ 2,944,412	\$ 27,325	\$ 301,141	\$ 195,639	\$ 800	\$ 91,751	\$ 325,784	\$ 405,267	\$ 4,355,899

ASSETS

Cash and cash equivalents
TOTAL ASSETS

LIABILITIES

Due to other governments
 Due to others
 Held in trust
TOTAL LIABILITIES

SINGLE AUDIT SECTION

This section contains information regarding grant activity for the year ended September 30, 2003, which was audited under the guidelines of the Single Audit Act Amendments of 1996 and the United States Office of the Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the provisions of the State of Texas *Uniform Grant and Contract Management Standards*

FLORES AUDITING, PLLC

3112 SPRING CREEK

LAREDO, TX 78045

Tel: (956) 717-4193; Fax (956) 717-1484

Gloria E. 'Gigi' Flores, CPA

Jorge C. Flores, Manager

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 Zapata County Commissioners Court
Zapata, Texas

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Zapata County, Texas, as of and for the year ended September 30, 2009, which collectively comprise Zapata County, Texas's basic financial statements and have issued our report thereon dated April 30, 2010. 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 Zapata County, Texas's 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 Zapata County, Texas's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Zapata County, Texas's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Zapata County, Texas's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Zapata County, Texas's financial statements that is more than inconsequential will not be prevented or detected by the Zapata County, Texas's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Zapata County, Texas's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Zapata County, Texas's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Zapata County, Texas, in a separate letter dated April 30,2010.

This report is intended solely for the information and use of management, County Commissioners, others within the entity, and 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.

Flores Auditing, PLLC

Flores Auditing, PLLC

Laredo, Texas

April 30,2010

FLORES AUDITING, PLLC

3112 SPRING CREEK

LAREDO, TX 78045

Tel: (956) 717-4193; Fax (956) 717-1484

Gloria E. 'Gigi' Flores, CPA

Jorge C. Flores, Manager

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Zapata County Commissioners Court
Zapata County, Texas

Compliance

We have audited the compliance of Zapata County, Texas, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2009. Zapata County, Texas's 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 Zapata County, Texas's management. Our responsibility is to express an opinion on Zapata County, Texas's 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 Zapata County, Texas's 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 Zapata County, Texas's compliance with those requirements.

In our opinion, Zapata County, Texas, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2009. The results of our auditing procedures disclosed no instances of noncompliance with those requirements.

Internal Control Over Compliance

The management of Zapata 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 Zapata County, Texas's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Zapata County, Texas's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of management, County Commissioners, others within the entity, and 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.

Flores Auditing, PLLC

Flores Auditing, PLLC

Laredo, Texas

April 30, 2010

Zapata County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2009

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/STATE GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/ STATE EXPENDITURES	PASS THROUGH AMOUNT TO SUBRECIPIENTS
FEDERAL AWARDS			
<u>U.S. Department of Agriculture</u>			
Passed Through South Texas Development Council Nutrition Program for the Elderly - C1, C2, USDA	10.570	\$ 23,168	\$ -
Total U.S. Department of Agriculture		<u>23,168</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed Through Texas Department of Rural Affairs			
Raw Water Line 727115	14.228	7,700	-
Technology Center RTC803	14.288	78,000	-
Passed Through Texas Department of Transportation			
Border Colonia Access Program	14.200	857,318	-
Total U.S. Department of Housing and Urban Development		<u>943,018</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>			
Passed Through Community Action Council of South Texas			
Elderly and Disable Program	93.044	7,483	-
Total U.S. Department of Health and Human Services		<u>7,483</u>	<u>-</u>
<u>U.S. Environmental Protection Agency</u>			
Passed Through Water Development Board			
Drinking Water State Revolving Fund Project 61275	66.468	4,007,021	-
Total U.S. Environmental Protection Agency		<u>4,007,021</u>	<u>-</u>
<u>U.S. Department of Justice</u>			
Passed Through Texas Dept. of Public Safety			
Border Star	16.738	135,000	-
Border Security	16.738	367,007	-
Passed Through City of Laredo, Texas			
Financial Task Force	16.574	149,064	-
Passed Through Office of the Governor Criminal Justice Division			
Juvenile Justice Alternatives JA08J201478810	16.523	23,175	-
Juvenile Justice Alternatives JA09J201478811	16.523	2,105	-
Operation Linebacker	16.738	217,536	-
Total U.S. Department of Justice		<u>893,887</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>			
Passed Through Governor's Division of Emergency Mgmt.			
Operation Stonegarden 2008SGT80009	97.067	730,348	-
Total U.S. Department of Homeland Security		<u>730,348</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 6,604,925</u>	<u>\$ -</u>
STATE AWARDS			
<u>Texas Juvenile Probation Commission</u>			
TJPC- Probation (Schedule of State Financial Assistance attached)	N/A	\$ 207,664	\$ -
Total Texas Juvenile Probation Commission		<u>207,664</u>	<u>-</u>
<u>Other Texas Grants</u>			
Lone Star Library Grant	N/A	5,268	-
Total Other Texas Grants		<u>5,268</u>	<u>-</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u>212,932</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS		<u>\$ 6,817,857</u>	<u>\$ -</u>

Zapata County, Texas
Schedule of State Financial Assistance
Texas Juvenile Probation Commission
For the Year Ended September 30, 2009

Grantor's Number	Program or Award Amount	Accrued or (Deferred) Revenue at 10/1/2008	Receipts or Revenue Recognized	Disbursements Expenditures	Accrued or (Deferred) Revenue at 9/30/2009
<u>State Granting Agency</u>					
Texas Juvenile Probation Commission					
	IV-E Contracts	\$ -	\$ 43,452	\$ 28,316	\$ (123,711)
	Salary Adjustment	14,250	-	554	-
	State Aid	29,701	29,701	27,038	-
	Progressive Sanctions JPO's	44,358	44,358	40,470	-
	Progressive Sanctions 123	8,453	8,453	7,702	-
	Diversions H	32,832	32,832	32,832	-
	ICBP Regional	6,063	6,063	6,063	-
	Community Corrections Assistance	41,947	41,947	38,272	-
	Salary Adjustment	14,250	14,250	13,049	-
	State Aid	38,154	6,359	3,636	(2,723)
	Commitment Reduction Program	25,000	-	-	-
	Progressive Sanctions JPO's	44,358	7,393	5,045	(2,348)
	Diversions H	16,416	-	-	-
	ICBP Regional	8,506	-	-	-
	Community Corrections Assistance	41,947	6,991	3,591	(3,400)
	Salary Adjustment	14,250	2,375	1,096	(1,279)
		\$ (96,951)	\$ 244,174	\$ 207,664	\$ (133,461)

ZAPATA COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(1) General

The accompanying Schedule of Expenditures of Federal and State Awards presents the federal and state grant activity for the Zapata County, Texas (the County). The reporting entity is defined in Note 1 to the County's financial statements.

(2) Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting, which is described in Note 1 of the County's notes to financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations and the State of Texas Uniform Grant & Contract Management Standards (UGCMS)*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

(3) Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedule may not agree with the amounts reported in the related Federal and State financial reports filed with the grantor agencies because of accruals made in the schedule, which will be included in the future reports filed with the agencies.

ZAPATA COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Section I – Summary of Auditor’s Results	Description
Financial Statements	
Type of auditor’s report issued:	Unqualified
Internal control over financial reporting	
- Material weakness(es) identified ?	No
- Reportable condition(s) identified not considered to be material weaknesses?	No
Noncompliance material to financial Statements noted?	No
FEDERAL AWARDS	
Internal Control over major programs:	
- Material weakness(es) identified ?	No
- Reportable condition(s) identified not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section.510(a) ?	No
Dollar threshold used to distinguish Between Type A and Type B programs:	\$500,000
Auditee qualified as low risk auditee?	Yes
Identification of Major Federal Programs:	97.067 U.S. Department of Homeland Security Passed through Governors Div. of Emergency Mgmt 14.200 U.S Department of Housing & Urban Development passed through Texas Dept. of Transportation 66.468 U. S. Environment Protection Agency Passed through Water Development Board
STATE AWARDS	
Internal Control over Compliance:	
- Material weakness(es) identified?	No
- Were reportable condition(s) identified that were not considered to be material weaknesses?	No
Type of auditor’s report on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with UGCMS?	No
Dollar threshold used to determine Type A programs:	\$300,000
Auditee as low-risk auditee?	N/A
Identification of major programs:	N/A

Section II – Financial Statement Findings

None

Section III – Schedule of Federal and State Award Findings and Questioned Costs

None

ZAPATA COUNTY, TEXAS
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

No prior year finding noted.