

Zapata County, Texas
Financial Statements
And Supplementary Information
For the Year Ended September 30, 2011

ZAPATA COUNTY, TEXAS

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners Court
Zapata County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Zapata County, Texas, as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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, each major fund, and the aggregate remaining fund information of Zapata County, Texas, as of September 30, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2012, on our consideration of 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 and 29 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Zapata County, Texas's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Flores Auditing, PLLC

Flores Auditing, PLLC

Laredo, TX
August 3, 2012

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, 2011. 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 2011 by \$58,120,553 (total net assets). Of this amount, \$11,281,235 (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 \$1,776,260 (3.1%) during 2011.
- The governmental net assets increased by \$2,844,854 (5.5%) and the business-type net assets decreased by \$1,068,594 (22.0%) during 2011.

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 \$19,055,305 a decrease of \$1,181,706 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$5,990,721, a decrease of \$1,557,825 in comparison with the prior year. Reserved fund balance for the general fund was \$9,317,188, an increase of \$5,618 in comparison with the prior year. Total fund balance was \$15,307,909, a decrease of \$1,552,207, in the general fund.

Zapata County, Texas
Statement of Net Assets
September 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents	\$ 18,677,489	\$ 527,372	\$ 19,204,861
Receivables	2,275,364	210,473	2,485,837
Internal balances	1,057,918	-	1,057,918
Due from other governmental agencies	88,817	-	88,817
Capital assets			
Land	1,554,640	645,520	2,200,160
Infrastructure	-	20,755,211	20,755,211
Buildings and improvements	64,341,943	1,698,205	66,040,148
Equipment and furniture	6,880,166	2,838,465	9,718,631
Less: accumulated depreciation	(20,235,900)	(7,232,843)	(27,468,743)
Total capital assets	<u>52,540,849</u>	<u>18,704,558</u>	<u>71,245,407</u>
Total assets	<u><u>74,640,437</u></u>	<u><u>19,442,403</u></u>	<u><u>94,082,840</u></u>
LIABILITIES			
Bank Overdraft	-	-	-
Accounts payable and accrued expenses	790,876	232,017	1,022,893
Deferred revenues	-	-	-
Internal balances	-	1,057,918	1,057,918
Due to other funds	-	-	-
Long-term liabilities			
Due within one year			
Bonds, capital leases and contracts	1,235,000	495,000	1,730,000
Due in more than one year			
Bonds, capital leases and contracts	17,861,150	13,836,000	31,697,150
Compensated absences	412,614	41,712	454,326
Total liabilities	<u>20,299,640</u>	<u>15,662,647</u>	<u>35,962,287</u>
NET ASSETS			
Invested in capital assets, net of related debt	33,444,699	4,373,558	37,818,257
Restricted for:			
Debt service	297,675	-	297,675
Other purposes	9,317,188	-	9,317,188
Unrestricted	11,281,235	(593,802)	10,687,433
Total net assets	<u><u>\$ 54,340,797</u></u>	<u><u>\$ 3,779,756</u></u>	<u><u>\$ 58,120,553</u></u>

The accompanying notes are an integral part of these financial statements

Zapata County, Texas
Statement of Activities
For the Year Ended September 30, 2011

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-type Activities
Primary Government						
Governmental activities						
General government	\$ 5,987,015	\$ 115,572	\$ 409,850	\$ -	\$ (5,461,593)	\$ (5,461,593)
Public safety	7,418,220	40,362	1,996,708	-	(5,381,150)	(5,381,150)
Justice system	1,621,624	100,060	-	-	(1,521,564)	(1,521,564)
Health and human services	3,317,969	36,059	149,915	-	(3,131,995)	(3,131,995)
Infrastructure and environmental services	3,349,494	509,800	-	-	(2,839,694)	(2,839,694)
Correction and rehabilitation	2,357,166	-	348,091	-	(2,009,075)	(2,009,075)
Community and economic development	1,397,729	-	488,198	-	(909,531)	(909,531)
Interest on long-term debt	840,118	-	-	-	(840,118)	(840,118)
Total governmental activities	26,289,335	801,853	3,392,762	-	(22,094,720)	(22,094,720)
Business-type activities						
Water plant	2,421,447	1,531,060	-	-	(890,387)	(890,387)
Sewer plant	835,324	646,758	-	-	(188,566)	(188,566)
Airport	39,830	62,757	-	-	22,927	22,927
Sheriff commissary	87,901	75,000	-	-	(12,901)	(12,901)
Total business-type activities	3,384,502	2,315,575	-	-	(1,068,927)	(1,068,927)
Total primary government	\$ 29,673,837	\$ 3,117,428	\$ 3,392,762	\$ -	(22,094,720)	(23,163,647)
General revenues:						
Taxes:						
Property taxes					20,846,001	20,846,001
Investment earnings					90,792	91,125
Miscellaneous					2,718,516	2,718,516
Other Financing Sources/(Uses)					1,284,265	1,284,265
Total general revenues, special items, and transfers					24,939,574	24,939,907
Change in net assets					2,844,854	1,776,260
Net Assets-beginning					51,495,943	56,344,293
Net Assets-ending					\$ 54,340,797	\$ 58,120,553

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

Zapata County, Texas
Balance Sheet
Governmental Funds
September 30, 2011

	General Fund	Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 14,159,761	\$ 4,517,728	\$ 18,677,489
Taxes receivable, net	1,926,219	309,359	2,235,578
Accounts receivable	-	39,786	39,786
Due from other funds	1,899,181	786,112	2,685,293
Receivable from other governments	-	88,817	88,817
Total assets	<u>17,985,161</u>	<u>5,741,802</u>	<u>23,726,963</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	751,033	39,843	790,876
Due to other funds	-	1,627,375	1,627,375
Due to other governments	-	-	-
Deferred revenue-taxes	1,926,219	309,359	2,235,578
Deferred revenue-grants	-	17,829	17,829
Total liabilities	<u>2,677,252</u>	<u>1,994,406</u>	<u>4,671,658</u>
Fund balances:			
Restricted:			
Judicial	-	103,106	103,106
Law Enforcement	-	252,059	252,059
Corrections	-	-	-
Highways and Streets	-	2,528,020	2,528,020
Health and Welfare	-	208,521	208,521
Economic and Urban Development	-	36	36
Debt Service	-	297,675	297,675
Other	-	357,979	357,979
Committed:	9,317,188	-	9,317,188
Unassigned:	5,990,721	-	5,990,721
Total fund balances	<u>15,307,909</u>	<u>3,747,396</u>	<u>19,055,305</u>
Total liabilities and fund balances	<u>\$ 17,985,161</u>	<u>\$ 5,741,802</u>	<u>\$ 23,726,963</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, 2011

Total fund balance, governmental funds \$ 19,055,305

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	72,776,749
Deduct - accumulated depreciation	(20,235,900)

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	2,235,578
Compensated absences	(412,614)
Deferred revenues, grants	17,829

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.

(19,096,150)

Net Assets of Governmental Activities in the Statement of Net Assets

\$ 54,340,797

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, 2011

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property taxes	\$ 16,477,401	\$ 4,156,642	\$ 20,634,043
Fees and fines	-	164,328	164,328
Intergovernmental	409,580	2,985,651	3,395,231
Charges for services	207,043	430,482	637,525
Investment earnings	77,097	13,695	90,792
Miscellaneous	<u>2,718,516</u>	-	<u>2,718,516</u>
Total revenues	<u>19,889,637</u>	<u>7,750,798</u>	<u>27,640,435</u>
EXPENDITURES			
Current:			
General government	5,694,490	37,869	5,732,359
Public safety	4,594,051	2,011,639	6,605,690
Justice system	1,388,768	232,856	1,621,624
Health and human services	2,445,185	643,128	3,088,313
Infrastructure and environmental services	296,744	1,904,467	2,201,211
Corrections and rehabilitation	2,229,749	127,417	2,357,166
Community and economic development	653,079	744,650	1,397,729
Debt service:			
Principal	-	1,190,000	1,190,000
Interest and other charges	-	840,118	840,118
Capital outlay	<u>2,010,233</u>	<u>3,061,963</u>	<u>5,072,196</u>
Total expenditures	<u>19,312,299</u>	<u>10,794,107</u>	<u>30,106,406</u>
Excess (deficiency) of revenues over expenditures	<u>577,338</u>	<u>(3,043,309)</u>	<u>(2,465,971)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	2,129,545	2,129,545
Transfers out	(2,129,545)	-	(2,129,545)
Loan proceeds	-	1,284,265	1,284,265
Total other financing sources and uses	<u>(2,129,545)</u>	<u>3,413,810</u>	<u>1,284,265</u>
Net change in fund balances	(1,552,207)	370,501	(1,181,706)
Fund balances - beginning	16,860,116	3,376,895	20,237,011
Fund balances - ending	<u>\$ 15,307,909</u>	<u>\$ 3,747,396</u>	<u>\$ 19,055,305</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, 2011

Net change in fund balances - total governmental funds: \$ (1,181,706)

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 \$5,072,196 exceeded depreciation \$2,296,566 in the current period 2,775,630

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. 60,930

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 1,190,000

Change in net assets of governmental activities \$ 2,844,854

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

Zapata County, Texas
Statement of Net Assets
Proprietary Funds
September 30, 2011

	Enterprise Funds				Total Proprietary Funds
	Water Plant	Sewer Plant	Airport	Sheriff Commissary	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 285,498	\$ 77,574	\$ 110,916	\$ 53,384	\$ 527,372
Due from other funds	-	-	-	-	-
Receivables, net	126,284	84,189	-	-	210,473
Total current assets	<u>411,782</u>	<u>161,763</u>	<u>110,916</u>	<u>53,384</u>	<u>737,845</u>
Non-current assets:					
Capital assets:					
Land	387,312	258,208	-	-	645,520
Equipment and furniture	1,684,422	1,154,043	-	-	2,838,465
Buildings and improvements	984,837	656,558	56,810	-	1,698,205
Infrastructure	18,383,527	2,371,684	-	-	20,755,211
Less accumulated depreciation	<u>(4,521,586)</u>	<u>(2,684,925)</u>	<u>(26,332)</u>	<u>-</u>	<u>(7,232,843)</u>
Total non-current assets	<u>16,918,512</u>	<u>1,755,568</u>	<u>30,478</u>	<u>-</u>	<u>18,704,558</u>
Total assets	<u><u>17,330,294</u></u>	<u><u>1,917,331</u></u>	<u><u>141,394</u></u>	<u><u>53,384</u></u>	<u><u>19,442,403</u></u>
LIABILITIES					
Current liabilities:					
Accounts Payable	45,264	17,616	-	-	62,880
Due to Other Funds	669,622	280,363	107,933	-	1,057,918
Compensated absences	24,600	17,112	-	-	41,712
Customer Deposits & Water Rights	169,137	-	-	-	169,137
Bonds, notes and loans payable	495,000	-	-	-	495,000
Total current liabilities	<u>1,403,623</u>	<u>315,091</u>	<u>107,933</u>	<u>-</u>	<u>1,826,647</u>
Non-current liabilities					
Bonds, notes and loans payable	13,836,000	-	-	-	13,836,000
Total non-current liabilities	<u>13,836,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,836,000</u>
Total liabilities	<u><u>15,239,623</u></u>	<u><u>315,091</u></u>	<u><u>107,933</u></u>	<u><u>-</u></u>	<u><u>15,662,647</u></u>
NET ASSETS					
Invested in capital assets, net of related debt	2,587,512	1,755,568	30,478	-	4,373,558
Unrestricted	<u>(496,841)</u>	<u>(153,328)</u>	<u>2,983</u>	<u>53,384</u>	<u>(593,802)</u>
Total net assets	<u><u>\$ 2,090,671</u></u>	<u><u>\$ 1,602,240</u></u>	<u><u>\$ 33,461</u></u>	<u><u>\$ 53,384</u></u>	<u><u>\$ 3,779,756</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, 2011

	Enterprise Funds				Total Proprietary Funds
	Water Plant	Sewer Plant	Airport	Sheriff Commissary	
REVENUES					
Charges for services:					
Water	\$ 1,531,060	\$ -	\$ -	\$ -	\$ 1,531,060
Sewer	-	646,758	-	-	646,758
Sales of products	-	-	62,757	75,000	137,757
Total operating revenues	<u>1,531,060</u>	<u>646,758</u>	<u>62,757</u>	<u>75,000</u>	<u>2,315,575</u>
OPERATING EXPENSES					
Personal services	923,255	322,877	-	-	1,246,132
Contractual services	5,253	-	-	-	5,253
Utilities	184,116	95,000	-	-	279,116
Repairs and maintenance	180,473	128,243	36,790	-	345,506
Other supplies and expenses	350,283	99,959	1,620	87,901	539,763
Depreciation	778,067	189,245	1,420	-	968,732
Total Operating expenses	<u>2,421,447</u>	<u>835,324</u>	<u>39,830</u>	<u>87,901</u>	<u>3,384,502</u>
Operating income (loss)	<u>(890,387)</u>	<u>(188,566)</u>	<u>22,927</u>	<u>(12,901)</u>	<u>(1,068,927)</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	333	-	-	-	333
Interest expense	-	-	-	-	-
Total non-operating revenue (expenses)	<u>333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333</u>
Income (loss) before contributions and transfers	<u>(890,054)</u>	<u>(188,566)</u>	<u>22,927</u>	<u>(12,901)</u>	<u>(1,068,594)</u>
TRANSFERS IN					
TRANSFERS OUT					
Change in net assets	(890,054)	(188,566)	22,927	(12,901)	(1,068,594)
Total net assets - beginning	2,980,725	1,790,806	10,534	66,285	4,848,350
Total net assets - ending	<u>\$ 2,090,671</u>	<u>\$ 1,602,240</u>	<u>\$ 33,461</u>	<u>\$ 53,384</u>	<u>\$ 3,779,756</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, 2011

	Enterprise Funds				Total Proprietary Funds
	Water Plant	Sewer Plant	Airport	Sheriff Commissary	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,531,060	\$ 646,758	\$ 62,757	\$ 75,000	\$ 2,315,575
Payments to employees	(923,255)	(322,877)	-	-	(1,246,132)
Payments to vendors, suppliers, and insurance administrators	(719,792)	(323,202)	(38,410)	(87,901)	(1,169,305)
Internal transactions	-	-	28,682	-	28,682
Net cash provided by operating activities	<u>(111,987)</u>	<u>679</u>	<u>53,029</u>	<u>(12,901)</u>	<u>(71,180)</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	-	-	-
Net cash provided by non capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings	333	-	-	-	333
Capital Contributions	-	-	-	-	-
Net cash provided by investing activities	<u>333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333</u>
Net increase (decrease) in cash and cash equivalents	(111,654)	679	53,029	(12,901)	(70,847)
Cash and pooled investments, beginning of year	186,443	18,718	57,887	66,285	329,333
Cash and pooled investments, end of year	<u>\$ 74,789</u>	<u>\$ 19,397</u>	<u>\$ 110,916</u>	<u>\$ 53,384</u>	<u>\$ 258,486</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (loss)	(890,054)	(188,566)	22,927	(12,901)	(1,068,594)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	778,067	189,245	-	-	967,312
Change in assets and liabilities:					
Receivables, net	-	-	-	-	-
Accounts and other payables	-	-	-	-	-
Net cash provided by operating activities	<u>\$ (111,987)</u>	<u>\$ 679</u>	<u>\$ 22,927</u>	<u>\$ (12,901)</u>	<u>\$ (101,282)</u>

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

Zapata County, Texas
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 3,914,794
Total current assets	<u>3,914,794</u>
LIABILITIES	
Held in trust	2,524,699
Due to other governments	504,159
Refunds payable and others	885,936
Total liabilities	<u>\$ 3,914,794</u>

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

Zapata County, Texas
Notes to the Financial Statements
September 30, 2011

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, 2011

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, 2011

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, 2011

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

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.

Zapata County, Texas
Notes to the Financial Statements
September 30, 2011

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.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) they are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash, or are not expected to be converted to cash within the next year.

Restricted - This classification includes amounts for which the constraints that have been placed on the use of the resources are either (a) externally imposed by creditors, grantors, contributors, or by laws or regulations of other governments, or (b) imposed by law through constitutional provisions or by enabling legislation.

Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by order of the Board of Directors, the District's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was employed when the fund were initially committed.

Assigned - This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed.

Unassigned - This classification includes the residual fund balance for the General Fund.

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.

Zapata County, Texas
Notes to the Financial Statements
September 30, 2011

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.
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.

Zapata County, Texas
Notes to the Financial Statements
September 30, 2011

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, 2011. At year-end, the carrying amount of the County's deposits was \$23,119,655 and the respective bank balances totaled \$25,344,276 and TexPool balances of \$6,340. Included in the bank balances are certificates of deposits totaling \$16,561,590. Of the total bank balance, \$250,000 was covered by Federal Depository Insurance, the remainder was covered by collateral with a value of \$44,322,871. The collateral is held by the 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, 2011.

NOTE 5 TAXES RECEIVABLE

A summary of taxes receivable at September 30, 2011 follows:

	General Funds	Special Revenue Funds	Debt Service Funds	Totals
Taxes receivable delinquent	\$ 2,140,243	\$ 166,909	\$ 176,823	\$ 2,483,975
Allowance for uncollectible accounts	(214,024)	(16,691)	(17,682)	(248,397)
Taxes receivable, net of allowance for uncollectible accounts	<u>\$ 1,926,219</u>	<u>\$ 150,218</u>	<u>\$ 159,141</u>	<u>\$ 2,235,578</u>

Zapata County, Texas
Notes to the Financial Statements
September 30, 2011

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.

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at September 30, 2011 are as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,899,181	\$ 0
Special Revenues	500,060	1,430,490
Capital Projects	0	196,885
Debt Service	286,052	0
Proprietary Funds	0	1,057,918
	\$ 2,685,293	\$ 2,685,293

NOTE 7 OPERATING TRANSFERS

Operating transfers during the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 0	\$ 2,129,545
Special Revenue	351,914	0
Capital Projects	1,777,631	0
	\$ 2,129,545	\$ 907,519

NOTE 8 DUE FROM OTHER GOVERNMENTS

Significant amounts due from other governments as of September 30, 2011 include:

<u>Due From</u>	<u>Amount</u>
<i>Special Revenue Fund</i>	
Office of the Governor	\$ 88,817
	\$ 88,817

Zapata County, Texas
Notes to the Financial Statements
September 30, 2011

NOTE 9 CAPITAL ASSETS

Governmental Activities

Details of changes in capital assets for the year September 30, 2011 are as follows:

	Balance 10/1/2010	Additions	Adjustments/ Retirements	Balance 9/30/2011
Land	\$ 1,554,640	\$ 0	\$ 0	\$ 1,554,640
Buildings and Improvements	49,998,641	0	0	49,998,641
Furniture and Equipment	6,709,600	170,566	0	6,880,166
Infrastructure	9,441,672	4,901,630	0	14,343,302
	<u>\$ 67,704,553</u>	<u>\$ 5,072,196</u>	<u>\$ 0</u>	<u>\$ 72,776,749</u>
Less accumulated depreciation				<u>(20,235,900)</u>
 Totals				 <u>\$ 52,540,849</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, 2011 was \$2,296,566.

Business-type Activities

	Water Plant	Sewer Plant	Airport	Total
Land	\$ 387,312	\$258,208	\$ 0	\$ 645,520
Buildings & Improvements	984,837	656,558	56,810	1,698,205
Furniture & Equipment	1,684,422	1,154,043	0	2,838,465
Infrastructure	18,383,527	2,371,684	0	20,755,211
	<u>\$21,440,098</u>	<u>\$4,440,493</u>	<u>\$ 56,810</u>	<u>\$25,937,401</u>
Accumulated Depreciation	<u>(4,521,586)</u>	<u>(2,684,925)</u>	<u>(26,332)</u>	<u>(7,232,843)</u>
 Totals	 <u>\$ 16,918,512</u>	 <u>\$1,755,568</u>	 <u>\$ 30,478</u>	 <u>\$18,704,558</u>

The County recognized \$968,732 of depreciation expense related to the Proprietary Funds in fiscal year 2011.

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, 2011:

	Balance 10/1/2010	Additions	Retirement	Balance 9/30/2011
Primary Government:				
Bonds Payable-2006	\$ 13,056,150	\$ 0	\$ 580,000	\$ 12,476,150
Bonds Payable-2005	7,230,000	0	610,000	6,620,000
 Totals	 <u>\$ 20,286,150</u>	 <u>\$ 0</u>	 <u>\$ 1,190,000</u>	 <u>\$ 19,096,150</u>

Zapata County, Texas
Notes to the Financial Statements
September 30, 2011

Bonds Payable

Bonds payable at September 30, 2011 are comprised of the following issues:

	<u>Primary Government General Long- Term 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%	\$ 6,620,000	\$ 6,620,000
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%	\$ 12,476,150	\$ 12,476,150
Total Bonds Payable	<u>\$ 19,096,150</u>	<u>\$ 19,096,150</u>

The annual debt service requirements to amortize general obligations bonds outstanding at September 30, 2011 are as follows:

<u>Maturity</u>	<u>Principal</u>
2012	1,235,000
2013	1,285,000
2014	1,330,000
2015	1,390,000
2016	1,445,000
Thereafter	12,411,150
Totals	<u>\$ 19,096,150</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, 2011. The County is in compliance with all bond covenants on outstanding general obligation bonded debt.

Zapata County, Texas
Notes to the Financial Statements
September 30, 2011

Primary Government

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

Year Ended September 30	2005 Series Principal	2006 Series Principal	Total
2012	630,000	605,000	1,235,000
2013	655,000	630,000	1,285,000
2014	675,000	655,000	1,330,000
2015	705,000	685,000	1,390,000
2016	730,000	715,000	1,445,000
Thereafter	3,225,000	9,186,150	12,411,150
	<u>\$ 6,620,000</u>	<u>\$12,476,150</u>	<u>\$19,096,150</u>

Business Type Activities

	Balance 10/1/2010	Additions	Retirement	Balance 9/30/2011
Business Type Activities:				
EDAP Loan-2006	\$ 14,826,000	\$ 0	\$ 495,000	\$ 14,331,000
Totals	<u>\$ 14,826,000</u>	<u>\$ 0</u>	<u>\$ 495,000</u>	<u>\$ 14,331,000</u>

Bonds Payable

Loans payable at September 30, 2011 are comprised of the following issues:

	Business type <u>Activities</u>	General Long- <u>Term Debt</u>	<u>Total</u>
Texas Water Development Board, EDAP Loan Series, 2006 Water Plant Construction Due in annual installments ranging from \$495,000 to \$494,000 through 2040; interest at 0.0%	<u>\$ 14,331,000</u>		<u>\$ 14,331,000</u>
Total Bonds Payable	<u>\$ 14,331,000</u>		<u>\$ 14,331,000</u>

Zapata County, Texas
Notes to the Financial Statements
September 30, 2011

The annual debt service requirements to amortize general obligations bonds outstanding at September 30, 2011 are as follows:

<u>Maturity</u>	<u>Principal</u>
2012	495,000
2013	495,000
2014	495,000
2015	495,000
2016	494,000
Thereafter	11,857,000
Totals	<u>\$ 14,331,000</u>

All loans constitute direct obligations of the County, payable from the revenues derived from the Water and Sewer collections, within the limits prescribed by law, on all taxable property located within the County.

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

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.

Zapata County, Texas
Notes to the Financial Statements
September 30, 2011

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 624 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.

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 8.34 % for calendar year 2011 and 8.22% for calendar year 2010. 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

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, 2011, the basis for determining the contribution rate for calendar year 2011. The December 31, 2011 actuarial valuation is the most recent valuation.

Zapata County, Texas
Notes to the Financial Statements
September 30, 2011

Actuarial Valuation Information

Actuarial valuation date	12/31/09	12/31/10	12/31/11
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period (yrs)	20	20	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	5.4%	5.4%	5.4%
Inflation:	3.5%	3.5%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

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, 2011 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	12/31/09	12/31/10	12/31/11
Actuarial value of assets	23,143,235	25,514,376	27,358,658
Actuarial accrued liability (AAL)	23,637,278	26,513,153	28,886,411
Unfunded actuarial accrued liability (UAAL)	494,043	998,777	1,527,753
Funded ratio	97.91%	96.23%	94.71%
Annual covered payroll (actuarial)	10,562,164	10,565,794	10,252,155
UAAL as a percentage of covered payroll	4.68%	9.45%	14.90%

Zapata County, Texas
Notes to the Financial Statements
September 30, 2011

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, 2011, 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.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS**

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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
REVENUES:				
Taxes:				
Current Property Taxes	\$ 16,153,384	\$ 16,153,384	\$ 15,963,498	\$ (189,886)
Delinquent property taxes	250,000	250,000	352,199	102,199
Penalties and interest on taxes	140,000	140,000	161,704	21,704
Total taxes	<u>16,543,384</u>	<u>16,543,384</u>	<u>16,477,401</u>	<u>(65,983)</u>
Licenses and permits:				
Business and license and permits	8,000	8,000	2,298	(5,702)
Total licenses and permits	<u>8,000</u>	<u>8,000</u>	<u>2,298</u>	<u>(5,702)</u>
Intergovernmental				
Zapata I.S.D. shared tax office	130,000	130,000	369,655	239,655
Water connections	68,000	68,000	39,925	(28,075)
Total intergovernmental	<u>198,000</u>	<u>198,000</u>	<u>409,580</u>	<u>211,580</u>
Charges for services:				
Sheriff fees	4,000	4,000	8,180	4,180
Bond fees	-	-	3,765	3,765
County clerk fees	65,000	65,000	82,684	17,684
District clerk fees	50,000	50,000	100,060	50,060
Other fees	20,000	20,000	10,056	(9,944)
Total charges for services	<u>139,000</u>	<u>139,000</u>	<u>204,745</u>	<u>65,745</u>
Interest	100,000	100,000	77,097	(22,903)

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Other:				
Rent-Civic Center	5,000	5,000	7,733	2,733
Pavilion	12,000	12,000	8,203	(3,797)
Zapata Community Center	28,000	28,000	31,213	3,213
Swimming pool	400	400	4,079	3,679
Jail	1,120,000	1,120,000	1,015,045	(104,955)
Jail Telephone Commission	20,000	20,000	19,958	(42)
Landfill	175,000	175,000	210,312	35,312
Emergency Medical Service	250,000	250,000	406,713	156,713
Oil and Gas Royalty	600,000	600,000	404,292	(195,708)
ARM Ordinance	-	25,000	527,033	502,033
Clinic Reimbursement	300,000	300,000	-	(300,000)
Miscellaneous	37,000	62,000	83,935	21,935
Total Other	<u>2,547,400</u>	<u>2,597,400</u>	<u>2,718,516</u>	<u>121,116</u>
TOTAL REVENUES	<u>19,535,784</u>	<u>19,585,784</u>	<u>19,889,637</u>	<u>303,853</u>
EXPENDITURES:				
General Government				
County Judge				
Personnel	162,281	162,281	133,007	29,274
Fringe Benefits	80,820	80,820	62,999	17,821
Travel and Education	15,000	15,000	13,700	1,300
Supplies	7,000	7,000	5,900	1,100
Indigent Defense County Court	12,000	14,000	15,135	(1,135)
Other	9,700	9,700	7,404	2,296
Total County Judge	<u>286,801</u>	<u>288,801</u>	<u>238,145</u>	<u>50,656</u>
County Commissioner Precinct 1				
Personnel	84,387	84,387	86,323	(1,936)
Fringe Benefits	39,619	39,619	34,277	5,342
Travel and Education	4,000	4,000	3,277	723
Supplies	20,000	20,000	20,015	(15)
Parks	35,000	35,000	34,599	401
Improvements	25,000	25,000	28,200	(3,200)
Other	-	-	-	-
Total County Commissioner Precinct 1	<u>208,006</u>	<u>208,006</u>	<u>206,691</u>	<u>1,315</u>

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
County Commissioner Precinct 2				
Personnel	105,881	105,881	112,716	(6,835)
Fringe Benefits	58,448	58,448	52,187	6,261
Travel and Education	4,000	4,000	3,781	219
Supplies	3,000	3,000	1,021	1,979
Parks	30,000	40,000	39,826	174
Improvements	25,000	25,000	25,000	-
Other	-	-	-	-
Total County Commissioner Precinct 2	226,329	236,329	234,531	1,798
County Commissioner Precinct 3				
Personnel	98,874	98,874	99,437	(563)
Fringe Benefits	49,849	49,849	43,495	6,354
Travel and Education	4,000	4,000	2,839	1,161
Supplies	-	-	-	-
Parks	30,000	30,000	36,361	(6,361)
Improvements	25,000	25,000	20,929	4,071
Other	-	-	-	-
Total County Commissioner Precinct 3	207,723	207,723	203,061	4,662
County Commissioner Precinct 4				
Personnel	133,505	133,505	135,333	(1,828)
Fringe Benefits	71,544	71,544	63,320	8,224
Travel and Education	4,000	6,000	5,824	176
Supplies	4,000	4,000	3,948	52
Parks	30,000	27,000	26,660	340
Improvements	25,000	25,000	14,611	10,389
Other	-	-	-	-
Total County Commissioner Precinct 4	268,049	267,049	249,696	17,353
County Auditor				
Personnel	139,818	139,818	140,816	(998)
Fringe Benefits	65,849	65,849	53,342	12,507
Travel and Education	10,000	10,000	7,735	2,265
Supplies	9,200	9,200	7,624	1,576
Other	8,000	8,000	7,702	298
Total Auditor	232,867	232,867	217,219	15,648

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Tax Assessor/Collector				
Personnel	200,317	200,317	192,407	7,910
Fringe Benefits	100,257	100,257	81,520	18,737
Travel and Education	10,000	10,000	9,762	238
Supplies	35,000	35,000	29,703	5,297
Other	34,300	34,300	36,494	(2,194)
Total Tax Assessor/Collector	379,874	379,874	349,886	29,988
County Clerk				
Personnel	138,913	138,913	140,113	(1,200)
Fringe Benefits	72,723	72,723	64,120	8,603
Travel and Education	5,000	6,500	6,780	(280)
Contract Services	42,000	42,000	42,000	-
Supplies	15,000	15,000	15,000	-
Election Expense	30,000	28,500	25,660	2,840
Other	12,000	12,000	12,000	-
Total County Clerk	315,636	315,636	305,673	9,963
County Treasurer				
Personnel	237,845	237,845	239,042	(1,197)
Fringe Benefits	108,443	108,443	94,781	13,662
Travel and Education	6,000	7,300	7,366	(66)
Supplies	10,000	8,700	7,820	880
Other	6,850	6,850	6,462	388
Total County Treasurer	369,138	369,138	355,471	13,667
Personnel Department				
Personnel	27,669	27,669	28,869	(1,200)
Fringe Benefits	13,105	13,105	11,519	1,586
Travel and Education	2,500	2,500	2,363	137
Supplies	3,500	3,500	1,709	1,791
Total Personnel Department	46,774	46,774	44,460	2,314

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Custodial and Maintenance Service				
Personnel	110,933	110,933	111,514	(581)
Fringe Benefits	72,121	72,121	65,815	6,306
Contract Services	26,000	26,000	25,781	219
Supplies	25,000	25,000	22,723	2,277
Other	16,000	16,000	16,251	(251)
Total Custodial and Maintenance Service	250,054	250,054	242,084	7,970
Non-Department				
Personnel	90,073	90,073	91,869	(1,796)
Fringe Benefits	43,568	43,568	38,704	4,864
Travel and Education	3,800	3,800	1,245	2,555
Contract Services	244,493	284,493	227,709	56,784
Supplies	30,000	30,000	29,384	616
Supplies-Special	-	-	1,118	(1,118)
Telephone	255,000	255,000	272,955	(17,955)
Utilities-General	1,167,000	1,167,000	1,007,952	159,048
Insurance-General	500,000	500,000	499,992	8
Computer Programs	75,000	75,000	57,723	17,277
Jury Fund	50,000	50,000	22,846	27,154
Appraisal District	180,000	180,000	197,556	(17,556)
Border Regional MHMR	17,100	17,100	17,030	70
Food Pantry	10,000	10,000	9,529	471
Economic Development Center	80,000	40,000	40,000	-
STCADA	15,000	15,000	15,000	-
Predatory Control	28,800	28,800	28,200	600
San Ygnacio Ladies Club	8,000	8,000	8,000	-
Law Books and Periodicals	12,500	12,500	13,157	(657)
Autopsies	36,000	32,187	7,057	25,130
American Legion Auxiliary	3,000	3,000	3,000	-
Other	125,000	124,000	79,764	44,236
Total Non-Department	2,974,334	2,969,521	2,669,790	299,731
Grants and Other Contributions				
Grants Matching	1,459,307	1,394,557	377,783	1,016,774
Total Grants and Other Contributions	1,459,307	1,394,557	377,783	1,016,774
Total General Government	7,224,892	7,166,329	5,694,490	1,471,839

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Public Safety				
Sheriff Department				
Personnel	1,574,145	1,574,145	1,500,727	73,418
Fringe Benefits	706,500	706,500	591,400	115,100
Travel and Education	16,500	16,500	15,917	583
Supplies	27,000	27,000	19,762	7,238
Fuel & Lubricants	100,000	100,000	173,515	(73,515)
Repairs & Maintenance	58,000	58,000	50,368	7,632
Other	41,500	41,500	36,821	4,679
Total Sheriff Department	2,523,645	2,523,645	2,388,510	135,135
CSI Specialist				
Personnel	36,713	36,713	52,146	(15,433)
Fringe Benefits	15,079	15,079	16,122	(1,043)
Travel and Education	4,000	4,000	8,436	(4,436)
Supplies	4,000	4,000	3,789	211
Other	15,000	15,000	14,095	905
Total CSI Specialist	74,792	74,792	94,588	(19,796)
Constables				
Personnel	50,844	50,844	53,243	(2,399)
Fringe Benefits	40,731	39,947	22,165	17,782
Travel and Education	8,000	8,600	6,525	2,075
Supplies	13,800	14,704	9,888	4,816
Other	6,000	6,280	5,534	746
Total Constables	119,375	120,375	97,355	23,020
Fire Fighting and Ambulance Services				
Personnel	1,236,767	1,236,767	1,311,358	(74,591)
Fringe Benefits	418,046	418,046	450,007	(31,961)
Travel and Education	25,000	25,000	24,969	31
Contract Services	30,000	30,000	33,305	(3,305)
Supplies	105,000	105,000	116,388	(11,388)
Repairs & Maintenance	53,000	53,000	51,415	1,585
Other	6,000	6,000	2,247	3,753
Total Fire Fighting and Ambulance Services	1,873,813	1,873,813	1,989,689	(115,876)

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Safety and Risk Management				
Personnel	7,441	7,441	7,441	-
Fringe Benefits	2,122	2,122	1,820	302
Travel and Education	3,000	3,000	2,860	140
Supplies	5,150	5,150	6,454	(1,304)
Other	5,500	5,500	5,334	166
Total Safety and Risk Management	<u>23,213</u>	<u>23,213</u>	<u>23,909</u>	<u>(696)</u>
Total Public Safety	<u>4,614,838</u>	<u>4,615,838</u>	<u>4,594,051</u>	<u>21,787</u>
Justice System				
Justices of the Peace				
Personnel	229,185	229,185	229,000	185
Fringe Benefits	118,424	118,424	93,025	25,399
Travel and Education	12,000	12,000	9,063	2,937
Supplies	16,200	16,200	13,603	2,597
Other	13,500	17,313	20,961	(3,648)
Total Justices of the Peace	<u>389,309</u>	<u>393,122</u>	<u>365,652</u>	<u>27,470</u>
County Attorney				
Personnel	267,595	267,595	296,877	(29,282)
Fringe Benefits	93,718	93,718	96,986	(3,268)
Travel and Education	4,000	2,000	1,822	178
Supplies	6,000	5,000	3,579	1,421
Vehicle Expense	10,000	10,000	10,611	(611)
Other	11,000	14,000	13,043	957
Total County Attorney	<u>392,313</u>	<u>392,313</u>	<u>422,918</u>	<u>(30,605)</u>
49th District Court				
Personnel	106,999	106,999	95,773	11,226
Fringe Benefits	48,647	48,647	43,480	5,167
Travel and Education	5,500	4,600	4,510	90
Contract Services	154,000	154,000	179,725	(25,725)
Supplies	4,450	4,450	1,089	3,361
Other	16,000	12,515	15,252	(2,737)
Total 49th District Court	<u>335,596</u>	<u>331,211</u>	<u>339,829</u>	<u>(8,618)</u>

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
District Clerk				
Personnel	124,455	124,455	127,902	(3,447)
Fringe Benefits	62,499	62,499	56,653	5,846
Travel and Education	4,000	4,000	3,880	120
Supplies	14,000	13,655	11,496	2,159
Other	12,600	17,330	17,294	36
Total District Clerk	<u>217,554</u>	<u>221,939</u>	<u>217,225</u>	<u>4,714</u>
District Attorney				
Personnel	38,000	38,000	37,415	585
Fringe Benefits	8,288	8,288	4,687	3,601
Supplies	3,712	3,712	1,042	2,670
Total District Attorney	<u>50,000</u>	<u>50,000</u>	<u>43,144</u>	<u>6,856</u>
Total Justice System	<u>1,384,772</u>	<u>1,388,585</u>	<u>1,388,768</u>	<u>(183)</u>
Health and Human Services				
Indigent Health Care				
Personnel	31,815	31,815	33,015	(1,200)
Fringe Benefits	14,010	14,010	12,625	1,385
Travel and Education	4,000	4,000	1,955	2,045
Supplies	500	500	83	417
Indigent Health Care	1,775,000	1,775,000	1,714,858	60,142
Total Indigent Health Care	<u>1,825,325</u>	<u>1,825,325</u>	<u>1,762,536</u>	<u>62,789</u>
Health Care Clinic				
Personnel	38,763	38,763	38,750	13
Fringe Benefits	22,596	22,596	20,234	2,362
Supplies	2,500	2,500	1,910	590
Total Health Care Clinic	<u>63,859</u>	<u>63,859</u>	<u>60,894</u>	<u>2,965</u>

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Environmental Health				
Personnel	261,510	261,510	251,416	10,094
Fringe Benefits	168,230	168,230	121,108	47,122
Travel and Education	4,000	4,000	2,822	1,178
Supplies	22,300	65,300	68,514	(3,214)
Other	190,475	172,475	177,895	(5,420)
Total Environmental Health	<u>646,515</u>	<u>671,515</u>	<u>621,755</u>	<u>49,760</u>
Total Health and Human Services	<u>2,535,699</u>	<u>2,560,699</u>	<u>2,445,185</u>	<u>115,514</u>
Environmental Services				
Recycling				
Personnel	71,004	71,004	72,368	(1,364)
Fringe Benefits	37,949	37,949	33,984	3,965
Travel and Education	1,500	-	-	-
Supplies	4,500	4,500	5,901	(1,401)
Other	5,000	6,500	6,475	25
Total Recycling	<u>119,953</u>	<u>119,953</u>	<u>118,728</u>	<u>1,225</u>
Code Enforcement				
Personnel	58,458	58,458	59,648	(1,190)
Fringe Benefits	31,392	31,392	24,287	7,105
Travel and Education	10,800	10,800	4,651	6,149
Contract Services	20,000	20,000	19,992	8
Supplies	6,000	6,000	5,998	2
Other	2,000	2,000	2,869	(869)
Total Code Enforcement	<u>128,650</u>	<u>128,650</u>	<u>117,445</u>	<u>11,205</u>
Agriculture and Livestock				
Personnel	36,861	36,861	36,808	53
Fringe Benefits	23,781	23,781	13,440	10,341
Travel and Education	5,800	6,400	6,615	(215)
Supplies	4,500	3,900	3,708	192
Total Agriculture and Livestock	<u>70,942</u>	<u>70,942</u>	<u>60,571</u>	<u>10,371</u>
Total Environmental Services	<u>319,545</u>	<u>319,545</u>	<u>296,744</u>	<u>22,801</u>

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Corrections and Rehabilitation				
County Jail				
Personnel	377,509	377,509	373,245	4,264
Fringe Benefits	223,192	223,192	169,566	53,626
Travel and Education	4,000	4,000	1,149	2,851
Supplies	6,500	6,500	4,699	1,801
Prisoner Expenses	66,700	66,700	63,326	3,374
Repairs & Maintenance	27,500	27,500	23,867	3,633
Other	24,500	24,500	22,063	2,437
Total County Jail	729,901	729,901	657,915	71,986
Regional Jail				
Personnel	896,743	896,743	851,368	45,375
Fringe Benefits	467,207	467,207	380,741	86,466
Travel and Education	14,500	14,500	12,505	1,995
Supplies	13,500	13,500	8,825	4,675
Prisoner Expenses	240,100	240,100	237,068	3,032
Repairs & Maintenance	43,000	43,000	39,901	3,099
Other	44,000	44,000	41,426	2,574
Total Regional Jail	1,719,050	1,719,050	1,571,834	147,216
Total Corrections and Rehabilitation	2,448,951	2,448,951	2,229,749	219,202
Community and Economic Development				
Zapata Civic Center				
Personnel	82,106	82,106	83,358	(1,252)
Fringe Benefits	47,991	47,991	43,158	4,833
Travel and Education	1,200	1,200	-	1,200
Supplies	8,000	8,000	4,068	3,932
Other	15,000	15,000	11,772	3,228
Total Zapata Civic Center	154,297	154,297	142,356	11,941
San Ygnacio Civic Center				
Personnel	11,000	16,000	14,928	1,072
Fringe Benefits	1,073	1,073	1,406	(333)
Supplies	1,000	1,000	910	90
Other	4,000	4,000	3,000	1,000
Total San Ygnacio Civic Center	17,073	22,073	20,244	1,829

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Lopeno Civic Center				
Personnel	12,081	12,081	12,074	7
Fringe Benefits	9,706	9,706	8,749	957
Supplies	500	500	-	500
Other	1,500	1,500	-	1,500
Total Lopeno Civic Center	23,787	23,787	20,823	2,964
Falcon Community Center				
Personnel	4,026	4,026	4,025	1
Fringe Benefits	879	879	731	148
Supplies	1,000	1,000	172	828
Total Falcon Community Center	5,905	5,905	4,928	977
Transportation				
Personnel	56,160	56,160	92,452	(36,292)
Fringe Benefits	26,390	26,390	29,882	(3,492)
Fuel	20,000	20,000	16,594	3,406
Repair and Maintenance	15,000	15,000	4,223	10,777
Total Transportation	117,550	117,550	143,151	(25,601)
County Library System				
Personnel	109,325	109,325	106,765	2,560
Fringe Benefits	66,269	66,269	56,600	9,669
Travel and Education	5,000	4,500	3,711	789
Supplies	19,000	20,500	15,476	5,024
Books & Periodicals	18,000	17,500	17,112	388
Other	11,000	10,500	10,500	-
Total County Library System	228,594	228,594	210,164	18,430
Romeo Flores Park Swimming Complex				
Personnel	10,000	10,000	10,139	(139)
Fringe Benefits	975	975	546	429
Supplies	3,000	3,000	2,997	3
Other	8,500	8,500	7,942	558
Total Romeo Flores Park Swimming Complex	22,475	22,475	21,624	851

ZAPATA COUNTY, TEXAS
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
Department of Aviation				
Personnel	48,700	48,700	44,871	3,829
Fringe Benefits	24,765	24,765	13,763	11,002
Supplies	2,000	2,000	2,042	(42)
Other	40,000	40,000	29,113	10,887
Total Department of Aviation	<u>115,465</u>	<u>115,465</u>	<u>89,789</u>	<u>25,676</u>
Total Community and Economic Development	<u>685,146</u>	<u>690,146</u>	<u>653,079</u>	<u>37,067</u>
Capital Outlay				
Non-Department	-	-	61,391	(61,391)
Carry-Over Reserve	42,239	3,722,819	1,839,667	1,883,152
Capital Outlay Department	430,660	415,660	109,175	306,485
Total Capital Outlay	<u>472,899</u>	<u>4,138,479</u>	<u>2,010,233</u>	<u>2,128,246</u>
TOTAL EXPENDITURES	<u>19,686,742</u>	<u>23,328,572</u>	<u>19,312,299</u>	<u>4,016,273</u>
Excess (deficiency) of revenues over expenditures	<u>(150,958)</u>	<u>(3,742,788)</u>	<u>577,338</u>	<u>4,320,126</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(2,129,545)	(2,129,545)
Other financing uses	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,129,545)</u>	<u>(2,129,545)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(150,958)</u>	<u>(3,742,788)</u>	<u>(1,552,207)</u>	<u>2,190,581</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>16,860,116</u>	<u>16,860,116</u>	<u>16,860,116</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>16,709,158</u>	<u>13,117,328</u>	<u>15,307,909</u>	<u>2,190,581</u>

ZAPATA COUNTY, TEXAS

NONMAJOR FUNDS

BALANCE SHEET

SEPTEMBER 30, 2010

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
Cash	\$ 1,974,727	\$ 11,623	\$ 196,885	\$ 2,183,235
Certificates of Deposit	2,334,493	-	-	2,334,493
Taxes Receivable, Net	150,218	159,141	-	309,359
Accounts Receivable	39,786	-	-	39,786
Due from Other Funds	500,060	286,052	-	786,112
Due from Other Governments	88,817	-	-	88,817
Other Receivables	-	-	-	-
Other Assets	-	-	-	-
Total Assets	\$ 5,088,101	\$ 456,816	\$ 196,885	\$ 5,741,802
Bank Overdraft	\$ -	\$ -	\$ -	\$ -
Accounts Payable	39,843	-	-	39,843
Due to Other Governments	-	-	-	-
Due to Other Funds	1,430,490	-	196,885	1,627,375
Due to Others	-	-	-	-
Deferred Revenues - Taxes	150,218	159,141	-	309,359
Deferred Revenues - Grants	17,829	-	-	17,829
Deferred Revenues - Other	-	-	-	-
Total Liabilities	1,638,380	159,141	196,885	1,994,406
Fund Balances:				
Restricted:				
Judicial	103,106	-	-	103,106
Law Enforcement	252,059	-	-	252,059
Corrections	-	-	-	-
Highways and Streets	2,528,020	-	-	2,528,020
Health and Welfare	208,521	-	-	208,521
Economic and Urban Development	36	-	-	36
Debt Service	-	297,675	-	297,675
Other	357,979	-	-	357,979
Total Fund Balances	3,449,721	297,675	-	3,747,396
Total Liabilities and Fund Balances	\$ 5,088,101	\$ 456,816	\$ 196,885	\$ 5,741,802

ZAPATA COUNTY, TEXAS
NONMAJOR FUNDS
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2011

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
Revenues:				
Taxes	\$ 2,193,294	\$ 1,963,348	\$ -	\$ 4,156,642
License and permits	377,422	-	-	377,422
Intergovernmental	2,985,651	-	-	2,985,651
Charges for Services	53,060	-	-	53,060
Fines and Forfeitures	164,328	-	-	164,328
Interest	10,645	2,983	67	13,695
Other	-	-	-	-
Total Revenues	5,784,400	1,966,331	67	7,750,798
Expenditures:				
Current:				
Judicial	232,856	-	-	232,856
Law Enforcement	2,011,639	-	-	2,011,639
Corrections	127,417	-	-	127,417
Highways and Streets	1,904,467	-	-	1,904,467
Health and Welfare	643,128	-	-	643,128
Economic and Urban Development	744,650	-	-	744,650
Other	37,869	-	-	37,869
Capital Outlay	-	-	3,061,963	3,061,963
Debt Service				
Principal	-	1,190,000	-	1,190,000
Interest and Other Charges	-	840,118	-	840,118
Total Expenditures	5,702,026	2,030,118	3,061,963	10,794,107
Excess (deficiency) of Revenues over Expenditures	82,374	(63,787)	(3,061,896)	(3,043,309)
Other Financing Sources (Uses):				
Loan Proceeds	-	-	1,284,265	1,284,265
Operating transfers in	351,914	-	1,777,631	2,129,545
Net Other Financing Sources (Uses)	351,914	-	3,061,896	3,413,810
Excess (deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	434,288	(63,787)	-	370,501
Fund Balances at Beginning of Year	3,015,433	361,462	-	3,376,895
Fund Balances at End of Year	\$ 3,449,721	\$ 297,675	\$ -	\$ 3,747,396

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
NONMAJOR FUNDS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2011

	GENERAL ROAD AND BRIDGE	SPECIAL ROAD AND BRIDGE	LATERAL ROADS	TEXAS JUVENILE PROBATION	TDR 727115	CITY OF LAREDO TASK FORCE	DJHSA BORDER STAR	COUNTY ATTORNEY FUND	NUTRITION & I & A	HOTEL- MOTEL TAX
ASSETS										
Cash	\$ 4,671	\$ 486,081	\$ 13,397	\$ 156,817	\$ 232,043	\$ -	\$ -	\$ 191,532	\$ -	\$ 36
Certificates of Deposit	-	2,049,743	284,750	-	-	-	-	-	-	-
Taxes Receivable, Net	-	150,218	-	-	-	-	-	-	-	-
Accounts Receivable	-	39,786	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	500,060	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	31,169	-	-	-
Other Receivables	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 4,671	\$ 2,725,828	\$ 798,207	\$ 156,817	\$ 232,043	\$ -	\$ 31,169	\$ 191,532	\$ -	\$ 36
LIABILITIES AND FUND BALANCES										
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	37,105	-	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	808,973	4,390	35,882	232,043	-	31,169	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-	-
Deferred Revenues - Taxes	-	150,218	-	-	-	-	-	-	-	-
Deferred Revenues - Grants	-	-	-	17,829	-	-	-	-	-	-
Deferred Revenues - Other	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	996,296	4,390	53,711	232,043	-	31,169	-	-	-
FUND BALANCES:										
Restricted:										
Judicial	-	-	-	103,106	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-	-	191,532	-	-
Corrections	-	-	-	-	-	-	-	-	-	-
Highways and Streets	4,671	1,729,532	793,817	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Economic and Urban Development	-	-	-	-	-	-	-	-	-	36
Other	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	4,671	1,729,532	793,817	103,106	-	-	-	191,532	-	36
Total Liabilities and Fund Balances	\$ 4,671	\$ 2,725,828	\$ 798,207	\$ 156,817	\$ 232,043	\$ -	\$ 31,169	\$ 191,532	\$ -	\$ 36

(CONTINUED)

ZAPATA COUNTY, TEXAS
NONMAJOR FUNDS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2011

	COUNTY LIBRARY	COUNTY RECORDS MANAGEMENT	SUBSA BORDER STAR	TOBACCO SETTLEMENT	OPERATION STONE-GARDEN	SF11J JUV PROB LIAISON OFFICER	SF11J JUVENILE JUSTICE ALTERNATIVE	BORDER COLONIA ACCESS	OPERATION LINEBACKER
ASSETS									
Cash	\$ 29,464	\$ 218,779	\$ -	\$ 431,694	\$ -	\$ -	\$ -	\$ 19,632	\$ -
Certificates of Deposit	-	-	-	-	-	-	-	-	-
Taxes Receivable, Net	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	57,648	-
Other Receivables	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Total Assets	\$ 29,464	\$ 218,779	\$ -	\$ 431,694	\$ -	\$ -	\$ -	\$ 77,280	\$ -
LIABILITIES AND FUND BALANCES									
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-	-	-
Due to Other Funds	6,856	3,850	-	223,173	-	-	-	77,280	-
Due to Others	-	-	-	-	-	-	-	-	-
Deferred Revenues - Taxes	-	-	-	-	-	-	-	-	-
Deferred Revenues - Grants	-	-	-	-	-	-	-	-	-
Deferred Revenues - Other	-	-	-	-	-	-	-	-	-
Total Liabilities	6,856	3,850	-	223,173	-	-	-	77,280	-
FUND BALANCES:									
Restricted:									
Judicial	-	-	-	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-	-	-	-
Corrections	-	-	-	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	208,521	-	-	-	-	-
Economic and Urban Development	-	-	-	-	-	-	-	-	-
Other	22,608	214,929	-	-	-	-	-	-	-
Total Fund Balances	22,608	214,929	-	208,521	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 29,464	\$ 218,779	\$ -	\$ 431,694	\$ -	\$ -	\$ -	\$ 77,280	\$ -

ZAPATA COUNTY, TEXAS
NONMAJOR FUNDS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2011

	SHERIFF FORFEITURE	EMS FIRE MARSHAL	JUSTICE COURT TECHNOLOGY	SHERIFF TRAINING	RESERVE FUND	COURTHOUSE SECURITY	TOTALS
ASSETS							
Cash	\$ 18,687	\$ -	\$ 37,667	\$ 13,785	\$ 34,466	\$ 85,976	\$ 1,974,727
Certificates of Deposit	-	-	-	-	-	-	2,334,493
Taxes Receivable, Net	-	-	-	-	-	-	150,218
Accounts Receivable	-	-	-	-	-	-	39,786
Due from Other Funds	-	-	-	-	-	-	500,060
Due from Other Governments	-	-	-	-	-	-	88,817
Other Receivables	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-
Total Assets	\$ 18,687	\$ -	\$ 37,667	\$ 13,785	\$ 34,466	\$ 85,976	\$ 5,088,101
LIABILITIES AND FUND BALANCES							
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	2,738	-	-	-	39,843
Due to Other Governments	-	-	-	-	-	-	-
Due to Other Funds	100	-	6,399	375	-	-	1,430,490
Due to Others	-	-	-	-	-	-	-
Deferred Revenues - Taxes	-	-	-	-	-	-	150,218
Deferred Revenues - Grants	-	-	-	-	-	-	17,829
Deferred Revenues - Other	-	-	-	-	-	-	-
Total Liabilities	100	-	9,137	375	-	-	1,638,380
FUND BALANCES:							
Restricted:							
Judicial	-	-	-	-	-	-	103,106
Law Enforcement	18,587	-	28,530	13,410	-	-	252,059
Corrections	-	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-	2,528,020
Health and Welfare	-	-	-	-	-	-	208,521
Economic and Urban Development	-	-	-	-	-	-	36
Other	-	-	-	-	34,466	85,976	357,979
Total Fund Balances	18,587	-	28,530	13,410	34,466	85,976	3,449,721
Total Liabilities and Fund Balances	\$ 18,687	\$ -	\$ 37,667	\$ 13,785	\$ 34,466	\$ 85,976	\$ 5,088,101

**ZAPATA COUNTY, TEXAS
NONMAJOR FUNDS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2011**

	GENERAL ROAD AND BRIDGE	SPECIAL ROAD AND BRIDGE	LATERAL ROADS	TEXAS JUVENILE PROBATION	TDR 727115	CITY OF LAREDO TASK FORCE	DJ10A BORDER STAR	COUNTY ATTORNEY FUND	NUTRITION & I & A	HOTEL-MOTEL TAX
Revenues:										
Taxes	\$ -	\$ 1,892,809	\$ 12,632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 287,853
License and permits	-	377,422	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	223,413	-	160,213	129,676	-	65,866	-
Charges for Services	-	-	-	-	-	-	-	-	36,059	-
Fines and Forfeitures	-	132,378	-	-	-	-	-	-	-	-
Interest	13	8,499	1,167	351	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Revenues	13	2,411,108	13,799	223,764	-	160,213	129,676	-	101,925	287,853
Expenditures:										
Current:										
Judicial	-	-	-	232,856	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	160,213	129,676	13,148	-	-
Corrections	-	-	-	-	-	-	-	-	-	-
Highways and Streets	-	1,904,467	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	453,839	-
Economic and Urban Development	-	-	-	-	-	-	-	-	-	262,045
Other	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	1,904,467	-	232,856	-	160,213	129,676	13,148	453,839	262,045
Excess (deficiency) of Revenues over Expenditures	13	506,641	13,799	(9,092)	-	-	-	(13,148)	(351,914)	25,808
Other Financing Sources (Uses):										
Operating transfers in	-	-	-	-	-	-	-	-	351,914	-
Operating transfers out	-	-	-	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	351,914	-
Excess (deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	13	506,641	13,799	(9,092)	-	-	-	(13,148)	-	25,808
Fund Balances at Beginning of Year	4,658	1,222,891	780,018	112,198	-	-	-	204,680	-	(25,772)
Fund Balances at End of Year	\$ 4,671	\$ 1,729,532	\$ 793,817	\$ 103,106	\$ -	\$ -	\$ -	\$ 191,532	\$ -	\$ 36

(CONTINUED)

ZAPATA COUNTY, TEXAS
NONMAJOR FUNDS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2011

	LIBRARY	COUNTY RECORDS MANAGEMENT	SU09A BORDER STAR	TOBACCO SETTLEMENT	OPERATION STONE- GARDEN	SF11J JUV PROB LIAISON OFFICER	SF11J JUVENILE JUSTICE ALTERNATIVE	BORDER COLONIA ACCESS	OPERATION LINEBACKER
Revenues:									
Taxes	-	-	-	-	-	-	-	-	-
License and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	5,593	-	285,984	84,049	1,217,416	64,387	63,030	482,605	166,735
Charges for Services	-	17,001	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	5,593	17,001	285,984	84,049	1,217,416	64,387	63,030	482,605	166,735
Expenditures:									
Current:									
Judicial	-	-	-	-	-	-	-	-	-
Law Enforcement	-	-	285,984	-	1,217,416	-	-	-	166,735
Corrections	-	-	-	-	-	64,387	63,030	-	-
Highways and Streets	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	159,289	-	-	-	-	-
Economic and Urban Development	-	-	-	-	-	-	-	482,605	-
Other	5,589	32,261	-	-	-	-	-	-	-
Total Expenditures	5,589	32,261	285,984	159,289	1,217,416	64,387	63,030	482,605	166,735
Excess (deficiency) of Revenues over Expenditures	4	(15,260)	-	(75,240)	-	-	-	-	-
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	4	(15,260)	-	(75,240)	-	-	-	-	-
Fund Balances at Beginning of Year	22,604	230,189	-	283,761	-	-	-	-	-
Fund Balances at End of Year	\$ 22,608	\$ 214,929	\$ -	\$ 208,521	\$ -	\$ -	\$ -	\$ -	\$ -

ZAPATA COUNTY, TEXAS
NONMAJOR FUNDS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2011

	SHERIFF FORFEITURE	EMS FIRE MARSHAL	JUSTICE COURT TECHNOLOGY	SHERIFF TRAINING	RESERVE FUND	COURTHOUSE SECURITY	TOTALS
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,193,294
License and permits	-	-	-	-	-	-	377,422
Intergovernmental	-	30,000	-	6,684	-	-	2,985,651
Charges for Services	-	-	-	-	-	-	53,060
Fines and Forfeitures	28,417	-	-	-	-	3,533	164,328
Interest	51	-	111	-	96	357	10,645
Other	-	-	-	-	-	-	-
Total Revenues	28,468	30,000	111	6,684	96	3,890	5,784,400
Expenditures:							
Current:							
Judicial	-	-	-	-	-	-	232,856
Law Enforcement	28,786	-	4,849	4,832	-	-	2,011,639
Corrections	-	-	-	-	-	-	127,417
Highways and Streets	-	-	-	-	-	-	1,904,467
Health and Welfare	-	30,000	-	-	-	-	643,128
Economic and Urban Development	-	-	-	-	-	-	744,650
Other	-	-	-	-	19	-	37,869
Total Expenditures	28,786	30,000	4,849	4,832	19	-	5,702,026
Excess (deficiency) of Revenues over Expenditures	(318)	-	(4,738)	1,852	77	3,890	82,374
Other Financing Sources (Uses):							
Operating transfers in	-	-	-	-	-	-	351,914
Operating transfers out	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-	-	-	351,914
Excess (deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(318)	-	(4,738)	1,852	77	3,890	434,288
Fund Balances at Beginning of Year	18,905	-	33,268	11,558	34,389	82,086	3,015,433
Fund Balances at End of Year	\$ 18,587	\$ -	\$ 28,530	\$ 13,410	\$ 34,466	\$ 85,976	\$ 3,449,721

ZAPATA COUNTY, TEXAS
SPECIAL ROAD AND BRIDGE
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
REVENUES:				
Taxes:				
Current Property Taxes	\$ 1,857,744	\$ 1,857,744	\$ 1,835,175	\$ (22,569)
Delinquent property taxes	-	-	41,907	41,907
Penalties and interest on taxes	-	-	15,727	15,727
Total taxes	<u>1,857,744</u>	<u>1,857,744</u>	<u>1,892,809</u>	<u>35,065</u>
Licenses and permits:				
Registration and licenses	249,000	249,000	377,422	128,422
Total licenses and permits	<u>249,000</u>	<u>249,000</u>	<u>377,422</u>	<u>128,422</u>
Fines and Forfeitures				
County clerk	10,000	10,000	10,260	260
District clerk	10,000	10,000	14,460	4,460
Justices of the peace	50,000	50,000	107,658	57,658
Total fines and forfeitures	<u>70,000</u>	<u>70,000</u>	<u>132,378</u>	<u>62,378</u>
Interest	<u>-</u>	<u>-</u>	<u>8,499</u>	<u>8,499</u>
TOTAL REVENUES	<u>2,176,744</u>	<u>2,176,744</u>	<u>2,411,108</u>	<u>234,364</u>
EXPENDITURES:				
General Government				
County Commissioner Precinct 1				
Personnel	176,000	176,000	196,926	(20,926)
Fringe Benefits	94,954	94,954	91,815	3,139
Road Maintenance	80,000	80,000	79,762	238
Total County Commissioner Precinct 1	<u>350,954</u>	<u>350,954</u>	<u>368,503</u>	<u>(17,549)</u>
County Commissioner Precinct 2				
Personnel	139,387	139,387	136,506	2,881
Fringe Benefits	79,898	79,898	65,695	14,203
Road Maintenance	80,000	80,000	79,152	848
Total County Commissioner Precinct 2	<u>299,285</u>	<u>299,285</u>	<u>281,353</u>	<u>17,932</u>
County Commissioner Precinct 3				
Personnel	113,060	113,060	87,242	25,818
Fringe Benefits	60,013	60,013	41,682	18,331
Road Maintenance	80,000	80,000	70,097	9,903
Total County Commissioner Precinct 3	<u>253,073</u>	<u>253,073</u>	<u>199,021</u>	<u>54,052</u>

ZAPATA COUNTY, TEXAS
SPECIAL ROAD AND BRIDGE
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts, Budgetary Basis	
	Original	Final		
County Commissioner Precinct 4				
Personnel	134,460	134,460	117,311	17,149
Fringe Benefits	71,752	71,752	49,782	21,970
Road Maintenance	40,000	40,000	35,075	4,925
Total County Commissioner Precinct 4	<u>246,212</u>	<u>246,212</u>	<u>202,168</u>	<u>44,044</u>
Special Road and Bridge				
Personnel	377,330	377,330	388,706	(11,376)
Fringe Benefits	213,361	215,861	197,017	18,844
Travel and Education	2,500	-	28	(28)
Supplies	205,000	205,000	197,153	7,847
Other	76,000	76,000	70,518	5,482
Total Special Road and Bridge	<u>874,191</u>	<u>874,191</u>	<u>853,422</u>	<u>20,769</u>
TOTAL EXPENDITURES	<u>2,023,715</u>	<u>2,023,715</u>	<u>1,904,467</u>	<u>119,248</u>
Excess (deficiency) of revenues over expenditures	153,029	153,029	506,641	353,612
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	153,029	153,029	506,641	353,612
FUND BALANCE AT BEGINNING OF YEAR	<u>1,222,891</u>	<u>1,222,891</u>	<u>1,222,891</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>1,375,920</u>	<u>1,375,920</u>	<u>1,729,532</u>	<u>353,612</u>

Zapata County, Texas
Texas Juvenile Justice Department
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended September 30, 2011

	A	C	E	F	H	L	X	Y	Z	INTEREST	TOTAL TJJD
REVENUES											
Intergovernmental	\$ 50,076	\$ 25,000	\$ -	\$ 44,358	\$ 16,416	\$ 22,860	\$ 8,506	\$ 41,947	\$ 14,250	\$ -	\$ 223,413
Interest	-	-	-	-	-	-	-	-	-	351	351
Total Revenues	\$ 50,076	\$ 25,000	-	\$ 44,358	\$ 16,416	\$ 22,860	\$ 8,506	\$ 41,947	\$ 14,250	351	223,764
EXPENDITURES											
Justice System											
Salaries and Fringe Benefits	\$ 46,501	\$ -	-	\$ 44,358	\$ -	\$ -	\$ -	\$ 40,687	\$ 14,250	-	145,796
Travel	-	-	604	-	-	-	-	1,260	-	-	1,864
Operating Expenses	1,575	-	1,919	-	-	-	-	-	-	-	3,494
Non-Residential Services	-	-	-	-	-	-	8,506	-	-	-	8,506
Residential Services	2,000	25,000	-	-	16,416	22,860	-	-	-	-	66,276
Capital Outlay	-	-	6,920	-	-	-	-	-	-	-	6,920
Total Expenditures	\$ 50,076	\$ 25,000	9,443	\$ 44,358	\$ 16,416	\$ 22,860	\$ 8,506	\$ 41,947	\$ 14,250	-	232,856
Excess of Revenues Over/ (Under) Expenditures			(9,443)							351	(9,092)
Fund Balance Beginning of Year			108,696							3,502	112,198
Fund Balance End of Year			\$ 99,253							\$ 3,853	\$ 103,106

Zapata County, Texas
Texas Juvenile Justice Department - Commitment Reduction Program
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended September 30, 2011

	Contract # TJJJ-C-2011-253			Contract # TJJJ-C-2012-253			Total Actual Amounts as of 9/30/11
	Budget	Cumulative thru 9/30/10	Actual 10/1/2010 thru 8/31/11	Total	Variance Positive (Negative)	Budget	
REVENUES							
Intergovernmental	\$ 25,000	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ 20,678	\$ 25,000
Interest	-	-	-	-	-	-	-
Total Revenues	\$ 25,000	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ 20,678	\$ 25,000
EXPENDITURES							
Justice System							
Salaries and Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-
Non-Residential Services	-	-	-	-	-	-	-
Residential Services	25,000	-	25,000	25,000	-	20,678	25,000
Total Expenditures	\$ 25,000	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ 20,678	\$ 25,000

Zapata County, Texas
Texas Juvenile Justice Department - Title IV-E Contracts
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2011

	Contract # TJJJ-E-2011-253			Contract # TJJJ-E-2012-253			Total Actual Amounts as of 9/30/11		
	Budget	Cumulative thru 9/30/10	Actual 10/1/2010 thru 8/31/11	Total	Variance Positive (Negative)	Budget		Actual	Variance Positive (Negative)
REVENUES									
Intergovernmental Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES									
Justice System									
Salaries and Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	604	604	(604)	-	-	-	604
Operating Expenses	-	-	1,919	1,919	(1,919)	-	-	-	1,919
Non-Residential Services	-	-	-	-	-	-	-	-	-
Residential Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	6,920	6,920	(6,920)	-	-	-	6,920
Total Expenditures	\$ -	\$ -	\$ 9,443	\$ 9,443	\$ (9,443)	\$ -	\$ -	\$ -	\$ 9,443
Excess of Revenues Over/ (Under) Expenditures				(9,443)					(9,443)
Fund Balance Beginning of Year				108,696				99,253	108,696
Fund Balance End of Year			\$ 99,253				\$ 99,253		\$ 99,253

Zapata County, Texas
Texas Juvenile Justice Department - Progressive Sanctions JPOs
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2011

	Contract # TJD-F-2011-253				
	Budget	Cumulative thru 9/30/10	Actual 10/1/2010 thru 8/31/11	Total	Variance Positive (Negative)
REVENUES					
Intergovernmental	\$ 44,358	\$ 2,523	\$ 41,835	\$ 44,358	\$ -
Interest	-	-	-	-	-
Total Revenues	<u>\$ 44,358</u>	<u>\$ 2,523</u>	<u>\$ 41,835</u>	<u>\$ 44,358</u>	<u>\$ -</u>
EXPENDITURES					
Justice System					
Salaries and Fringe Benefits	\$ 44,358	\$ 2,523	\$ 41,835	\$ 44,358	\$ -
Travel	-	-	-	-	-
Operating Expenses	-	-	-	-	-
Non-Residential Services	-	-	-	-	-
Residential Services	-	-	-	-	-
Total Expenditures	<u>\$ 44,358</u>	<u>\$ 2,523</u>	<u>\$ 41,835</u>	<u>\$ 44,358</u>	<u>\$ -</u>

Zapata County, Texas
Texas Juvenile Justice Department - Diversionary
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2011

	Contract # TJJJ-H-2011-253				
	Budget	Cumulative thru 9/30/10	Actual 10/1/2010 thru 8/31/11	Total	Variance Positive (Negative)
REVENUES					
Intergovernmental	\$ 16,416	\$ -	\$ 16,416	\$ 16,416	\$ -
Interest	-	-	-	-	-
Total Revenues	\$ 16,416	\$ -	\$ 16,416	\$ 16,416	\$ -
EXPENDITURES					
Justice System					
Salaries and Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-
Operating Expenses	-	-	-	-	-
Non-Residential Services	-	-	-	-	-
Residential Services	16,416	-	16,416	16,416	-
Total Expenditures	\$ 16,416	\$ -	\$ 16,416	\$ 16,416	\$ -

Zapata County, Texas
Texas Juvenile Justice Department - ICBP Regional
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2011

Contract # TJJD-X-2011-253					
	Budget	Cumulative thru 9/30/10	Actual 10/1/2010 thru 8/31/11	Total	Variance Positive (Negative)
REVENUES					
Intergovernmental	\$ 8,506	\$ -	\$ 8,506	\$ 8,506	\$ -
Interest	-	-	-	-	-
Total Revenues	\$ 8,506	\$ -	\$ 8,506	\$ 8,506	\$ -
EXPENDITURES					
Justice System					
Salaries and Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-
Operating Expenses	-	-	-	-	-
Non-Residential Services	8,506	-	8,506	8,506	-
Residential Services	-	-	-	-	-
Total Expenditures	\$ 8,506	\$ -	\$ 8,506	\$ 8,506	\$ -

Zapata County, Texas
Texas Juvenile Justice Department - Community Corrections Assistance
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2011

Contract # TJJJ-Y-2011-253					
	Budget	Cumulative thru 9/30/10	Actual 10/1/2010 thru 8/31/11	Total	Variance Positive (Negative)
REVENUES					
Intergovernmental	\$ 41,947	\$ 3,616	\$ 38,331	\$ 41,947	\$ -
Interest	-	-	-	-	-
Total Revenues	<u>\$ 41,947</u>	<u>\$ 3,616</u>	<u>\$ 38,331</u>	<u>\$ 41,947</u>	<u>\$ -</u>
EXPENDITURES					
Justice System					
Salaries and Fringe Benefits	\$ 40,687	\$ 3,591	\$ 37,096	\$ 40,687	\$ -
Travel	1,260	25	1,235	1,260	-
Operating Expenses	-	-	-	-	-
Non-Residential Services	-	-	-	-	-
Residential Services	-	-	-	-	-
Total Expenditures	<u>\$ 41,947</u>	<u>\$ 3,616</u>	<u>\$ 38,331</u>	<u>\$ 41,947</u>	<u>\$ -</u>

Zapata County, Texas
Texas Juvenile Justice Department - Salary Adjustment
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2011

Contract # TJJD-Z-2011-253					
	Budget	Cumulative thru 9/30/10	Actual 10/1/2010 thru 8/31/11	Total	Variance Positive (Negative)
REVENUES					
Intergovernmental	\$ 14,250	\$ 1,096	\$ 13,154	\$ 14,250	\$ -
Interest	-	-	-	-	-
Total Revenues	<u>\$ 14,250</u>	<u>\$ 1,096</u>	<u>\$ 13,154</u>	<u>\$ 14,250</u>	<u>\$ -</u>
EXPENDITURES					
Justice System					
Salaries and Fringe Benefits	\$ 14,250	\$ 1,096	\$ 13,154	\$ 14,250	\$ -
Travel	-	-	-	-	-
Operating Expenses	-	-	-	-	-
Non-Residential Services	-	-	-	-	-
Residential Services	-	-	-	-	-
Total Expenditures	<u>\$ 14,250</u>	<u>\$ 1,096</u>	<u>\$ 13,154</u>	<u>\$ 14,250</u>	<u>\$ -</u>

Zapata County, Texas
Texas Juvenile Justice Department - Interest
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2011

	Contract - 2011 - Interest			Contract - 2012 - Interest			Total Actual Amounts as of 9/30/11	
	Budget	Cumulative thru 9/30/10	Actual 10/1/2010 thru 8/31/11	Total	Variance Positive (Negative)	Budget		Actual
REVENUES								
Intergovernmental Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ 351	\$ 351	\$ 351	\$ -	\$ 351	\$ 351
EXPENDITURES								
Justice System								
Salaries and Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-
Non-Residential Services	-	-	-	-	-	-	-	-
Residential Services	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess of Revenues Over/ (Under) Expenditures			351	351	-	-	351	351
Fund Balance Beginning of Year			3,502	3,502	3,853	3,853	3,502	3,502
Fund Balance End of Year			\$ 3,853	\$ 3,853	\$ 3,853	\$ 3,853	\$ 3,853	\$ 3,853

Zapata County, Texas
Texas Juvenile Justice Department - Residential Placements
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2011

Contract # TJJD-L-2011-253					
	Budget	Cumulative thru 9/30/10	Actual 10/1/2010 thru 8/31/11	Total	Variance Positive (Negative)
REVENUES					
Intergovernmental	\$ 22,860	\$ -	\$ 22,860	\$ 22,860	\$ -
Interest	-	-	-	-	-
Total Revenues	\$ 22,860	\$ -	\$ 22,860	\$ 22,860	\$ -
EXPENDITURES					
Justice System					
Salaries and Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-
Operating Expenses	-	-	-	-	-
Non-Residential Services	-	-	-	-	-
Residential Services	22,860	-	22,860	22,860	-
Total Expenditures	\$ 22,860	\$ -	\$ 22,860	\$ 22,860	\$ -

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

NONMAJOR FUNDS
DEBT SERVICE FUND
BALANCE SHEET
SEPTEMBER 30, 2011

ASSETS

Cash	\$	11,623
Taxes receivable, net		159,141
Due from Other Funds		<u>286,052</u>
Total Assets	\$	<u>456,816</u>

LIABILITIES AND FUND BALANCES

Deferred revenue-taxes	\$	<u>159,141</u>
Total Liabilities		<u>159,141</u>

FUND BALANCES:

Restricted:		
Debt Service		<u>297,675</u>

Total Fund Balances		<u>297,675</u>
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Total Liabilities and Fund Balances	\$	<u>456,816</u>
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ZAPATA COUNTY, TEXAS

NONMAJOR FUNDS DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL YEAR ENDED SEPTEMBER 30, 2011

	Budget	Actual	Variance-- favorable (Unfavorable)
REVENUES:			
Taxes:			
Current property taxes	\$ 1,931,369	\$ 1,903,980	\$ (27,389)
Delinquent property taxes	17,000	42,473	25,473
Penalty and Interest on taxes	10,000	16,895	6,895
Total taxes	1,958,369	1,963,348	4,979
Interest	6,000	2,983	(3,017)
TOTAL REVENUES	1,964,369	1,966,331	1,962
EXPENDITURES:			
Debt Service:			
Principal Retirement	1,190,000	1,190,000	-
Interest and Fiscal Charges	843,018	840,118	2,900
Total Debt Service	2,033,018	2,030,118	2,900
TOTAL EXPENDITURES	2,033,018	2,030,118	2,900
Excess (deficiency) of revenues over Expenditures	(68,649)	(63,787)	4,862
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 Other Financing Uses	(68,649)	(63,787)	4,862
Fund Balance at Beginning of Year	361,462	361,462	-
Fund Balance at End of Year	\$ 292,813	\$ 297,675	\$ 4,862

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

NONMAJOR FUNDS
CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
SEPTEMBER 30, 2011

	Road Bonds	Water/Sewer Plant	Total
ASSETS			
Cash	\$ 56,372	\$ 140,513	\$ 196,885
Certificates of Deposit	-	-	-
Due from Other Governments	-	-	-
Total Assets	<u>\$ 56,372</u>	<u>\$ 140,513</u>	<u>\$ 196,885</u>
 LIABILITIES AND FUND BALANCES			
Due to Other Funds	<u>\$ 56,372</u>	<u>\$ 140,513</u>	<u>\$ 196,885</u>
Total Liabilities	<u>56,372</u>	<u>140,513</u>	<u>196,885</u>
 FUND BALANCES:			
Restricted:			
Highways and Streets	-	-	-
Health and Welfare	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 56,372</u>	<u>\$ 140,513</u>	<u>\$ 196,885</u>

ZAPATA COUNTY, TEXAS

NONMAJOR FUNDS

CAPITAL PROJECTS FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Road Bonds	Water/Sewer Plant	Total
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
Interest	67	-	67
Total Revenues	67	-	67
 EXPENDITURES:			
Capital Outlay	1,777,698	1,284,265	3,061,963
Total Expenditures	1,777,698	1,284,265	3,061,963
 Excess (deficiency) of revenues over expenditures	(1,777,631)	(1,284,265)	(3,061,896)
 Other Financing Sources (Uses):			
Loan Proceeds	-	1,284,265	1,284,265
Transfers in	1,777,631	-	1,777,631
Net Other Financing Sources (Uses)	1,777,631	1,284,265	3,061,896
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	-
 Fund Balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

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, 2011

	County Clerk Trust	District Clerk Trust	District Attorney	Tax Assessor Collector	Jail Inmates	Appellate Judicial	Cemetery	Payroll Clearing	Employee Christmas Fund	Totals
	\$ 69,608	\$ 2,245,436	\$ 4,273	\$ 503,775	\$ 209,655	\$ 384	\$ 55,667	\$ 426,906	\$ 399,090	\$ 3,914,794
	69,608	2,245,436	4,273	503,775	209,655	384	55,667	426,906	399,090	3,914,794
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	-	-	-	503,775	-	384	-	-	-	504,159
	-	-	4,273	-	-	-	55,667	426,906	399,090	885,936
	69,608	2,245,436	-	-	209,655	-	-	-	-	2,524,699
	\$ 69,608	\$ 2,245,436	\$ 4,273	\$ 503,775	\$ 209,655	\$ 384	\$ 55,667	\$ 426,906	\$ 399,090	\$ 3,914,794

ASSETS

Cash and cash equivalents

TOTAL ASSETS

LIABILITIES

Due to other governments

Due to others

Held in trust

TOTAL LIABILITIES

SINGLE AUDIT SECTION

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 Commissioners Court
Zapata County, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Zapata County, Texas, as of and for the year ended September 30, 2011, which collectively comprise Zapata County, Texas's basic financial statements and have issued our report thereon dated August 3, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Zapata County, Texas, is responsible for establishing and maintaining effective 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 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.

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies. [2010-1,2010-2 and 2009-1].

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2011-1.

We noted certain other matters that we reported to management of Zapata County in a separate letter dated August 3, 2012.

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

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

August 3, 2012

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

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

To the Commissioner Court
Zapata County, Texas

Compliance

We have audited Zapata County, Texas's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Zapata County, Texas's major federal programs for the year ended September 30, 2011. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

Internal Control over Compliance

Management of 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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Zapata County, Texas's internal control over compliance.

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

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

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

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

Flores Auditing, PLLC

Flores Auditing, PLLC

Laredo, TX

August 3, 2012

Zapata County, Texas
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2011

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	\$ 57,870	\$ -
Total U.S. Department of Agriculture		<u>57,870</u>	<u>-</u>
<u>U.S. Environmental Protection Agency</u>			
Passed Through Water Development Board			
Drinking Water State Revolving Fund Project 61275	66.468	1,284,265	-
Total U.S. Environmental Protection Agency		<u>1,284,265</u>	<u>-</u>
<u>U.S. Department of Justice</u>			
Passed Through City of Laredo, Texas			
Financial Task Force	16.579	160,213	-
Passed Through Office of the Governor Criminal Justice Division			
Border Star DJ10A101982104	16.738	129,676	
Border Star SU09A102324901	16.738	285,984	
Juvenile Probation Liasion Officer SF11J202174902	84.186	64,387	-
Juvenile Justice Alternative SF11J201478812	16.540	63,030	
Passed Through Texas Border Sheriff's Coalition			
Operation Linebacker	16.753	166,735	-
Total U.S. Department of Justice		<u>870,025</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>			
Passed Through Governor's Division of Emergency Mgmt.			
Operation Stonegarden	97.067	1,175,330	-
Total U.S. Department of Homeland Security		<u>1,175,330</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 3,387,490</u>	<u>\$ -</u>
STATE AWARDS			
<u>Texas Juvenile Probation Commission</u>			
TJPC- Probation (Schedule of State Financial Assistance attached)	N/A	\$ 225,621	\$ -
Total Texas Juvenile Probation Commission		<u>225,621</u>	<u>-</u>
<u>Texas Department of Transportation</u>			
Border Colonia Access Program	N/A	482,605	-
Total Texas Department of Transportation		<u>482,605</u>	<u>-</u>
<u>Other Texas Grants</u>			
Lone Star Library Grant	N/A	5,593	-
Total Other Texas Grants		<u>5,593</u>	<u>-</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u>713,819</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS		<u>\$ 4,101,309</u>	<u>\$ -</u>

Zapata County, Texas
Schedule of State Financial Assistance
Texas Juvenile Justice Department
For the Year Ended September 30, 2011

State Granting Agency	Grantor's Number	Program or Award Amount	Accrued or (Deferred) Revenue at 10/1/2010	Receipts or Revenue Recognized	Disbursements Expenditures	Accrued or (Deferred) Revenue at 9/30/2011
Texas Juvenile Justice Department						
IV-E Contracts	E-253	\$ -	\$ (108,696)	\$ -	\$ 9,443	\$ (99,253)
State Aid	A-2011-253	38,154	(2,723)	31,795	34,518	-
Commitment Reduction Program	C-2011-253	25,000	(4,167)	20,833	25,000	-
Progressive Sanctions JPO's	F-2011-253	44,358	(4,870)	36,965	41,835	-
Residential Placements	L-2011-253	22,860	-	22,860	22,860	-
Diversionary H	H-2011-253	16,416	(2,736)	13,680	16,416	-
ICBP Regional	X-2011-253	8,506	(1,418)	7,088	8,506	-
Community Corrections Assistance	Y-2011-253	41,947	(3,375)	34,956	38,331	-
Salary Adjustment	Z-2011-253	14,250	(1,279)	11,875	13,154	-
State Aid	A-2012-253	179,646	-	29,941	15,558	(14,383)
Commitment Reduction Program	C-2012-253	20,678	-	3,446	-	(3,446)
			\$ (129,264)	\$ 213,439	\$ 225,621	\$ (117,082)

ZAPATA COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

(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, 2011**

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 ? - Reportable condition(s) identified not considered to be material weaknesses?	No Yes
Noncompliance material to financial Statements noted?	No
FEDERAL AWARDS	
Internal Control over major programs: - Material weakness(es) identified ? - Reportable condition(s) identified not considered to be material weaknesses?	No 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:	\$300,000
Auditee qualified as low risk auditee?	No
Identification of Major Federal Programs:	97.067 U.S. Department of Homeland Security Passed through Governors Div. of Emergency Mgmt 66.468 U. S. Environment Protection Agency Passed through Water Development Board 16.738 U. S. Department of Justice Passed through Office of the Governor
STATE AWARDS	
Internal Control over Compliance: - Material weakness(es) identified? - Were reportable condition(s) identified that were not considered to be material weaknesses?	No 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:	Texas Department of Transportation Border Colonia Access Program

Section II – Financial Statement Findings

2011-1) Pursuant to Local Government Code Chapter 15 (Audit of County Finances), Subchapter B (Audit Authority of Commissioners Court), Sections 115.021 (Audit and Settlement of Accounts) and 115.022 (Examination of Accounts and Reports), the Commissioners Court shall audit and settle all accounts against the county and shall direct the payment of those accounts. Approval of all bills must be made by the Court prior to the issuance of payment to all vendors.

Response: All pending obligations of the County will be presented to Commissioners Court for approval prior the the issuance of any payments. This is a change from the current method of approval, which is the take payments made to the Court for ratification after issuance of payment.

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, 2011

2010-1) The County's books were closed many months after the end of the fiscal year. This resulted in the single audit report, which was due by June 30, 2011, to be filed several weeks late. The County's books should be closed as soon as possible after the end of the fiscal year to ensure timely audit reports.

Response: The County has hired an accountant to assist in this task and has already started working on next year's audit to assure timeliness of submission.

2010-2) Several of the County's funds are not recorded in the budget book. Consequently, not all funds have budget amounts. This can result in over expenditures in these funds.

Response: The County will include all funds in the budget book and review all funds during the year to ensure that budget amounts and budget balances are correct. A budget amendment for funds not included in the budget book will be presented to Commissioner Court for approval.

2009-1) There are several bank accounts that should be closed. Some are accounts that no longer have any activity. These should be reviewed and the funds transferred to the appropriate fund. Other accounts are used to account for grant activity but are bypassing the County's system that is in place. All deposits and disbursements should go through the Treasurer's Office.

Response: Bank accounts will be reviewed and, if necessary, will be closed. Additionally, we will work with department heads and elected officials to ensure that all financial activity passes through the Treasurer's Office.