

**DIMMIT COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**SEPTEMBER 30, 2012**

**BILL C. ROCHA**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**SAN ANTONIO, TEXAS**

**DIMMIT COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**SEPTEMBER 30, 2012**

**DIMMIT COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT**

**TABLE OF CONTENTS**

<b>FINANCIAL SECTION</b>	<b>PAGE</b>
Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	3
<b>BASIC FINANCIAL STATEMENTS</b>	
Government Wide Financial Statements:	
Statement of Net Assets.....	9
Statement of Activities .....	10
Governmental Fund Financial Statements:	
Balance Sheet.....	12
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.....	14
Statement of Revenues, Expenditures and Changes in Fund Balances.....	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17
Proprietary Fund Financial Statements:	
Statement of Net Assets.....	18
Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	19
Statement of Cash Flows.....	20
Agency Fund Financial Statements:	
Statement of Fiduciary Net Assets.....	21
Notes to the Financial Statements.....	22

**DIMMIT COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT**

**TABLE OF CONTENTS**

**SUPPLEMENTAL INFORMATION**

Budgetary Comparison Schedules:

General Fund.....	36
Debt Service Fund.....	44
Public Facility Corporation (A Blended Component Unit).....	45
Certificates of Obligation 2011.....	46

Combining and Individual Fund Statements and Schedules:

Non-Major Governmental Funds:

Combining and Individual Fund Balance Sheet.....	47
Combining and Individual Fund Statement of Revenues, Expenditures and Changes in Fund Balances.....	53

Combining Fiduciary Statements:

Combining Statement of Fiduciary Net Assets.....	59
Statement of Changes in Assets and Liabilities.....	61

**SINGLE AUDIT SECTION**

Report on Internal Control Over Financial Reporting and on Compliance and other matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	62
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.....	64
Schedule of Expenditures of Federal Awards.....	66
Notes to the Schedule of Expenditures of Federal Awards.....	67
Summary of Findings and Questioned Costs.....	68
Corrective Action Plan.....	71
Schedule of Status of Prior Audit Findings.....	72

## **FINANCIAL SECTION**



**BILL C. ROCHA**  
**CERTIFIED PUBLIC ACCOUNTANT**

---

Telephone: (210) 499-5832  
Fax: (210) 499-0166

P.O. Box 160127  
San Antonio, TX 78280-2327

## **INDEPENDENT AUDITOR'S REPORT**

Honorable County Judge and  
Members of Commissioners Court  
Dimmit 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 Dimmit County, Texas as of and for the year ended September 30, 2012, which collectively comprise Dimmit County, Texas's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Dimmit County, Texas's management. Our responsibility is to express opinions on these financial statements based on our audit.

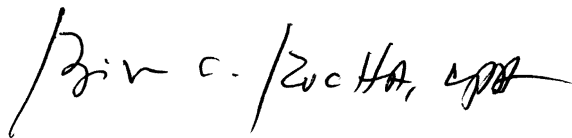
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 Dimmit County, Texas, as of September 30, 2012, 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 April 19, 2013, on our consideration of Dimmit County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 through 8 and 36 through 46 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 Dimmit County, Texas's financial statements as a whole. The 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 basic 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 basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Bill C. Rocha, CPA". The signature is fluid and cursive, with a large initial "B" and "C".

Bill C. Rocha  
Certified Public Accountant  
San Antonio, Texas  
April 19, 2013

**DIMMIT COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**

As management of Dimmit County, Texas, we offer readers of Dimmit County, Texas's (the County) financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2012.

**FINANCIAL HIGHLIGHTS**

The government-wide assets of the County exceeded its liabilities as of September 30, 2012, by \$ 22,384,706 (net assets). The net assets of the governmental activities totaled \$ 21,681,341 and were comprised of unrestricted governmental net assets in the amount of \$ 9,959,226, restricted net assets in the amount of \$ 4,546,643 and net assets invested in capital assets, net of related debt in the amount of \$ 7,175,472. The business-type activities had net assets which totaled \$ 703,365 and was comprised of net assets invested in capital assets, net of related debt in the amount of \$ 623,825 and unrestricted net assets in the amount of \$ 79,540. The County elected to record the Airport Fund as a business-type activity during this fiscal year. In prior years, it has been recorded as a governmental activity. As a result of this, there was transfer of equity in the amount of \$ 254,011 from the governmental funds to the business-type activity funds.

During the year, the County had revenues that exceeded expenses by \$ 8,460,749.

The County's total debt at year end was \$ 11,276,244.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of four components: (1) government-wide financial statements provide information about the activities of the County as a whole and present a long - term view of the County's finances; (2) fund financial statements for governmental and business-type activities and the County's component unit provide information as to how these services were financed in the short term as well as what remains for future spending and also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds; (3) notes to the financial statements amplify and clarify items in the government-wide and fund financial statements and (4) other statements that provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government. This report also contains other supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements:** The Government-Wide Financial Statements, which begin on page 9 of this report, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).



Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County as the Primary Government (page 10) include expenses for General Government, Public Safety, Judicial, Culture and Recreation, Highways and Streets, Health and Welfare, and Interest on Long-Term debt. Of the \$ 8,237,917 in expenses for these governmental activities, 48% was recovered by charging for services, and 11% was paid for by operating and capital grants and contributions. The remainder was paid by taxes and other revenues.

**Fund Financial Statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the County can be divided into three categories - governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current resources and uses of those resources, as well as on the balances of such resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Beginning on page 12 of this report, information is presented separately in the Governmental Fund Balance Sheet for the General Fund, the Debt Service Fund, Public Facility Corporation and Certificates of Obligation 2011 which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements beginning on page 47.

**Proprietary Funds** - At this time, the County maintains two types of proprietary funds (enterprise funds). The County's Enterprise Funds consist of the Dimmit County Utilities operations and the Dimmit County Airport operations.

Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements for the utility operations begin on page 18.

**Fiduciary/Agency Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County has Agency funds. Agency funds are custodial in nature (assets equals liabilities) and do not involve measurement of results of operation. See page 21.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-35 of this report.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required information concerning Budgetary Comparison Schedules for Major programs, Combining Schedules for Non-Major governmental funds and Combining Fiduciary Statements, this information may be found on pages 47-58.

## GOVERNMENTAL- WIDE FINANCIAL ANALYSIS

A portion of the County's net assets (\$ 7,175,742) reflects the County's investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress and infrastructure), net of any outstanding debt or bond issue costs used to acquire those assets. The County uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table provides a summary of the County's current and capital assets; current and long-term liabilities; invested in capital assets, net of related debt; and restricted and unrestricted amounts of net assets. As presented in the table, Governmental Activities and Business-Type Activities are presently separately with a total shown for both types of activities for the County.

Table I  
Summary of Net Assets  
At September 30. 2012

	Governmental Activities 2012	Business Type Activities 2012	Total 2012	Governmental Activities 2011	Business Type Activities 2011	Total 2011	Increase (Decrease)
Current and Other Assets	\$ 19,010,856	\$ (52,648)	\$ 18,958,208	\$ 7,822,428	\$ (59,417)	\$ 7,763,011	\$ 11,195,197
Non-Current Assets	15,233,145	805,606	16,038,751	14,830,782	454,549	15,285,331	753,420
Total Assets	34,244,001	752,958	34,996,959	22,653,210	395,132	23,048,342	11,948,617
Current Liabilities	1,286,417	49,594	1,336,011	605,142	20,643	625,785	710,226
Other Liabilities	11,276,244	-	11,276,244	8,542,068	-	8,542,068	2,734,176
Total Liabilities	12,562,661	49,594	12,612,255	9,147,210	20,643	9,167,853	3,444,402
Net Assets:							
Invested in Capital Assets							
Net of Related Debt	7,175,472	623,825	7,799,297	5,687,933	454,549	6,142,482	1,656,815
Restricted	4,546,643	-	4,546,643	1,691,050	-	1,691,050	2,855,593
Unrestricted	9,959,226	79,540	10,038,766	6,127,017	(80,060)	6,046,957	3,991,809
Total Net Assets	\$ 21,681,341	\$ 703,365	\$ 22,384,706	\$ 13,506,000	\$ 374,489	\$ 13,880,489	\$ 8,504,217

Analysis of County Activities—the following schedule provides a summary of the County's operations for the years ended September 30, 2012 and 2011.

### **DIMITT COUNTY'S CHANGES IN NET ASSETS**

**Table 2**  
**Changes in Net Assets**

	Governmental Activities 2012	Business Type Activities 2012	Total 2012	Governmental Activities 2011	Business Type Activities 2011	Total 2011	Total Increase (Decrease)
<b>Revenues:</b>							
Program Revenues:							
Charges for Services	\$ 3,914,278	\$ 476,711	\$ 4,390,989	\$ 4,098,768	\$ 243,861	\$ 4,342,629	\$ 48,360
Operating/Capital Grants & Contributions	896,420	170,390	1,066,810	1,159,233	-	1,159,233	(92,423)
Total Program Revenue	4,810,698	647,101	5,457,799	5,258,001	243,861	5,501,862	(44,063)
General Revenues:							
Property Taxes, General Purpose	3,437,339	-	3,437,339	3,036,928	-	3,036,928	400,411
Property Taxes, Debt Service	1,093,061	-	1,093,061	410,590	-	410,590	682,471
Sales Taxes	6,926,580	-	6,926,580	2,893,800	-	2,893,800	4,032,780
Investment Earnings/Reimbursements	477,388	-	477,388	323,409	-	323,409	153,979
Total General Revenues	11,934,368	-	11,934,368	6,664,727	-	6,664,727	5,269,641
<b>Total Program &amp; General Revenues</b>	<b>16,745,066</b>	<b>647,101</b>	<b>17,392,167</b>	<b>11,922,728</b>	<b>243,861</b>	<b>12,166,589</b>	<b>5,225,578</b>
<b>Expenses:</b>							
General Government	2,405,527	-	2,405,527	2,365,931	-	2,365,931	39,596
Public Safety	3,272,687	-	3,272,687	3,234,511	-	3,234,511	38,176
Judicial	1,006,995	-	1,006,995	716,739	-	716,739	290,256
Culture and Recreation	171,199	-	171,199	231,867	-	231,867	(60,668)
Highways and Streets	933,585	-	933,585	846,077	-	846,077	87,508
Health and Welfare	7,032	-	7,032	419,601	-	419,601	(412,569)
Interest on Long-Term Debt	440,892	-	440,892	474,164	-	474,164	(33,272)
<b>Business- Type Activities:</b>							
Airport	-	69,300	69,300	-	-	-	69,300
Utilities	-	526,935	526,935	-	356,918	356,918	170,017
<b>Total Expenses</b>	<b>8,237,917</b>	<b>596,235</b>	<b>8,834,152</b>	<b>8,288,890</b>	<b>356,918</b>	<b>8,645,808</b>	<b>188,344</b>
Increase (decrease) in Net Assets Before Transfers:	8,507,149	50,866	8,558,015	3,633,838	(113,057)	3,520,781	5,037,234
Transfers/Refunds to State	(46,402)	24,000	(22,402)	(411,535)	411,535	-	(22,402)
Net Increase In Net Assets	8,460,747	74,866	8,535,613	3,222,303	298,478	3,520,781	5,014,832
Net Assets, Beginning	13,506,000	374,488	13,880,488	10,296,592	76,011	10,372,603	3,507,885
Equity Transfers	(254,011)	254,011	-	-	-	-	-
Prior Period Adjustment	(31,395)	-	(31,395)	(12,895)	-	(12,895)	(18,500)
Net Assets, Ending	\$ 21,681,341	\$ 703,365	\$ 22,384,706	\$ 13,506,000	\$ 374,489	\$ 13,880,489	\$ 8,504,217

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

**Governmental funds** - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, Dimmit County's governmental funds reported combined ending fund balances of \$ 14,516,570. About 37% of this amount (\$ 5,368,221) constitutes restricted fund balances. The remainder of the fund balance is available for new spending. The government-wide presentations of net asset balances and classifications are different; please refer to pages 14 and 17 of this report for a more detailed presentation of governmental fund balances that reconciles the difference between the two methods of reporting net assets.

In the General Fund, the County had budgeted \$ 12,691,157 in revenues and the actual amount collected at year end was \$ 13,429,827. The County budgeted \$ 7,461,951 in expenditures and the actual current expenditures were \$ 6,849,994. Please refer to page 36-43 of this report for more information.

The Public Facility Corporation fund has a total fund balance of \$ 698,941 and the Debt Service Fund has a fund balance of \$ 498,680.

**Proprietary funds** - The County's proprietary fund statements beginning on page 18 of this report provide the same type of information found in the government-wide financial statements, but in more detail.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2012, amounts to \$ 14,697,231 (net of accumulated depreciation). This investment in capital assets includes land, buildings and equipment. This is the result of law enforcement vehicles purchased and continued construction of street improvements and public facilities. The following schedule shows the County's capital assets for both the governmental and business-type activities at year end. For more detailed information, refer to the capital assets footnote beginning on page 28 of the report.

#### DIMMIT COUNTY CAPITAL ASSETS

	Governmental Activities	Business Type Activities	Total
Land	\$ 606,158	\$ 181,782	\$ 787,940
Buildings	15,609,361	611,141	16,220,502
Machinery & Equipment	6,389,646	721,176	7,110,822
Construction In Progress	284,833	170,926	
Leased Assets	-	-	-
	22,889,998	1,685,025	24,119,264
Less Accumulated Depreciation	(8,542,614)	(879,419)	(9,422,033)
Total Capital Assets	\$ 14,347,384	\$ 805,606	\$ 14,697,231

### Debt Administration

At the end of the current fiscal year, the County had debt comprised of certificates of obligation, notes payable and capital lease obligations of \$ 11,276,244. This amount represents debt backed by the full faith and credit of the County and equipment. The following schedule shows the outstanding debt of the County. For more detailed information, refer to the debt footnote, beginning on page 30 of this report.

<b>DIMMIT COUNTY CERTIFICATES, NOTES AND CAPITALIZED LEASE OBLIGATIONS PAYABLE</b>			
	Governmental	Business Type	Total
	Activities	Activities	
Certificates of Obligation	\$ 8,635,000	\$ -	\$ 8,635,000
Notes Payable	2,399,696	-	2,399,696
Capital Lease	241,548	-	241,548
Total Debt	<u>\$ 11,276,244</u>	<u>\$ -</u>	<u>\$ 11,276,244</u>

### REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, customers, and creditors with a general overview of the County's finances. If you have questions about this report or need any additional information contact Mr. Carlos A. Pereda, Dimmit County Auditor at:

Mailing Address: Dimmit County, Texas  
County Auditor's Office  
407 W. Houston St  
Carrizo Springs, Texas 78834

Telephone: (830) 876-4246

Fax: (830) 876-4203

## **BASIC FINANCIAL STATEMENTS**

## **Government Wide Financial Statements**

**DIMMIT COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2012**

<b><u>ASSETS</u></b>	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>Total</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 13,793,345	\$ 242,009	\$ 14,035,354
Investments	9,933	-	9,933
Receivables (net)			
Taxes	3,550,212	-	3,550,212
Other	544,192	-	544,192
Internal Balances	397,072	(310,177)	86,894
Due from Other Governments	358,155		358,155
Notes Receivable	65,687	6,560	72,247
Prepaid Expenses	292,261		292,261
Other Current Assets	-	8,960	8,960
<b>Total Current Assets</b>	<b>19,010,856</b>	<b>(52,648)</b>	<b>18,958,208</b>
<b>Non-Current Assets</b>			
Restricted Cash and Investments	600,781	-	600,781
Capital Assets			
Land	606,158	181,781	787,939
Buildings and Improvements, net	12,326,834	-	12,326,834
Equipment, net	1,129,559	452,899	1,582,458
Construction in Progress	284,833	170,926	455,759
Other Assets	284,980	-	284,980
<b>Total Non-Current Assets</b>	<b>15,233,145</b>	<b>805,606</b>	<b>16,038,751</b>
<b>Total Assets</b>	<b>34,244,001</b>	<b>752,958</b>	<b>34,996,959</b>
<b><u>LIABILITIES</u></b>			
<b>Current Liabilities</b>			
Accounts Payable	930,234	20,844	951,078
Customer Deposits Payable	-	28,750	28,750
Accrued Liabilities	36,887	-	36,887
Due to Other Governments	33,863	-	33,863
Accrued Payroll	33,826	-	33,826
Notes Payable	-	-	-
Deferred Revenue	251,607	-	251,607
Due to Other Funds	-	-	-
<b>Total Current Liabilities</b>	<b>1,286,417</b>	<b>49,594</b>	<b>1,336,010</b>
<b>Long Term Liabilities</b>			
Due within one Year	2,047,082	-	2,047,082
Due after one Year	9,229,162	-	9,229,162
<b>Total Long Term Liabilities</b>	<b>11,276,244</b>	<b>-</b>	<b>11,276,244</b>
<b>Total Liabilities</b>	<b>12,562,661</b>	<b>49,594</b>	<b>12,612,254</b>
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets, net of related debt Restricted for	7,175,472	623,825	7,799,297
Special Revenue Funds	301,317	-	301,317
Capital Projects	3,746,646	-	3,746,646
Debt Service	498,680	-	498,680
Unrestricted	9,959,226	79,540	10,038,766
<b>Total Net Assets</b>	<b>\$ 21,681,341</b>	<b>\$ 703,365</b>	<b>\$ 22,384,706</b>

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



**DIMMIT COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Functions / Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$ 2,405,527	\$ 1,943,445	\$ -	\$ -
Public Safety	3,272,687	1,743,326	522,201	-
Judicial	1,006,995	138,539	-	-
Culture and Recreation	171,199	-	-	-
Highways and Streets	933,585	88,968	374,219	-
Health and Welfare	7,032	-	-	-
Interest on Long-Term Debt	440,892	-	-	-
<b>Total Governmental Activities</b>	<b>8,237,917</b>	<b>3,914,278</b>	<b>896,420</b>	<b>-</b>
<b>Business-Type Activities</b>				
Airport	69,300	16,787		137,486
Utility	526,935	459,924	-	32,904
<b>Total Business-Type Activities</b>	<b>596,236</b>	<b>476,711</b>	<b>-</b>	<b>170,390</b>
<b>Total Primary Government</b>	<b>\$ 8,834,153</b>	<b>\$ 4,390,989</b>	<b>\$ 896,420</b>	<b>\$ 170,390</b>

General Revenues

Taxes

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Sales Taxes

Investment Earnings

Other Miscellaneous Income

Refund to State

Contribution to County Hospital

Transfers

**Total General Revenues and Transfers**

**Change in Net Assets**

**Net Assets - October 1, 2011**

**Equity Transfers**

**Prior Period Adjustments**

**Net Assets - September 30, 2012**

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

<b>Net (Expenses) Revenues and Changes in Net Assets</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (462,082)	\$ -	\$ (462,082)
(1,007,161)	-	(1,007,161)
(868,455)	-	(868,455)
(171,199)	-	(171,199)
(470,397)	-	(470,397)
(7,032)	-	(7,032)
(440,892)	-	(440,892)
		-
(3,427,219)	-	(3,427,219)
	84,973	84,973
-	(34,107)	(34,107)
-	50,865	50,865
(3,427,219)	50,865	(3,376,353)
3,437,339	-	3,437,339
1,093,061	-	1,093,061
6,926,580	-	6,926,580
39,023	-	39,023
438,365	-	438,365
(22,377)	-	(22,377)
-	-	-
(24,025)	24,000	(25)
11,887,967	24,000	11,911,967
8,460,749	74,865	8,535,614
13,506,000	374,488	13,880,488
(254,012)	254,011	(1)
(31,395)	-	(31,395)
\$ 21,681,341	\$ 703,365	\$ 22,384,706

## **Governmental Fund Financial Statements**

**DIMMIT COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012**

	<b>Major Funds</b>			
	<b>General</b>	<b>Debt Service</b>	<b>Public Facility Corporation</b>	<b>Certificates of Obligation 2011</b>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 8,720,405	\$ 481,154	\$ 134,066	\$ 3,743,733
Certificates of Deposit	-	9,933	-	-
Receivables (net)				
Taxes	3,170,367	379,844	-	-
Other	541,349	-	-	-
Due from Other Funds	755,011	7,592	-	2,913
Due from Other Governments	-	-	-	-
Notes Receivable	-	-	-	-
Cash and Cash Equivalents- Restricted	-	-	600,781	-
<b>Total Assets</b>	<b>\$ 13,187,131</b>	<b>\$ 878,524</b>	<b>734,847</b>	<b>\$ 3,746,646</b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 601,140	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	35,547	-
Due to Other Funds	-	-	359	-
Due to Other Governments	25,445	-	-	-
Accrued Payroll	-	-	-	-
Deferred Revenue	3,412,198	379,844	-	-
<b>Total Liabilities</b>	<b>4,038,783</b>	<b>379,844</b>	<b>35,906</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>				
Restricted				
Special revenue purposes	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	698,941	3,746,646
Debt Service	-	498,680	-	-
Committed				
For future contingencies	5,000,000	-	-	-
Unassigned	4,148,349	-	-	-
<b>Total Fund Balances</b>	<b>9,148,349</b>	<b>498,680</b>	<b>698,941</b>	<b>3,746,646</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 13,187,131</b>	<b>\$ 878,524</b>	<b>734,847</b>	<b>\$ 3,746,646</b>

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

<b>Other Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 713,987	\$ 13,793,345
-	9,933
-	3,550,211
2,843	544,192
6,458	771,974
358,155	358,155
65,687	65,687
-	600,781
<u>\$ 1,147,130</u>	<u>\$ 19,694,278</u>

\$ 329,094	\$ 930,234
1,339	36,887
374,544	374,903
8,418	33,863
-	-
9,782	3,801,824
<u>723,178</u>	<u>5,177,710</u>

\$ 301,317	\$ 301,317
122,636	4,568,224
-	498,680
-	5,000,000
-	4,148,349
<u>423,954</u>	<u>14,516,570</u>
<u>\$ 1,147,132</u>	<u>\$ 19,694,280</u>

**DIMMIT COUNTY, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2012**

<b>Total Fund Balance - Governmental Funds</b>	<b>\$ 14,516,570</b>
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the adjusted cost of these assets was \$ 22,408,711 and the accumulated depreciation was \$ 8,365,982. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore, not recorded as liabilities in the funds. The total long-term debt at the beginning of the year was \$ 8,542,068. The net effect of these adjustments is to increase net assets.	5,500,661
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt on the government-wide financial statements.	3,191,282
<div style="display: flex; justify-content: space-between;"> <div> Capital Outlays  Long-term Debt Principal Payments </div> <div style="text-align: right;"> \$ 1,225,458  1,965,824  <hr/> \$ 3,191,282 </div> </div>	
Depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.	(756,925)
Reclassification of the Airport Fund from a governmental fund to a proprietary fund and its net fixed assets has the effect of decreasing net assets in the governmental funds.	(163,878)
Recognition of an expenditure as a capital outlay in the governmental funds for equipment that had not been received at the end of the fiscal year is reclassified to a prepaid asset in the government-wide statements. The effect of this reclassification is to increase net assets.	292,261
Proceeds from bond issuances are shown as revenues in the governmental fund financial statements, but are shown as liabilities on the government-wide statements. The net effect of these classifications is to decrease net assets.	(4,700,000)
Unamortized bond issuance costs are shown as liabilities in the government-wide financial statements, but are not shown in the governmental funds financial statements	284,980
Various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue and eliminating interfund transactions. The net effect of these reclassifications and recognitions is to increase net assets.	3,516,391
<b>Total Net Assets - Governmental Activities</b>	<b><u>\$ 21,681,341</u></b>

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

**DIMMIT COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Major Funds			
	General	Debt Service	Public Facility Corporation	Certificates of Obligation 2011
<b>Revenues</b>				
Taxes	\$ 10,653,995	\$ 1,113,744	\$ -	\$ -
Licenses and Permits	270,602	-	-	-
Intergovernmental	408,975	-	-	-
Non Capital Grants	-	-	-	-
Charges for Services	606,310	-	1,225,950	-
Use of County Monies and Property	514,030	-	-	-
Fines and Forfeitures	614,479	-	-	-
Miscellaneous	361,436	9,166	33	25,001
<b>Total Revenues</b>	<b>13,429,827</b>	<b>1,122,911</b>	<b>1,225,982</b>	<b>25,001</b>
<b>Expenses</b>				
Current				
General Government	2,241,264	-	3,890	880,647
Public Safety	2,842,534	-	-	-
Judicial	776,639	-	-	-
Culture and Recreation	160,717	-	-	-
Highways and Streets	828,839	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal Retirement	-	750,000	1,137,220	-
Interest & Fiscal Charges	-	270,326	170,566	-
Debt Issue Costs	-	-	-	-
<b>Total Expenses</b>	<b>6,849,994</b>	<b>1,020,326</b>	<b>1,311,676</b>	<b>880,647</b>
<b>Operating Income (Loss)</b>	<b>6,579,833</b>	<b>102,585</b>	<b>(85,694)</b>	<b>(855,646)</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In (Out)	(22,955)	-	-	-
Bond Proceeds	-	-	-	4,700,000
Bond Issue Costs	-	-	-	(97,708)
Refund to State	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(22,955)</b>	<b>-</b>	<b>-</b>	<b>4,602,293</b>
<b>Net Change In Fund Balance</b>	<b>6,556,878</b>	<b>102,585</b>	<b>(85,694)</b>	<b>3,746,646</b>
<b>Fund Balances - Beginning October 1, 2011</b>	<b>2,591,471</b>	<b>396,095</b>	<b>784,635</b>	<b>-</b>
<b>Equity Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Year Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances - Ending September 30, 2012</b>	<b>\$ 9,148,349</b>	<b>\$ 498,680</b>	<b>\$ 698,941</b>	<b>\$ 3,746,646</b>

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

<b>Other Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 11,767,739
-	270,602
-	408,975
896,420	896,420
8,273	1,840,533
-	514,030
29,524	644,003
54,688	450,325
<u>988,905</u>	<u>16,792,626</u>

49,470	3,175,272
48,025	2,890,559
547,967	1,324,606
-	160,717
284,833	1,113,672
-	-
-	-
-	1,887,220
-	440,892
-	-
<u>930,295</u>	<u>10,992,938</u>
<u>58,611</u>	<u>5,799,689</u>

(1,070)	(24,025)
-	4,700,000
-	(97,708)
<u>(22,377)</u>	<u>(22,377)</u>
<u>(23,446)</u>	<u>4,555,891</u>
35,165	10,355,579
510,318	4,282,519
(90,134)	(90,134)
<u>(31,395)</u>	<u>(31,395)</u>
<u>\$ 423,953</u>	<u>\$ 14,516,569</u>



**DIMMIT COUNTY, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<b>Total Net Change in Fund Balance - Governmental Funds</b>	<b>\$ 10,355,579</b>
--	----------------------

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	468,533
--	---------

Recognition of an expenditure as a capital outlay in the governmental funds for equipment that had not been received at the end of the fiscal year is not recognized as an expenditure in the statement of activities.	292,261
--	---------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(47,559)
--	----------

Governmental funds report bond proceeds as revenues, whereas these amounts are reported as increases to long term debt in the government wide statements.	(4,700,000)
---	-------------

The repayment of principal long term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, discounts, and similar items when debt is first issued, whereas these amount are deferred and amortized in the statement of activities. This amount is the net of these differences in reporting.	2,063,532
---	-----------

Accrued vacation payable is not reported as an expense in the governmental funds, but is recognized in the statement of activities.	28,403
---	--------

<b>Change in Net Assets of Governmental Activities</b>	<table style="margin-left: auto; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 10px;"><b>\$ 8,460,749</b></td> </tr> </table>	<b>\$ 8,460,749</b>
<b>\$ 8,460,749</b>		

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

## **Proprietary Fund Financial Statements**

**DIMMIT COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2012**

	<b>Water Utility Fund</b>	<b>Catarina Utility Fund</b>	<b>Airport Fund</b>	<b>Total</b>
<b><u>ASSETS</u></b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 128,864	\$ 5,229	\$ 107,916	\$ 242,009
Prepaid Expenses	-	-	8,960	8,960
Due from State	-	-	6,560	6,560
Other Current Assets	-	-	-	-
<b>Total Current Assets</b>	<u>128,864</u>	<u>5,229</u>	<u>123,436</u>	<u>257,529</u>
<b>Capital Assets</b>				
Land	-	17,904	163,877	181,781
Depreciable Capital Assets, Net of Accumulated Depreciation	438,399	14,500	-	452,899
Construction In Progress			170,926	170,926
<b>Total Current Assets</b>	<u>438,399</u>	<u>32,404</u>	<u>334,803</u>	<u>805,606</u>
<b>Total Assets</b>	<u>567,263</u>	<u>37,633</u>	<u>458,239</u>	<u>1,063,135</u>
<b><u>LIABILITIES</u></b>				
<b>Current Liabilities</b>				
Accrued Payroll	-	-	-	-
Accounts Payable	20,296	-	548	20,844
Customer Deposits Payable	28,750	-	-	28,750
Due to other Funds	322,007	(106,538)	94,708	310,177
<b>Total Current Liabilities</b>	<u>371,052</u>	<u>(106,538)</u>	<u>95,256</u>	<u>359,771</u>
<b>Total Liabilities</b>	<u>371,052</u>	<u>(106,538)</u>	<u>95,256</u>	<u>359,771</u>
<b><u>NET ASSETS</u></b>				
Invested in Capital Assets, Net of Related Debt	438,399	14,500	170,926	623,825
Unrestricted	(242,188)	129,671	192,057	79,540
<b>Total Net Assets</b>	<u>\$ 196,210</u>	<u>\$ 144,171</u>	<u>\$ 362,984</u>	<u>\$ 703,365</u>

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

**DIMMIT COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>Water Utility Fund</b>	<b>Catarina Utility Fund</b>	<b>Airport Fund</b>	<b>Total</b>
<b>Operating Revenues</b>				
Water Fees	\$ 266,147	\$ 89,897	\$ -	\$ 356,044
Use of County Monies and Property	-	-	16,787	16,787
Other Revenue	103,880	-	-	103,880
<b>Total Operating Revenue</b>	<b>370,027</b>	<b>89,897</b>	<b>16,787</b>	<b>476,711</b>
<b>Operating Expenses</b>				
Operating Expenses	428,541	6,105	69,300	503,947
Depreciation and Amortization	91,789	500	-	92,289
<b>Total Operating Expenses</b>	<b>520,330</b>	<b>6,605</b>	<b>69,300</b>	<b>596,236</b>
<b>Operating Income (Loss)</b>	<b>(150,303)</b>	<b>83,292</b>	<b>(52,514)</b>	<b>(119,525)</b>
<b>Non-Operating Revenues (Expenses)</b>				
Capital Grants and Contributions	-	32,904	137,486	170,390
<b>Total Non-Operating Revenues (Expenses)</b>	<b>-</b>	<b>32,904</b>	<b>137,486</b>	<b>170,390</b>
<b>Change in Net Assets Before Transfers</b>	<b>(150,303)</b>	<b>116,196</b>	<b>84,973</b>	<b>50,865</b>
<b>Operating Transfers In (Out)</b>				
Transfers in from County	-	-	24,000	24,000
<b>Change in Net Assets</b>	<b>(150,303)</b>	<b>116,196</b>	<b>108,973</b>	<b>74,865</b>
<b>Net Assets - Beginning October 1, 2011</b>	<b>346,514</b>	<b>27,975</b>	<b>-</b>	<b>374,488</b>
<b>Equity Transfers</b>	<b>-</b>	<b>-</b>	<b>254,011</b>	<b>254,011</b>
<b>Net Assets - Ending September 30, 2012</b>	<b>\$ 196,210</b>	<b>\$ 144,171</b>	<b>\$ 362,984</b>	<b>\$ 703,365</b>

**DIMMIT COUNTY, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>Water Utility Fund</b>	<b>Catarina Utility Fund</b>	<b>Airport Fund</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>				
Cash Received from Third Party Payors and customers	\$ 266,147	\$ 89,897	\$ 16,787	\$ 372,831
Other Receipts and Payments	103,880	-	155,796	259,676
Cash Paid to Suppliers	(37,832)	(108,693)	(69,300)	(215,825)
Cash Paid to Employees	(101,570)	(4,680)		(106,250)
Cash Paid for Employee Benefits and Payroll Taxes	(33,870)	(1,425)	-	(35,295)
<b>Net Cash Provided (Used) By Operating Activities</b>	196,755	(24,901)	103,283	275,137
<b>Cash Flows from Investing Activities</b>				
Purchase of Fixed Assets	(75,389)	-	(170,926)	(246,315)
<b>Cash and Cash Equivalents - October 1, 2011</b>	7,498	30,130	-	37,628
Transfer in of Beginning Cash from Governmental Funds			175,560	175,560
<b>Cash and Cash Equivalents - September 30, 2012</b>	<u>\$ 128,864</u>	<u>\$ 5,229</u>	<u>\$ 107,916</u>	<u>\$ 242,010</u>
<b>Reconciliation of Net Income to Net Cash Flows From Operating Activities</b>				
Operating Income (loss)	\$ (150,303)	\$ 116,196	\$ 108,973	\$ 74,865
Adjustments to Reconcile Operating Income to Net Cash Flows Used in Operating Activities:				
Depreciation	91,789	500	-	92,289
Non-cash Contribution		(32,904)	-	(32,904)
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	-	-	(8,960)	(8,960)
(Increase) Decrease in Prepaid Expenses	-	-	(6,560)	(6,560)
Increase (Decrease) in Accounts Payable and Accrued Expenses	28,152	-	-	28,152
Increase (Decrease) in Interfund Activities	227,117	(108,693)	9,282	127,706
<b>Net Cash Provided by (Used In) Operating Activities</b>	<u>\$ 196,755</u>	<u>\$ (24,901)</u>	<u>\$ 103,283</u>	<u>\$ 275,136</u>

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

## **Agency Fund Financial Statements**

**DIMMIT COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**SEPTEMBER 30, 2012**

	<u>Agency Fund</u>
<b><u>ASSETS</u></b>	
Cash and Investments	\$ 2,113,472
Due From Other Funds	<u>-</u>
<b>Total Assets</b>	<u><u>\$ 2,113,472</u></u>
<b><u>LIABILITIES</u></b>	
Due to Other Funds	\$ 86,894
Due to Others	<u>2,026,578</u>
<b>Total Liabilities</b>	<u><u>\$ 2,113,472</u></u>

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

**DIMMIT COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Dimmit County, Texas (the "County") conform to accounting principles generally accepted in the United States of America as applicable to governmental entities.

**A. Reporting Entity**

**Primary Government and Component Unit**

The County is a body corporate and politic. The general governing body of the County is Commissioners Court which has none of the functions of a court but has powers and duties defined by the Texas officials consisting of the County Judge elected county-wide and four Commissioners elected by precinct. The County Judge is the administrative officer of the County. The general functions of Commissioners Court are to establish a courthouse and jail, appoint numerous minor officials, fill vacancies in certain County offices, let contracts in the name of the County, build roads and bridges, administer the County's public welfare services, perform numerous duties in regard to elections, set the County tax rate, issue bonds, adopt the County budget and any other lawful functions authorized by law. In accordance with GASB Statement 14, a financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the elected officials of the County are financially accountable, or the relationship to the County is such that exclusion would cause the County's financial statements to be misleading or incomplete.

**Blended Component Unit** - Blended component units, although legally separate entities, are in substance part of the government's operations and so data from these units should be combined with data of the primary government (County).

For reporting purposes, the Dimmit County Public Facility Corporation (DCPFC) qualifies as a blended component unit. The Commissioners Court appoints the governing board of the DCPFC. The purpose of the DCPFC is to construct a border patrol facility and to account for the operation of the station which is leased to the United States Government for the Border Patrol.

**Discretely Presented Component Unit** - Discretely presented component units, although legally separate entities are in substance part of the government's operations and so data from these units should be reported along with and beside the data of the primary government (County).

Prior to this fiscal year, the Dimmit County Memorial Hospital (Hospital) qualified as a discretely presented component unit. Through a general election, the Dimmit Regional Hospital District was formed in October 2010 and has taken over the operations of the Hospital. The Hospital no longer qualifies as a discretely presented component unit.

**B. Government-wide and Fund Financial Statements**

The **government-wide financial statements** include the statements of net assets and statement of activities. Government-wide statements report, except for County fiduciary activity, information on all activities of the County. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund financial statements.



**DIMMIT COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Government-wide and Fund Financial Statements (continued)**

The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*.

Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The government has the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted in another fund.

The **Debt Service Fund** is used to set aside and accumulate resources to meet current and future debt service requirements on general long-term debt.

The **Public Facility Corporation Fund** is used to account for the construction of a Border Patrol station and to account for the operation of the station leased to the government of the United States of America.

**DIMMIT COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-like activities and Enterprise Funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government - wide financial statements.

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. The principal operating revenues of the County's Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

**Deposits and Investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and time deposits.

**Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectible accounts. The property tax receivable allowance is equal to approximately 12% of outstanding property taxes at September 30, 2012.

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1 of the following year. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

**DIMMIT COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities and Net Assets or Equity**

**Restricted Assets**

The restricted assets consist of cash restricted for capital projects.

**Capital Assets**

Capital assets, which include property, plant, equipment but no infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County does not have a formal capitalization policy so that all capital assets with an estimated useful life in excess of one year are included. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following useful lives:

<b>Assets</b>	<b>Years</b>
Buildings	30-33
Improvements other than buildings	35
Equipment	5-10

**Compensated Absences**

A liability for unused vacation for all full time employees is calculated and reported in the government - wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

Leave or compensation is attributable to services already rendered.

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured. Compensated absences are accrued in the government - wide statements.

Sick leave is paid on a prescribed basis. While the benefit accrues up to a maximum of 96 hours they are not paid upon separation from employment and therefore not reported in the financial statements of the County.

**Long-term Obligations**

Long-term debt and other long-term obligations of the enterprise funds are reported as liabilities in the proprietary fund financial statements and in the government-wide financial statements. Long-term debt and other long-term obligations of the governmental funds are not reported in the fund financial statements, but are reported as liabilities of the governmental activities in the government-wide financial statements

**DIMMIT COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities and Net Assets or Equity (continued)**

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**Net Assets**

Net assets represent the difference between assets and liabilities.

Net assets invested in capital assets, net of related debt consists of the original cost of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors laws or regulations of other governments.

In prior years, the County elected to include a note payable that originated in fiscal year 2004 relating to the construction of the Border Patrol Station in the computation of net assets invested in capital assets, net of related debt. The inclusion of this amount had the net effect of increasing unrestricted net assets and decreasing net assets invested in capital assets, net of related debt.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

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

A public hearing, at which Department heads may appear, is held on the budget by the Commissioners Court. Before determining the final budget, the Commissioners Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available cash. Appropriations lapse at fiscal year-end.

Amendments are made during the year on approval by the Commissioners Court. The final amended budget is used in this report.

Budgets for the General, Special Revenue, and Debt Service Funds are adopted on a budgetary basis rather than in conformity with accounting principles generally accepted in the United States of America (GAAP). Under the budgetary basis revenues are recognized as collected and expenditures are recognized as paid. The items which reconcile the budgetary basis to the modified accrual basis (GAAP) are receivables, which are not recognized under the budgetary basis.

**DIMMIT COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

**Deficit Fund Equity**

The following governmental activities had deficit fund balances as of September 30, 2012:

Records Management - District Clerk Fund \$ (38,880), Law Library \$ (7,709), Linebacker Project \$ (253), Border Patrol Project \$ (5,989), and the Dimmit County Grants \$ (10).

**3. DETAILED NOTES ON ALL FUNDS**

**Deposits and Investments**

The County does not have a formal policy regarding types of carrying amounts of deposits allowed. Collateral requirements are addressed in its depository agreement with its principal banking institution, but not with other banking institutions which may hold funds as a trustee.

**Receivables**

**Dimmit County**

Receivables as of year-end for the government's individual major and non major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

The County has one direct economic development loan to a private entity identified as follows:

Receivables	General Fund	Debt Service Fund	Other Non Major	Total
Taxes	\$ 3,729,843	\$ 446,875	\$ -	\$ 4,176,718
Accounts	541,349	-	-	541,349
Intergovernmental	32,000	-	364,715	396,715
Notes Receivable	-	-	65,687	65,687
Gross Receivables	4,303,192	446,875	430,402	5,180,469
Less allowance for uncollectible	(599,476)	(67,031)	-	(666,507)
Net Receivables	\$ 3,703,716	\$ 379,844	\$ 430,402	\$ 4,513,962

- (1) A promissory note in the amount of \$ 285,000 was initiated on December 29, 1995 and due on June 1, 2016. The note was issued to Neighborhood Housing Program Services of Dimmit County, Inc. The note is due in 240 installments bearing annual interest of 3% for the first 15 years only. The loan is secured by a deed of trust to certain real property. The balance at September 30, 2012 is \$ 65,687.

**Receivables (continued)**

**Dimmit County - Interfund Receivables and Payable**

During the course of its operations, the County has numerous transactions between funds to finance operations and service debt.

**DIMMIT COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**Receivables (continued)**

**Dimmit County - Interfund Receivables and Payable**

When applicable, interfund receivables are reported and clearly identified as due from or due to other funds in the financial statements. Interfund balances at September 30, 2012 consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 755,011	\$ -
Debt Service Fund	\$ 7,592	\$ -
Public Facility Corporation	-	359
Certificates of Obligation	2,913	-
Other Non Major	-	368,086
Water Utility Fund	-	322,007
Catarina Fund	106,538	-
Airport Fund	-	94,708
Fiduciary	-	86,894
	<u>\$ 872,054</u>	<u>\$ 872,054</u>

Interfund activity is primarily incurred in order to meet obligations of funds which are on a cost reimbursement arrangement or that must pay expenses before a revenue stream is received. These amounts are intended to be temporary in nature.

**Capital Assets**

Capital asset activity for the year ended September 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Adjustments</u>	<u>Ending Balances</u>
Government Activities:				
Capital assets, not being depreciated:				
Land	\$ 770,036	\$ -	\$ (163,878)	\$ 606,158
Construction in Progress	-	284,833	-	284,833
Total assets not being depreciated	<u>770,036</u>	<u>284,833</u>	<u>(163,878)</u>	<u>890,991</u>
Capital assets, being depreciated:				
Buildings	15,168,981	440,380	-	15,609,361
Equipment	6,469,694	500,245	(580,293)	6,389,646
Total assets being depreciated	<u>21,638,675</u>	<u>940,625</u>	<u>(580,293)</u>	<u>21,999,007</u>
Less accumulated depreciation:				
Buildings	(3,053,236)	(229,295)	4	(3,282,527)
Equipment	(5,312,746)	(527,634)	580,293	(5,260,087)
Total accumulated depreciation	<u>(8,365,982)</u>	<u>(756,929)</u>	<u>580,297</u>	<u>(8,542,614)</u>
Total capital assets being depreciated, net	<u>13,272,693</u>	<u>183,696</u>	<u>4</u>	<u>13,456,393</u>
Government activities capital assets, net	<u>\$ 14,042,729</u>	<u>\$ 468,529</u>	<u>\$ (163,874)</u>	<u>\$ 14,347,384</u>

**DIMMIT COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**Capital Assets (continued)**

	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balances
Business - Type Activities:				
Capital assets, not being depreciated:				
Land	\$ -	\$ 17,904	\$ 163,878	\$ 181,782
Construction in Progress	-	170,926	-	170,926
Total assets not being depreciated	-	188,830	163,878	352,708
Capital assets, being depreciated:				
Building	-	15,000	-	15,000
Water Wells	596,141	-	-	596,141
Equipment	65,245	75,638	580,293	721,176
Total assets being depreciated	661,386	90,638	580,293	1,332,317
Less accumulated depreciation:				
Equipment	(206,837)	(92,289)	(580,293)	(879,419)
Total accumulated depreciation	(206,837)	(92,289)	(580,293)	(879,419)
Total capital assets being depreciated, net	454,549	(1,651)	-	452,898
Total Business-type activities	\$ 454,549	\$ 187,179	\$ 163,878	\$ 805,606

**Dimmit County (continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental Activities</u>	
General Government	\$ 228,167
Public Safety	418,143
Highways and Streets	253,761
Judicial	2,311
Culture and Recreation	18,355
Health and Welfare	9,779
Total Depreciation Expense - Governmental Activities	<u>\$ 930,516</u>

**DIMMIT COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**Debt**

At September 30, 2012, long-term debt consisted of the following individual issues:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<u>Certificates of Obligation</u>					
(1) Series 2011	\$ 4,685,000	\$ -	\$ 320,000	\$ 4,365,000	\$ 330,000
(2) Series 2011	-	4,700,000	430,000	4,270,000	430,000
<u>Notes Payable</u>					
(3) Bank of America	3,536,916	-	1,137,220	2,399,696	1,209,435
<u>Capital Leases</u>					
(4) Motor Grader	174,279	-	41,256	133,023	42,761
(5) Equipment	145,873	-	37,348	108,525	34,886
	<u>\$ 8,542,068</u>	<u>\$ 4,700,000</u>	<u>\$ 1,965,824</u>	<u>\$ 11,276,244</u>	<u>\$ 2,047,082</u>

- (1) Certificates of Obligation Limited Tax Refunding Bonds, Series 2011 was issued in the amount of \$ 4,700,000. This Certificate of Obligation was issued during fiscal year 2011 to defease the 2008 Series Certificates of Obligations.
- (2) Combination Tax and Revenue Certificates of Obligation, Series 2011 was issued in the amount of \$ 4,700,000. This Certificate of Obligation was issued during fiscal year 2012 for county construction improvements and office equipment.
- (3) A \$10,000,000 note payable to Bank of America, dated May 29, 2003, with a final payment due on August 1, 2014. The note is payable in monthly installments of \$109,470 including interest of 5.69% per annum. The proceeds of the note were used to finance the new Border Patrol Station. The County has entered into a lease agreement with the United States Government to provide the funds to meet debt service requirements.
- (4) The County entered into a capital lease on November 15, 2010 to purchase equipment and to refinance two motor graders. The lease is payable in five annual installments of \$47,190, including interest at 3.59% per annum, beginning November 15, 2010 and maturing on February 15, 2015. The lease is secured by the equipment.
- (5) The County entered into a capital lease on February 5, 2010 purchase equipment. The lease is payable in five annual installments of \$ 38,847, including interest at 3.59% per month, beginning February 5, 2011 and maturing on February 15, 2015. The lease is secured by the equipment.



**DIMMIT COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**Debt (continued)**

Debt service requirements of the County to maturity for the above obligations are follows:

Year Ended September 30,	Principal	Interest	Total
2013	\$ 1,969,435	\$ 363,779	\$ 2,333,214
2014	1,975,261	270,888	2,246,149
2015	800,000	214,295	1,014,295
2016	835,000	190,845	1,025,845
2017	855,000	166,318	1,021,318
2018 - 2022	4,130,000	439,290	4,569,290
2023	470,000	16,685	486,685
	<u>\$ 11,034,696</u>	<u>\$ 1,662,100</u>	<u>\$ 12,696,796</u>

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**Debt (continued)**

Lease payments are expenditures of the General Fund. The following is a summary of future minimum lease payments under capital leases:

Year Ending September 30,	
2013	86,037
2014	86,037
2015	<u>86,037</u>
Total minimum lease payments	258,111
Less: amount representing interest	<u>(16,583)</u>
Present value of future minimum lease payments	<u>\$ 241,528</u>

During the fiscal year ending September 30, 2009, the County issued \$ 4,685,000 in Unlimited Tax Refunding Bonds, Series 2008 to defease \$ 1,580,000 of the Certificates of Obligation, Series 2001, \$ 525,000 of the Certificates of Obligation, Series 2002, \$ 1,725,000 of the Certificates of Obligation, Series 2003, \$ 265,000 of the Certificates of Obligation, Series 2003-A, and \$ 160,000 of the Certificates of Obligation, Series 2003-B, and to pay bond issue costs. The County increased its total debt service payments over the next 14 years by \$ 1,672,747 but obtained an economic gain of approximately \$ 153,043, based on the present value of the payments to be made and the increased repayment period.

**DIMMIT COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**Interest Rate Swap**

Objective of the Interest Rate Swap

As a means to lower its borrowing costs, when compared to fixed-rate loans at the time of issuance on May 1, 2003, the County entered into an interest rate swap in connection with its \$ 10,000,000 construction loan from Bank of America, N.A. The intention of the swap was to effectively change the County's variable interest rate on the loan to a synthetic fixed rate of 5.6900%.

Terms

The loan and the related swap agreement mature on August 1, 2014, and the swap's notional amount of \$ 10,000,000 million matches the \$ 10,000,000 variable-rate loan. The swap was entered into at the same time the loan was issued. As principal on the loan declines, the notional value of the swap declines to match the unpaid principal balance. Under the swap, the County pays the counterparty a fixed payment of 5.6900% and receives a variable payment based on the London Interbank Offered Rate (LIBOR). Conversely, the loan's variable-rate payments are based on the Applicable Interest Rate as stated in the loan agreement. The Applicable Interest Rate changes monthly and is based on the U.S. Prime Rate.

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**Debt (continued)**

Fair Value

As of September 30, 2012, the swap had a negative fair value of (\$ 31,600). The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate loan, creating lower synthetic rates. Because the payments on the County's variable-rate loan adjust to changing interest rates, the loan does not have a corresponding fair value increase.

Credit Risk

As of September 30, 2012, the County was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair market value of the swap becomes positive, the County would be exposed to credit risk in the amount of the derivative's fair value.

Basis Risk

As noted above, the swap exposes the County to basis risk. Should the relationship between LIBOR and the U.S. Prime Rate converge, the synthetic rate on the loan would change. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized.

Termination Risk

The County or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate loan would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the County would be liable to the counterparty for a payment equal to the swap's fair value.

**DIMMIT COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**3. DETAILED NOTES ON ALL FUNDS (continued)**

Swap Payments and Associated Debt

As rates vary, variable-rate loan interest payments and net swap payments will vary. Using rates as of September 30, 2012, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, are listed in below:

Year Ending September 30,	Principal	Interest	Interest Rate Swaps, Net	Total
2013	1,209,435	72,523	42,472	1,324,430
2014	1,170,606	23,361	13,680	1,207,647
Total	<u>\$ 2,380,041</u>	<u>\$ 95,884</u>	<u>\$ 56,152</u>	<u>\$ 2,532,077</u>

**Retirement Plan**

Plan Description

The County 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 574 nontraditional defined benefit pension plans. TDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the 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 30 years of service regardless of age, or when the sum of their age and years of service equals 80 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 credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The employer has chosen the annually determined contribution rate (ADCR) plan under the provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the coverage payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 8.01% for the months of the accounting year 2011, and 8.19% for the months of the accounting year 2012.

The contribution rate payable by the employee members for calendar year 2012 is the rate of 7.00% 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.

**DIMMIT COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**3. DETAILED NOTES ON ALL FUNDS (continued)**

Annual Pension Cost

For the employer's accounting year ending September 30, 2012 the annual pension cost for the TCDRS plan for its employees was \$ 244,404.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, the annual required contributions and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2009 and December 31, 2010 and December 31, 2011, the basis for determining the contribution rates for the calendar years 2011 and 2012. The December 31, 2011 actuarial valuation is the most recent valuation.

Retirement Plan (continued)

<b>Actuarial Valuation Information</b>			
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 in years	20	20	20
Asset 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 (1)	8.00%	8.00%	8.00%
Projected salary increases (1)	5.40%	5.40%	5.40%
Inflation	3.50%	3.50%	3.50%
Cost-of-living adjustments	0.00%	0.00%	0.00%

**Trend Information for the Retirement Plan  
for Employees of Dimmit County**

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2008	\$ 121,538	100%	\$ 10,202
2009	\$ 152,614	100%	\$ 12,059
2010	\$ 174,145	100%	\$ 12,059

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 at the beginning of this accounting year, because all actuarially required contributions for the accounting years beginning in 1987 up to the beginning of this accounting year 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.

**DIMMIT COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**3. DETAILED NOTES ON ALL FUNDS (continued)**

**Schedule of Funding for the Retirement  
Plan for the Employees**

Acturial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll [(b-a)/c]
12/31/09	\$ 3,481,095	\$ 3,676,824	\$ 195,729	94.68%	\$ 2,332,545	8.39%
12/31/10	\$ 3,906,852	\$ 4,154,572	\$ 247,720	94.04%	\$ 2,306,357	10.74%
12/31/11	\$ 4,246,590	\$ 4,605,116	\$ 358,526	92.21%	\$ 2,702,211	13.27%

**Contingent Liabilities and Commitments**

According to the County's management the County is not contingently liable for any other lawsuits and claims.

**Reclassification of Airport Fund**

Prior to this fiscal year, the County maintained the Airport Fund as a governmental fund. During the current fiscal year, the County elected to reclassify this fund to a proprietary fund. As a result, there was a transfer of equity from the governmental funds to the proprietary funds in the amount of \$ 90,134. There was also a transfer of fixed assets previously recorded on the government-wide statements which consisted of fully depreciated assets in the amount of \$ 598,293 and land in the amount of \$ 163,878.

## **SUPPLEMENTAL INFORMATION**

## **Budgetary Comparison Schedules**

**DIMMIT COUNTY, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE - REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Favorable (Unfavorable)</b>
<b>TAXES</b>				
Current Roll Collections	\$ 3,242,227	\$ 3,609,704	\$ 3,478,768	\$ (130,936)
Delinquent Taxes Collected	135,061	210,138	202,442	(7,696)
Penalties and Interest	93,284	134,905	129,904	(5,001)
State General Sales Tax	2,047,265	6,500,060	6,926,580	426,520
Miscellaneous	-	-	-	-
Discounts and Fees	(66,056)	(83,700)	(83,699)	1
<b>TOTAL TAXES</b>	<b>5,451,781</b>	<b>10,371,107</b>	<b>10,653,995</b>	<b>282,888</b>
<b>LICENSES AND PERMITS</b>				
Motor Vehicle Registration	275,000	316,284	266,677	(49,607)
Alcoholic Beverage Permits	2,200	3,048	3,925	877
<b>TOTAL LICENSES AND PERMITS</b>	<b>277,200</b>	<b>319,332</b>	<b>270,602</b>	<b>(48,730)</b>
<b>INTERGOVERNMENTAL REVENUE</b>				
State Judicial	35,833	35,833	72,519	36,686
Law Enforcement	296,000	296,000	335,000	39,000
Other	1,500	1,478	1,456	(22)
<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b>333,333</b>	<b>333,311</b>	<b>408,975</b>	<b>75,664</b>
<b>CHARGES FOR SERVICES</b>				
Tax Collections	115,615	111,763	112,251	488
Tax Certificates	1,045	9,078	8,200	(878)
Garbage Collection	-	-	-	-
Child Support Fees	10,000	4,264	4,265	1
County Attorney	-	-	-	-
Sheriff	750	-	-	-
County Clerk	345,444	321,970	325,707	3,737
District Clerk	59,998	61,645	57,747	(3,898)
Miscellaneous	80,904	92,551	98,141	5,590
<b>TOTAL CHARGES FOR SERVICES</b>	<b>613,756</b>	<b>601,271</b>	<b>606,310</b>	<b>5,039</b>



**DIMMIT COUNTY, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE - REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

(continued)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
<b>USE OF COUNTY MONIES AND PROPERTY</b>				
Interest Earned	\$ 16,500	\$ 6,623	\$ 45,594	\$ 38,971
Equipment Rental	4,000	-	-	-
Lateral Road/Lease Payment	13,885	13,870	13,870	(0)
Auction Revenues	-	-	7,841	7,841
Rentals and Leases	175,000	-	-	-
Detention Center	441,413	311,076	446,725	135,649
<b>TOTAL USE OF COUNTY MONIES AND PROPERTY</b>	<u>650,798</u>	<u>331,569</u>	<u>514,030</u>	<u>182,461</u>
<b>FINES AND FORFEITURES</b>				
Traffic Fines	2,500	3,139	3,366	227
Court Costs and Fines	15,000	-	-	-
Bail Bond Forfeitures	2,500	2,500	(1,328)	(3,828)
Justice of the Peace	317,890	595,448	612,440	16,992
<b>TOTAL FINES AND FORFEITURES</b>	<u>337,890</u>	<u>601,087</u>	<u>614,479</u>	<u>13,392</u>
<b>MISCELLANEOUS</b>				
Other Services	37,200	133,480	361,436	227,956
<b>TOTAL MISCELLANEOUS</b>	<u>37,200</u>	<u>133,480</u>	<u>361,436</u>	<u>227,956</u>
<b>TOTAL REVENUES</b>	<u><u>\$ 7,701,958</u></u>	<u><u>\$ 12,691,157</u></u>	<u><u>\$ 13,429,827</u></u>	<u><u>\$ 738,670</u></u>

**DIMMIT COUNTY, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE - EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
<b>GENERAL GOVERNMENT</b>				
County Judge and Commissioners:				
Personnel Services	\$ 305,307	\$ 308,492	\$ 299,924	\$ 8,568
Repairs, Materials and Supplies	3,466	4,766	4,277	489
Professional and Contract Services	19,750	16,050	17,425	(1,375)
Capital Outlays	-	-	-	-
<b>TOTAL COUNTY JUDGE AND COMMISSIONERS</b>	<u>328,523</u>	<u>329,308</u>	<u>321,626</u>	<u>7,682</u>
County Clerk:				
Personnel Services	132,194	137,894	137,136	758
Repairs, Materials and Supplies	46,019	39,819	43,002	(3,183)
Professional and Contract Services	19,900	26,100	28,508	(2,408)
Capital Outlays	-	-	-	-
<b>TOTAL COUNTY CLERK</b>	<u>198,113</u>	<u>203,813</u>	<u>208,645</u>	<u>(4,832)</u>
Veterans Service Office:				
Other Services and Charges	<u>1,700</u>	<u>2,400</u>	<u>1,100</u>	<u>1,300</u>
<b>TOTAL VETERAN SERVICE OFFICE</b>	<u>1,700</u>	<u>2,400</u>	<u>1,100</u>	<u>1,300</u>
County Treasurer:				
Personnel Services	80,318	83,528	77,840	5,688
Repairs, Materials and Supplies	7,300	7,300	6,045	1,255
Professional and Contract Services	9,825	9,825	9,579	246
Capital Outlays	-	-	-	-
<b>TOTAL COUNTY TREASURER</b>	<u>97,443</u>	<u>100,653</u>	<u>93,464</u>	<u>7,189</u>
County Auditor:				
Personnel Services	106,321	145,354	138,263	7,091
Repairs, Materials and Supplies	4,800	4,800	4,475	325
Professional and Contract Services	7,850	7,850	15,599	(7,749)
Capital Outlays	-	-	876	(876)
<b>TOTAL COUNTY AUDITOR</b>	<u>118,971</u>	<u>158,004</u>	<u>159,213</u>	<u>(1,209)</u>

**DIMMIT COUNTY, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE - EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

(continued)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
<b>GENERAL GOVERNMENT (continued)</b>				
Other Services and Charges:				
Professional and Contract Services	\$ 1,276,476	\$ 128,960	\$ 499,318	\$ (370,358)
Other Services and Charges	55,898	109,500	59,109	50,391
<b>TOTAL OTHER SERVICES     AND CHARGES</b>	<u>1,332,374</u>	<u>238,460</u>	<u>558,427</u>	<u>(319,967)</u>
Courthouse:				
Personnel Services	65,027	65,027	51,866	13,161
Repairs, Materials and Supplies	62,500	62,500	99,967	(37,467)
Professional and Contract Services	109,600	109,600	120,513	(10,913)
<b>TOTAL COURTHOUSE</b>	<u>237,127</u>	<u>237,127</u>	<u>272,346</u>	<u>(35,219)</u>
Planner:				
Personnel Services	83,042	83,042	89,471	(6,429)
Repairs, Materials and Supplies	8,800	8,800	4,483	4,317
Other Services and Charges	5,250	5,250	7,301	(2,051)
Equipment	1,500	1,500	2,071	(571)
<b>TOTAL PLANNER</b>	<u>98,592</u>	<u>98,592</u>	<u>103,326</u>	<u>(4,734)</u>
Appraisal District:				
Other Services and Charges	164,297	164,297	137,836	26,461
<b>TOTAL VOTER ADMINISTRATION</b>	<u>164,297</u>	<u>164,297</u>	<u>137,836</u>	<u>26,461</u>
Tax Assessor Collector:				
Personnel Services	183,423	183,423	169,850	13,573
Repairs, Materials and Supplies	16,700	16,400	9,996	6,404
Professional and Contract Services	26,380	26,680	26,340	340
Capital Outlays	1,100	1,100	360	740
<b>TOTAL TAX ASSESSOR COLLECTOR</b>	<u>227,603</u>	<u>227,603</u>	<u>206,547</u>	<u>21,056</u>
County Insurance:				
Other Services and Charges	98,000	98,000	95,371	2,629
<b>TOTAL COUNTY INSURANCE</b>	<u>98,000</u>	<u>98,000</u>	<u>95,371</u>	<u>2,629</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>2,902,743</u>	<u>1,858,257</u>	<u>2,157,901</u>	<u>(299,644)</u>

**DIMMIT COUNTY, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE - EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

(continued)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
<b>JUDICIAL</b>				
293rd District Court:				
Personnel Services	\$ 3,443	\$ 3,543	\$ 3,308	\$ 235
Repairs, Materials and Supplies	16,000	20,173	3,103	17,070
Professional and Contract Services	69,623	575,573	150,957	424,616
Capital Outlays	-	-	-	-
<b>TOTAL 293rd DISTRICT COURT</b>	<u>89,066</u>	<u>599,289</u>	<u>157,368</u>	<u>441,921</u>
365th District Court:				
Personnel Services	3,443	3,593	3,356	237
Repairs, Materials and Supplies	10,275	10,275	9,532	743
Professional and Contract Services	94,730	118,041	88,928	29,113
<b>TOTAL 365th DISTRICT COURT</b>	<u>108,448</u>	<u>131,909</u>	<u>101,816</u>	<u>30,093</u>
County Attorney				
Personnel Services	102,243	103,193	100,527	2,666
Repairs, Materials and Supplies	3,000	3,000	2,644	356
Professional and Contract Services	7,823	7,823	7,682	141
Capital Outlays	-	-	-	-
<b>TOTAL COUNTY ATTORNEY</b>	<u>113,066</u>	<u>114,016</u>	<u>110,853</u>	<u>3,163</u>
District Attorney:				
Other Services and Charges	80,000	80,000	80,000	-
<b>TOTAL DISTRICT ATTORNEY</b>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
District Clerk:				
Personnel Services	109,213	109,213	106,242	2,971
Repairs, Materials and Supplies	23,900	31,900	28,864	3,036
Other Services and Charges	27,796	19,796	7,704	12,092
Capital Outlays	3,000	3,000	-	3,000
<b>TOTAL DISTRICT CLERK</b>	<u>163,909</u>	<u>163,909</u>	<u>142,810</u>	<u>21,099</u>
Truancy Court Clerk:				
Personnel Services	-	14,048	13,929	119
<b>TOTAL TRUANCY COURT CLERK</b>	<u>-</u>	<u>14,048</u>	<u>13,929</u>	<u>119</u>

**DIMMIT COUNTY, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE - EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

(continued)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
<b>JUDICIAL (continued)</b>				
Justice of the Peace Pct 1:				
Personnel Services	\$ 71,902	\$ 78,819	\$ 69,102	\$ 9,717
Repairs, Materials and Supplies	1,750	3,800	2,983	817
Professional and Contract Services	5,100	6,150	5,646	504
Capital Outlay	-	1,050	-	1,050
<b>TOTAL JUSTICE OF THE PEACE PCT. 1</b>	<u>78,752</u>	<u>89,819</u>	<u>77,732</u>	<u>12,087</u>
Justice of the Peace Pct 2:				
Personnel Services	64,626	64,376	47,386	16,990
Repairs, Materials and Supplies	800	1,000	1,226	(226)
Professional and Contract Services	6,000	6,050	5,420	630
Capital Outlay	-	-	-	-
<b>TOTAL JUSTICE OF THE PEACE PCT. 2</b>	<u>71,426</u>	<u>71,426</u>	<u>54,032</u>	<u>17,394</u>
Justice of the Peace Pct 3:				
Personnel Services	61,046	61,046	56,810	4,236
Repairs, Materials and Supplies	3,350	3,350	4,060	(710)
Professional and Contract Services	4,600	4,600	6,807	(2,207)
Capital Outlay	-	-	-	-
<b>TOTAL JUSTICE OF THE PEACE PCT. 3</b>	<u>68,996</u>	<u>68,996</u>	<u>67,677</u>	<u>1,319</u>
Justice of the Peace Pct 4:				
Personnel Services	48,118	49,118	47,190	1,928
Repairs, Materials and Supplies	5,750	5,750	2,684	3,066
Professional and Contract Services	5,250	5,250	3,398	1,852
Capital Outlay	-	-	-	-
<b>TOTAL JUSTICE OF THE PEACE PCT. 4</b>	<u>59,118</u>	<u>60,118</u>	<u>53,273</u>	<u>6,845</u>
<b>TOTAL JUDICIAL</b>	<u>832,781</u>	<u>1,393,530</u>	<u>859,489</u>	<u>534,040</u>
<b>PUBLIC SAFETY</b>				
Constables:				
Personnel Services	194,857	225,137	255,218	(30,081)
Repairs, Materials and Supplies	47,250	64,148	47,102	17,046
Professional and Contract Services	3,200	2,200	-	2,200
Capital Outlay	-	-	15,101	(15,101)
<b>TOTAL CONSTABLES</b>	<u>245,307</u>	<u>291,485</u>	<u>317,421</u>	<u>(25,936)</u>

**DIMMIT COUNTY, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE - EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

(continued)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
<b>PUBLIC SAFETY (continued)</b>				
Sheriff:				
Personnel Services	\$ 761,661	\$ 915,456	\$ 869,014	\$ 46,442
Repairs, Materials and Supplies	94,100	104,700	27,137	77,563
Other Services and Charges	53,142	101,992	216,922	(114,930)
Capital Outlay	-	-	7,575	(7,575)
<b>TOTAL SHERIFF</b>	<u>908,903</u>	<u>1,122,148</u>	<u>1,120,648</u>	<u>1,500</u>
Fire and Ambulance Service:				
Repairs, Materials and Supplies	16,132	16,132	16,293	(161)
Other Services and Charges	74,955	94,955	77,058	17,897
Capital Outlay	2,000	2,000	-	2,000
<b>TOTAL FIRE AND AMBULANCE SERVICE</b>	<u>93,087</u>	<u>113,087</u>	<u>93,351</u>	<u>19,736</u>
Jail:				
Personnel Services	676,180	766,438	646,798	119,640
Repairs, Materials and Supplies	243,500	260,500	131,127	129,373
Other Services and Charges	106,583	76,083	286,857	(210,774)
Professional and Contract Services	15,000	15,000	15,000	-
Capital Outlay	3,000	3,000	3,000	-
<b>TOTAL JAIL</b>	<u>1,044,263</u>	<u>1,121,021</u>	<u>1,082,782</u>	<u>38,239</u>
Probation Office:				
Personnel Services	17,500	17,500	15,254	2,246
Other Services and Charges	51,800	59,500	44,900	14,600
Capital Outlay	10,000	10,000	9,516	484
<b>TOTAL PROBATION OFFICE</b>	<u>79,300</u>	<u>87,000</u>	<u>69,670</u>	<u>17,330</u>
Department of Public Safety:				
Personnel Services	29,997	31,978	31,976	2
Repairs, Materials, and Supplies	-	-	-	-
Other Services and Charges	2,200	2,200	2,657	(457)
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT OF PUBLIC SAFETY</b>	<u>32,197</u>	<u>34,178</u>	<u>34,633</u>	<u>(455)</u>
INS:				
Personnel Services	78,750	78,750	68,220	10,530
Repairs, Materials, and Supplies	89,966	89,966	56,323	33,643
<b>TOTAL INS</b>	<u>168,716</u>	<u>168,716</u>	<u>124,543</u>	<u>44,173</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>2,571,773</u>	<u>2,937,635</u>	<u>2,843,048</u>	<u>94,587</u>

**DIMMIT COUNTY, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE - EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

(continued)	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
<b>CULTURE AND RECREATION</b>				
Public Library:				
Other Services and Charges	\$ 47,185	\$ 47,185	\$ 47,185	\$ 0
<b>TOTAL PUBLIC LIBRARY</b>	<u>47,185</u>	<u>47,185</u>	<u>47,185</u>	<u>0</u>
Agriculture:				
Personnel Services	44,059	49,229	48,901	328
Repairs, Materials and Supplies	11,500	11,500	8,011	3,489
Other Services and Charges	11,800	11,800	12,521	(721)
Capital Outlay	1,500	1,500	600	900
<b>TOTAL AGRICULTURE</b>	<u>68,859</u>	<u>74,029</u>	<u>70,032</u>	<u>3,997</u>
MHMR Services:				
Other Services and Charges	15,000	15,000	15,000	-
<b>TOTAL MHMR SERVICES</b>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Community Center:				
Other Services and Charges	28,500	28,500	28,500	-
<b>TOTAL COMMUNITY CENTER</b>	<u>28,500</u>	<u>28,500</u>	<u>28,500</u>	<u>-</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>159,544</u>	<u>164,714</u>	<u>160,717</u>	<u>3,997</u>
<b>HIGHWAYS AND STREETS</b>				
Road and Bridge:				
Personnel Services	469,462	492,167	398,915	93,252
Repairs, Materials and Supplies	321,500	321,500	403,568	(82,068)
Other Services and Charges	294,148	294,148	26,356	267,792
Capital Outlay	-	-	-	-
<b>TOTAL ROAD AND BRIDGE</b>	<u>1,085,110</u>	<u>1,107,815</u>	<u>828,839</u>	<u>278,976</u>
<b>TOTAL HIGHWAYS AND STREETS</b>	<u>1,085,110</u>	<u>1,107,815</u>	<u>828,839</u>	<u>278,976</u>
<b>TOTAL CURRENT EXPENDITURES</b>	<u>7,551,951</u>	<u>7,461,951</u>	<u>6,849,994</u>	<u>611,957</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Grant Matching	137,000	109,930	-	109,930
Other Transfers	112,000	229,070	22,955	206,115
	<u>249,000</u>	<u>339,000</u>	<u>22,955</u>	<u>316,045</u>
<b>Total Expenditures</b>	<u><u>\$ 7,800,951</u></u>	<u><u>\$ 7,800,951</u></u>	<u><u>\$ 6,872,949</u></u>	<u><u>\$ 928,002</u></u>

**DIMMIT COUNTY, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE - REVENUES AND EXPENDITURES**  
**DEBT SERVICE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 1,042,011	\$ 1,042,011	\$ 1,113,744	\$ 71,733
Miscellaneous	45,000	45,000	9,166	(35,834)
<b>Total Revenues</b>	<u>1,087,011</u>	<u>1,087,011</u>	<u>1,122,911</u>	<u>35,900</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal Retirement	750,000	750,000	750,000	-
Interest & Fiscal Charges	378,456	378,456	270,326	108,130
Debt Issue Costs	-	-	-	-
<b>Total Expenditures</b>	<u>1,128,456</u>	<u>1,128,456</u>	<u>1,020,326</u>	<u>108,130</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(41,445)</u>	<u>(41,445)</u>	<u>102,585</u>	<u>144,030</u>
<b>OTHER FINANCING SOURCE (USES)</b>				
Bond Proceeds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(41,445)</u>	<u>(41,445)</u>	<u>102,585</u>	<u>144,030</u>
<b>FUND BALANCE - OCTOBER 1, 2011</b>	<u>396,095</u>	<u>396,095</u>	<u>396,095</u>	<u>-</u>
<b>FUND BALANCE - SEPTEMBER 30, 2012</b>	<u>\$ 354,650</u>	<u>\$ 354,650</u>	<u>\$ 498,680</u>	<u>\$ 144,030</u>



**DIMMIT COUNTY, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE - REVENUES AND EXPENDITURES**  
**PUBLIC FACILITY CORPORATION (A BLENDED COMPONENT UNIT)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 1,225,950	\$ 1,225,950
Intergovernmental	-	-	-	-
Interest	-	-	33	33
<b>Total Revenues</b>	-	-	1,225,982	1,225,982
<b>EXPENDITURES</b>				
Public Safety				
Personnel services	-	-	-	-
Repairs, materials, and supplies	-	-	-	-
Professional and contract services	-	-	3,890	(3,890)
Other services and charges	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	1,137,220	(1,137,220)
Interest	-	-	170,566	(170,566)
<b>Total Expenditures</b>	-	-	1,311,676	(1,311,676)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	(85,694)	(85,694)
<b>OTHER FINANCING SOURCE (USES)</b>				
Operating Transfers In (Out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(85,694)	(85,694)
<b>FUND BALANCE - OCTOBER 1, 2011</b>	-	-	784,635	784,635
<b>Prior Period Adjustments</b>	-	-	-	-
<b>FUND BALANCE - SEPTEMBER 30, 2012</b>	\$ -	\$ -	\$ 698,941	\$ 698,941

**DIMMIT COUNTY, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE - REVENUES AND EXPENDITURES**  
**CERTIFICATES OF OBLIGATION 2011**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Interest	-	-	25,001	25,001
<b>Total Revenues</b>	-	-	25,001	25,001
<b>EXPENDITURES</b>				
Public Safety				
Personnel services	-	-	-	-
Repairs, materials, and supplies	-	-	-	-
Professional and contract services	-	-	-	-
Other services and charges	-	-	-	-
Capital Outlay	-	-	880,647	(880,647)
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures</b>	-	-	880,647	(880,647)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	(855,646)	(855,646)
<b>OTHER FINANCING SOURCE (USES)</b>				
Bond Proceeds	-	-	4,700,000	4,700,000
Bond Issue Costs			(97,708)	
<b>Total Other Financing Sources (Uses)</b>	-	-	4,602,293	4,700,000
<b>NET CHANGE IN FUND BALANCES</b>	-	-	3,746,646	3,746,646
<b>FUND BALANCE - OCTOBER 1, 2011</b>	-	-	-	-
<b>Prior Period Adjustments</b>	-	-	-	-
<b>FUND BALANCE - SEPTEMBER 30, 2012</b>	\$ -	\$ -	\$ 3,746,646	\$ 3,746,646

**Combining and Individual Fund Financial  
Statement**

## **Non-major Governmental Funds**

**DIMMIT COUNTY, TEXAS**  
**COMBINING AND INDIVIDUAL FUND BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

	<b>Airport Fund Project</b>	<b>Emergency Fund</b>	<b>Courthouse Security</b>	<b>Technology</b>	<b>Records Management County Clerk</b>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ 67,268	\$ 6,378	\$ 63,029
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Due from Others	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Cash and Cash Equivalents-Resl	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67,268</b>	<b>\$ 6,378</b>	<b>\$ 63,029</b>
<b><u>LIABILITIES</u></b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	23,709
Due to Other Governments	-	-	-	-	-
Due to Others	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,709</b>
<b><u>FUND BALANCES(DEFICIT)</u></b>					
Restricted					
Capital Projects	-	-	-	-	-
Special Revenue Purposes	-	0	67,268	6,378	39,320
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>0</b>	<b>67,268</b>	<b>6,378</b>	<b>39,320</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>\$ 67,268</b>	<b>\$ 6,378</b>	<b>\$ 63,029</b>

(Continued)

<b>Economic Development</b>	<b>Operation Linebacker</b>	<b>Operation Border Star</b>	<b>Records Management District Clerk</b>	<b>Law Library</b>	<b>Total Non-major Special Revenue Funds</b>
\$ 1	\$ -	\$ 75,466	\$ 6,026	\$ 59	\$ 218,228
26,389	-	(17,431)	-	-	8,958
-	56,399	33,463	-	-	89,862
-	-	-	-	-	-
65,687	-	-	-	-	65,687
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 92,077</u>	<u>\$ 56,399</u>	<u>\$ 91,499</u>	<u>\$ 6,026</u>	<u>\$ 59</u>	<u>\$ 382,736</u>
\$ -	\$ -	\$ 300	\$ -	\$ -	\$ 300
-	-	-	-	-	-
-	(3,693)	-	44,906	7,768	72,690
8,418	-	-	-	-	8,418
-	-	-	-	-	-
-	-	-	-	-	-
8,418	(3,693)	300	44,906	7,768	81,409
-	-	-	-	-	-
83,659	60,092	91,199	(38,880)	(7,709)	301,327
-	-	-	-	-	-
83,659	60,092	91,199	(38,880)	(7,709)	301,327
<u>\$ 92,077</u>	<u>\$ 56,399</u>	<u>\$ 91,499</u>	<u>\$ 6,026</u>	<u>\$ 59</u>	<u>\$ 382,736</u>

**COMBINING AND INDIVIDUAL FUND BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

	<b>Dimmit County Jail Project</b>	<b>Texas Historical Commission Project</b>	<b>Colonia Carrizo Hill Project</b>	<b>ORCA #719077 Disaster Relief</b>	<b>ORCA Colonia Construction</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 14,902	\$ 42,837	\$ 16,162	\$ -	\$ -
Due from Other Funds	-	(2,500)	-	-	-
Due from Other Governments	-	-	-	48,740	-
Due from Others	-	-	-	-	-
Notes Receivable	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 14,902</b>	<b>\$ 40,337</b>	<b>\$ 16,162</b>	<b>\$ 48,740</b>	<b>\$ -</b>
<b>LIABILITIES</b>					
Bank Overdraft	-	-	-	-	-
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	48,741	-
Due to Other Governments	-	-	-	-	-
Accrued Payroll	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,741</b>	<b>-</b>
<b>FUND BALANCES(DEFICIT)</b>					
Restricted					
Capital Projects	14,902	40,337	16,162	-	-
Special Revenue Purposes	-	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<b>14,902</b>	<b>40,337</b>	<b>16,162</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 14,902</b>	<b>\$ 40,337</b>	<b>\$ 16,162</b>	<b>\$ 48,741</b>	<b>\$ -</b>

Continued

Linebacker Project	Border Patrol Project	Texas Border Gang Prevention Project	Ed Byrne Memorial Justice	Operation Linebacker 2010
\$ 101	\$ 2,789	\$ 48	\$ 272	\$ 3,030
-	-	-	-	-
-	-	-	-	(276)
2,824	-	19	-	-
-	-	-	-	-
<u>\$ 2,925</u>	<u>\$ 2,789</u>	<u>\$ 67</u>	<u>\$ 272</u>	<u>\$ 2,754</u>
-	-	-	-	-
\$ 4,206	\$ 1,186	\$ -	\$ (216)	\$ -
1,339	-	-	-	-
(2,367)	7,592	68	488	2,754
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,178</u>	<u>8,778</u>	<u>68</u>	<u>272</u>	<u>2,754</u>
(253)	(5,989)	-	-	-
-	-	-	-	-
(253)	(5,989)	-	-	-
<u>\$ 2,925</u>	<u>\$ 2,789</u>	<u>\$ 68</u>	<u>\$ 272</u>	<u>\$ 2,754</u>



**COMBINING AND INDIVIDUAL FUND BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

	<b>Local Border Security FY 10-11</b>	<b>Operation Stone Garden 2011</b>	<b>Local Border Sec Sheriff 110001</b>	<b>2010 CDBG Street Impr Grant</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 13,173	\$ 292,262	\$ 1	\$ -
Due from Other Funds	-	-	-	-
Due from Other Governments	-	48,026	1,520	32,864
Due from Others	-	-	-	-
Notes Receivable	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 13,173</b>	<b>\$ 340,287</b>	<b>\$ 1,521</b>	<b>\$ 32,864</b>
<b>LIABILITIES</b>				
Bank Overdraft	-	-	-	-
Accounts Payable	\$ -	\$ 292,261	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	3,390	48,027	1,521	32,864
Due to Other Governments	-	-	-	-
Accrued Payroll	-	-	-	-
Deferred Revenue	9,782	-	-	-
<b>TOTAL LIABILITIES</b>	<b>13,173</b>	<b>340,287</b>	<b>1,521</b>	<b>32,864</b>
<b>FUND BALANCES(DEFICIT)</b>				
Reserved for:				
Capital Projects	-	-	-	-
Special Revenue Purposes	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 13,173</b>	<b>\$ 340,287</b>	<b>\$ 1,521</b>	<b>\$ 32,864</b>

<b>SECO Grant</b>	<b>Dimmit County GRANTS 119</b>	<b>Street Improvement 710191</b>	<b>Federal Emergency Management Agency (FEMA)</b>	<b>Total Non-major Capital Project Funds</b>	<b>Total All Non-major Governmental Funds</b>
\$ -	\$ (10)	\$ 16,787	\$ 93,405	\$ 495,759	\$ 713,987
-	-	-	-	(2,500)	6,458
32,000	5,885	-	99,534	268,292	358,155
-	-	-	-	2,843	2,843
-	-	-	-	-	65,687
<u>\$ 32,000</u>	<u>\$ 5,875</u>	<u>\$ 16,787</u>	<u>\$ 192,939</u>	<u>\$ 764,394</u>	<u>\$ 1,147,130</u>
-	-	-	-	-	-
\$ -	\$ -	\$ 20,962	\$ 10,396	\$ 328,794	\$ 329,094
-	-	-	-	1,339	1,339
32,000	5,885	(4,175)	125,066	301,853	374,544
-	-	-	-	-	8,418
-	-	-	-	-	-
-	-	-	-	9,782	9,782
<u>32,000</u>	<u>5,885</u>	<u>16,787</u>	<u>135,462</u>	<u>641,769</u>	<u>723,178</u>
-	-	-	57,478	122,636	122,636
-	(10)	-	-	(10)	301,317
-	(10)	-	57,478	122,626	423,954
<u>\$ 32,000</u>	<u>\$ 5,875</u>	<u>\$ 16,787</u>	<u>\$ 192,939</u>	<u>\$ 764,395</u>	<u>\$ 1,147,132</u>

**DIMMIT COUNTY, TEXAS**  
**COMBINING AND INDIVIDUAL FUND STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>Airport Fund Project</b>	<b>Emergency Fund</b>	<b>Courthouse Security</b>	<b>Technology</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Non Capital Grants	-	-	-	-
Charges for Services	-	-	4,563	-
Use of County Monies and Property	-	-	-	-
Fines and Forfeitures	-	-	14,620	14,904
Miscellaneous	-	-	428	43
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUES</b>	-	-	19,611	14,947
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>				
General Government	-	-	-	13,678
Public Safety	-	-	-	-
Judicial	-	-	-	-
Highways and Streets	-	-	-	-
Health and Welfare	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	13,678
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	19,611	1,269
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other Financing Sources (uses)</b>				
Capital Grants		-	-	-
Operating Transfers-In (Out)	-	(1,045)	-	-
Refund to State	-	-	-	-
Matching Funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Other Financing Sources (uses)</b>	-	(1,045)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Change in Fund Balances</b>	-	(1,045)	19,611	1,269
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES - OCTOBER 1, 2011</b>	90,134	1,045	47,657	5,109
<b>Equity Transfers</b>	(90,134)	-	-	-
<b>Prior Period Adjustments</b>	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES - SEPTEMBER 30, 2012</b>	\$ (0)	\$ 0	\$ 67,268	\$ 6,378
	<hr/>	<hr/>	<hr/>	<hr/>

(Continued)

<b>Records Management County Clerk</b>	<b>Economic Development</b>	<b>Operation linebacker</b>	<b>Operation Border Star</b>	<b>Records Management District Clerk</b>	<b>Law Library</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	31,557	-	-	31,557
-	-	-	-	-	3,710	8,273
-	-	-	-	-	-	-
-	-	-	-	-	-	29,524
48,567	3,948	-	-	1,562	29	54,577
48,567	3,948	-	31,557	1,562	3,739	123,932
18,848	-	-	-	1,070	9,979	43,575
-	-	-	-	-	-	-
-	-	-	31,557	-	-	31,557
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18,848	-	-	31,557	1,070	9,979	75,132
29,719	3,948	-	-	492	(6,240)	48,800
-	-	-	-	-	-	-
-	-	-	-	-	(25)	(1,070)
-	(22,377)	-	-	-	-	(22,377)
-	-	-	-	-	-	-
-	(22,377)	-	-	-	(25)	(23,446)
29,719	(18,429)	-	-	492	(6,265)	25,353
9,601	102,087	60,092	91,124	(7,946)	(1,444)	397,460
-	-	-	-	-	-	(90,134)
-	-	-	75	(31,427)	-	(31,352)
\$ 39,320	\$ 83,659	\$ 60,092	\$ 91,199	\$ (38,880)	\$ (7,709)	\$ 301,327

**DIMMIT COUNTY, TEXAS**  
**COMBINING AND INDIVIDUAL FUND STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**  
**(Continued)**

	<b>Dimmit County Jail Project</b>	<b>Texas Historical Commission Project</b>	<b>Colonia Carrizo Hill Project</b>	<b>ORCA #719077 Disaster Relief</b>	<b>ORCA Colonia Construction</b>
<b>REVENUES</b>					
Non Capital Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-
Use of County Monies and Property	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-	-
<b>EXPENDITURES</b>					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Judicial	-	-	-	-	-
Highways and Streets	-	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-	-
<b>Other Financing Sources (uses)</b>					
Capital Grants	-	-	-	-	-
Operating Transfers-In (Out)	-	-	-	-	-
Refund to State	-	-	-	-	-
Equity Transfers	-	-	-	-	-
<b>Total Other Financing Sources (uses)</b>	-	-	-	-	-
<b>Net Change in Fund Balances</b>	-	-	-	-	-
<b>FUND BALANCES - OCTOBER 1, 2010</b>	14,902	40,337	16,162	-	44
<b>Prior Period Adjustments</b>	-	-	-	-	(44)
<b>FUND BALANCES - SEPTEMBER 30, 2011</b>	<u>\$ 14,902</u>	<u>\$ 40,337</u>	<u>\$ 16,162</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

Linebacker Project	Border Patrol Project	Texas Border Gang Prevention Project	Ed Byrne Memorial Justice
\$ -	\$ -	\$ 48,043	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	131	-	-
-	131	48,043	-
-	-	-	-
-	-	48,025	-
-	-	-	-
-	-	-	-
-	-	48,025	-
-	131	19	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	131	18.75	-
(253)	(6,120)	(19.39)	-
-	-	-	-
\$ (253)	\$ (5,989)	\$ -	\$ -

**DIMMIT COUNTY, TEXAS**  
**COMBINING AND INDIVIDUAL FUND STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>Operation Linebacker 2010</b>	<b>Local Border Security FY 10-11</b>	<b>Operation Stone Garden 2010</b>	<b>Local Border Sec Sheriff 110001</b>	<b>2010 CDBG Street Impr Grant</b>
<b>REVENUES</b>					
Non Capital Grants	\$ 53,603	\$ 30,829	\$ 340,286	\$ 33,882	\$ 57,829
Charges for Services	-	-	-	-	-
Use of County Monies and Property	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	(10)	-	(10)	-
<b>TOTAL REVENUES</b>	<b>53,603</b>	<b>30,819</b>	<b>340,286</b>	<b>33,872</b>	<b>57,829</b>
<b>EXPENDITURES</b>					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Judicial	53,603	30,819	340,286	33,872	57,829
Highways and Streets	-	-	-	-	-
	<b>53,603</b>	<b>30,819</b>	<b>340,286</b>	<b>33,872</b>	<b>57,829</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources (uses)</b>					
Capital Grants	-	-	-	-	-
Operating Transfers-In (Out)	-	-	-	-	-
Refund to State	-	-	-	-	-
Equity Transfers	-	-	-	-	-
<b>Total Other Financing Sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - OCTOBER 1, 2011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - SEPTEMBER 30, 2012</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>SECO Grant</b>	<b>Dimmit County GRANTS 119</b>	<b>Street Improvement 710191</b>	<b>Federal Emergency Management Agency (FEMA)</b>	<b>Total Non-major Capital Project Funds</b>	<b>Total All Non-major Governmental Funds</b>
\$ -	\$ 5,885.00	\$ 284,833	\$ 9,672	\$ 864,863	\$ 896,420
-	-	-	-	-	8,273
-	-	-	-	-	-
-	-	-	-	-	29,524
-	-	-	-	111	54,688
-	5,885	284,833	9,672	864,974	988,905
-	5,895	-	-	5,895	49,470
-	-	-	-	48,025	48,025
-	-	-	-	516,410	547,967
-	-	284,833	-	284,833	284,833
-	5,895	284,833	-	855,163	930,295
-	(10)	-	9,672	9,811	58,611
-	-	-	-	-	-
-	-	-	-	-	(1,070)
-	-	-	-	-	(22,377)
-	-	-	-	-	-
-	-	-	-	-	(23,446)
-	(10)	-	9,672	9,811	35,165
-	-	-	47,806	112,858	510,318
-	-	-	-	-	(90,134)
-	-	-	-	(44)	(31,395)
\$ -	\$ (10)	\$ -	\$ 57,478	\$ 122,626	\$ 423,953



## **COMBINING FIDUCIARY STATEMENTS**

**DIMMIT COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**SEPTEMBER 30, 2012**

	County Clerk	District Clerk	Tax Assessor/ Collector	County Attorney	Commissary
<b><u>ASSETS</u></b>					
Cash and Investments	\$ 59,143	\$ 1,204,794	\$ 532,577	\$ 9,355	\$ 31,268
Due From Other Funds	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 59,143</b>	<b>\$ 1,204,794</b>	<b>\$ 532,577</b>	<b>\$ 9,355</b>	<b>\$ 31,268</b>
<b><u>LIABILITIES</u></b>					
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Others	59,143	1,204,794	532,577	9,355	31,268
<b>Total Liabilities</b>	<b>\$ 59,143</b>	<b>\$ 1,204,794</b>	<b>\$ 532,577</b>	<b>\$ 9,355</b>	<b>\$ 31,268</b>

Constable Forfeiture Account	Sheriff Forfeiture Account	Payroll Fund	Total
\$ 282	\$ 3,211	\$ 272,842	\$ 2,113,472
-	-	-	-
<u>\$ 282</u>	<u>\$ 3,211</u>	<u>\$ 272,842</u>	<u>\$ 2,113,472</u>
<u><u>\$ 282</u></u>	<u><u>\$ 3,211</u></u>	<u><u>\$ 272,842</u></u>	<u><u>\$ 2,113,472</u></u>
\$ -	\$ -	\$ 86,894	\$ 86,894
282	3,211	185,948	2,026,578
<u>282</u>	<u>3,211</u>	<u>185,948</u>	<u>2,026,578</u>
<u><u>\$ 282</u></u>	<u><u>\$ 3,211</u></u>	<u><u>\$ 272,842</u></u>	<u><u>\$ 2,113,472</u></u>

**DIMMIT COUNTY, TEXAS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>County Clerk</b>				
Assets				
Cash	\$ 58,789	\$ 406,481	\$ 406,127	\$ 59,143
Liabilities				
Due to others	\$ 58,789	\$ 406,481	\$ 406,127	\$ 59,143
<b>District Clerk</b>				
Assets				
Cash	\$ 577,385	\$ 792,473	\$ 165,064	\$ 1,204,794
Liabilities				
Due to others	\$ 577,385	\$ 792,473	\$ 165,064	\$ 1,204,794
<b>Tax Assessor/Collector</b>				
Assets				
Cash	\$ 226,662	\$ 19,519,349	\$ 19,213,434	\$ 532,577
Liabilities				
Due to others	\$ 226,662	\$ 19,519,349	\$ 19,213,434	\$ 532,577
<b>County Attorney</b>				
Assets				
Cash	\$ 7,232	\$ 13,662	\$ 11,539	\$ 9,355
Liabilities				
Due to others	\$ 7,232	\$ 13,662	\$ 11,539	\$ 9,355
<b>Sheriff Commissary Account</b>				
Assets				
Cash	\$ 39,859	\$ 70,647	\$ 79,238	\$ 31,268
Liabilities				
Due to others	\$ 39,859	\$ 70,647	\$ 79,238	\$ 31,268
<b>Constable Forfeiture Account</b>				
Assets				
Cash	\$ 8,393	\$ 2,133	\$ 10,244	\$ 282
Due from Other Funds	7,841	-	7,841	-
Due from Other Funds	\$ 16,234	\$ 2,133	\$ 18,085	\$ 282
Liabilities				
Due to others	\$ 16,234	\$ 2,133	\$ 18,085	\$ 282
<b>Sheriff Forfeiture Account</b>				
Assets				
Cash	\$ 622	\$ 3,069	\$ 480	\$ 3,211
Liabilities				
Due to others	622	3,069	480	3,211
	\$ 622	\$ 3,069	\$ 480	\$ 3,211
<b>Payroll Fund</b>				
Assets				
Cash	\$ 231,414	\$ 4,160,706	\$ 4,119,278	\$ 272,842
Due From Other Funds	-	-	-	-
	\$ 231,414	\$ 4,160,706	\$ 4,119,278	\$ 272,842
Liabilities				
Due to Other Funds	\$ -	\$ 86,894		\$ 86,894
Due to others	\$ 231,414	\$ 4,073,812	\$ 4,119,278	185,948
	\$ 231,414	\$ 4,160,706	\$ 4,119,278	\$ 272,842

## **SINGLE AUDIT INFORMATION**



**BILL C. ROCHA**  
**CERTIFIED PUBLIC ACCOUNTANT**

---

Telephone: (210) 499-5832  
Fax: (210) 499-0166

P.O. Box 160127  
San Antonio, TX 78280-2327

**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**

Honorable County Judge and  
Members of Commissioners Court  
Dimmit 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 Dimmit County, Texas, as of and for the year ended September 30, 2012, which collectively comprise Dimmit County, Texas's basic financial statements and have issued our report thereon dated April 19, 2013. 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 Dimmit County, Texas, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Dimmit 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 Dimmit County, Texas's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Dimmit County, Texas's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting as Finding Nos. 2012-2, and 2012-3. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

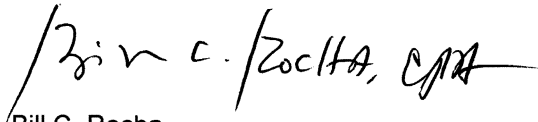
As part of obtaining reasonable assurance about whether Dimmit County, Texas's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 Finding Nos. 2012-1, 2012-2, and 2012-3.

We noted certain matters that we reported to management of Dimmit County, Texas, in a separate letter dated April 19, 2013.

Dimmit County, Texas's response to the findings identified in our audit is described in the accompanying corrective action plan. We did not audit Dimmit County, Texas's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Honorable County Judge, Members of 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.

A handwritten signature in black ink, reading "Bill C. Rocha, CPA". The signature is written in a cursive, flowing style.

Bill C. Rocha  
Certified Public Accountant  
San Antonio, Texas  
April 19, 2013



**BILL C. ROCHA**  
**CERTIFIED PUBLIC ACCOUNTANT**

---

Telephone: (210) 499-5832  
Fax: (210) 499-0166

P.O. Box 160127  
San Antonio, TX 78280-2327

**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**

Honorable County Judge and  
Members of Commissioners Court  
Dimmit County, Texas

Compliance

We have audited Dimmit County, Texas's, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of Dimmit County, Texas's major federal programs for the year ended September 30, 2012. Dimmit 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 Dimmit County, Texas's management. Our responsibility is to express an opinion on Dimmit 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 Dimmit 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 Dimmit County, Texas's compliance with those requirements.

In our opinion, Dimmit 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, 2012.

Internal Control Over Compliance

Management of Dimmit 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 Dimmit 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 Dimmit County, Texas's internal control over compliance.



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

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

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding Nos. 2012-1, 2012-2, and 2012-3 to be significant deficiencies

Dimmit County, Texas's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit Dimmit 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, the Honorable County Judge, Members of 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.



Bill C. Rocha  
Certified Public Accountant  
San Antonio, Texas  
April 19, 2013

**DIMMIT COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<b>Federal Grantor / Pass-Through Grantor / Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Federal Expenditures</b>
U.S. DEPARTMENT OF JUSTICE			
Direct Program			
Bulletproof Vest Partnership Initiative	16.607	BA-3AOOS-WT01	5,885
<u>TOTAL U.S. DEPARTMENT OF JUSTICE</u>			<u>5,885</u>
<b>Total Direct Programs</b>			<u>5,885</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Texas Department of Transportation			
Airport Improvement Program	20.106	1222CRIZO	137,486
<u>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</u>			<u>137,486</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Texas Border Sheriff's Coalition			
Operation Linebacker	97.067	LBSP-08-0003	-
Operation Stonegarden	97.067	2010-SS-TO-0008	340,286
Texas Border Gang Prevention Project	97.067	CG-10-J20-23375-01	48,044
Local Border Security Program	97.067	LBSP-11-0029	30,829
Local Border Security Program	97.067	LBSP-10/11	33,882
<u>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</u>			<u>453,041</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Texas Department of Agriculture			
CDBG Street Improvement	14.228	710191	284,833
CDBG Street Improvement	14.228	710145	57,829
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			<u>342,662</u>
U.S. DEPARTMENT OF JUSTICE			
Passed through Texas Border Sheriff's Coalition			
Operation Linebacker	16.580	2010-DD-BX-0484	53,603
Border Star II	16.738	DJ-10-A10-19832-05	31,557
<u>TOTAL U.S. DEPARTMENT OF JUSTICE</u>			<u>85,160</u>
<b>TOTAL INDIRECT PROGRAMS</b>			<u>1,018,349</u>
<u>TOTAL FEDERAL FINANCIAL ASSISTANCE</u>			<u>\$ 1,024,234</u>

**DIMMIT COUNTY, TEXAS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Dimmit County, Texas and is presented on the accrual basis of accounting. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**DIMMIT COUNTY, TEXAS  
SUMMARY OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2012**

**Section I – Summary of Auditor's Results**

**I. Summary of Audit Results**

**FINANCIAL STATEMENTS**

- |  |                        |
|--|------------------------|
| a. Type of Auditor's Report Issued:                        | Unqualified            |
| b. Internal control over financial reporting:              |                        |
| Material weakness(es) identified                           | ____yes <u>x</u> no    |
| Significant deficiency(ies) identified                     | <u>x</u> yes    ____no |
| c. Noncompliance material finding to financial statements: | ____yes <u>x</u> no    |

**FEDERAL AWARDS**

- |  |                        |
|--|------------------------|
| d. Internal control over major programs:   |                        |
| Material weakness(es) identified   | ____yes <u>x</u> no    |
| Significant deficiency(ies) identified   | <u>x</u> yes    ____no |
| e. Type of Auditor's Report Issued on Compliance for Major Programs:   | Unqualified            |
| f. Any audit findings disclosed that are required to be reported<br>in accordance with Section 510(a) of OMB Circular A-133: | <u>x</u> yes    ____no |

Major Program(s):

CDBG Street Improvement	CFDA 14.228
Street Improvement	CFDA 14.228
Operation Stonegarden	CFDA 97.067
Texas Border Gang Prevention Project	CFDA 97.067
Local Border Security Program FY10/11	CFDA 97.067
Local Border Security Program FY10 LBSP11	CFDA 97.067

- |   |                        |
|---|------------------------|
| g. Dollar threshold for major program(s): | \$ 300,000             |
| h. Low-risk auditee:                      | <u>x</u> yes    ____no |

**DIMMIT COUNTY, TEXAS  
SUMMARY OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2012**

**II. Findings Related to Financial Statements Required to be Reported in Accordance with GAGAS:**

**Finding No:** 2012-1

**Finding Type:** Internal control over inmate commissary accounts

**Condition:** Accurate records are not available that show the amount of money available to each individual inmate for commissary spending.

**Criteria:** The sheriff's department has a fiduciary responsibility to maintain accurate records concerning money owed to individuals that is maintained in the inmate commissary account.

**Effect:** The sheriff's department did not maintain a subsidiary ledger of amounts due to inmates that is reconciled to amounts maintained in the inmate commissary account. There was a similar finding in 2010 and 2011/

**Recommendation:** We recommend that the sheriff's department maintain a subsidiary ledger of amounts due to inmates that is reconciled to amounts maintained in the inmate commissary account and file the report monthly with the county auditor's office.

**Finding No:** 2012-2

**Finding Type:** Internal control over payment of expenditures

**Condition:** The County requested, received reimbursement for, and paid for, equipment in the amount of \$ 292,261 that had not been received prior to the end of the fiscal year.

**Criteria:** The County should have effective internal controls in place that state that goods and services must be received prior to payment being made. The equipment was not received until approximately December of 2012. There was no documentation on file to indicate that the equipment had to be prepaid in order for the vendor to deliver the equipment.

**Effect:** The County did not follow applicable cost principles. Further, the funding agency could disallow the cost and require the County to reimburse the funding agency for the equipment that was purchased.

**Recommendation:** We recommend that the County ensure that all goods and services are received prior to payment being made.

**DIMMIT COUNTY, TEXAS  
SUMMARY OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2012**

**II. Findings Related to Financial Statements Required to be Reported in Accordance with GAGAS (continued):**

**Finding No:** 2012-3

**Finding Type:** Internal control over receipt of grants

**Condition:** During the fiscal year ending September 30, 2011 and again during the fiscal year ending September 30, 2012, amounts were expended for grants and draw downs were requested. As of the date of this audit report, there was an amount outstanding in the amount of \$ 31,500 related to fiscal year September 30, 2011 and \$ 5,850 related to fiscal year September 30, 2012. Both amounts had been paid by the County with General Fund money during the related fiscal year.

**Criteria:** The County did not submit all of the required documentation for the reimbursements, and did not adequately follow up on the related draw down requests.

**Effect:** The County may not receive reimbursement for the amounts expended in fiscal year 2011. The reimbursement for the amount expended during fiscal year 2012 has not been received as of the date of this audit report, but the County has been notified that the reimbursement is forthcoming.

**Recommendation:** We recommend that the County ensure that all required documentation is submitted for reimbursement. We further recommend that the County maintain a ledger of all draw downs requested for all grants, to include the date requested and the date received and that this ledger be reviewed monthly to ensure that all draw downs are received.

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

Refer to findings 2012-2 and 2012-3.

**DIMMIT COUNTY, TEXAS  
CORRECTIVE ACTION PLAN  
SEPTEMBER 30, 2012**

<b><u>Finding Number</u></b>	<b><u>Corrective Action</u></b>
2012-1	The County has reconciled these accounts during the current fiscal year. Additionally, procedures are in place to reconcile and review these accounts on a monthly basis.
2012-2	The Sheriff represented to County that the equipment had to be paid in advance in order to receive the equipment and that otherwise the County could lose the funding. In the future, the County will obtain documentation to that effect before paying for equipment in advance.
2012-3	The County Auditor's office will advise Commissioners Court of any pending reimbursements.

Official responsible for implementation:

Carlos A. Pereda  
County Auditor

**DIMMIT COUNTY, TEXAS**  
**SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS**  
**SEPTEMBER 30, 2012**

**Finding No:** 2011-1

**Finding Type:** Internal control over posting of expenditures

**Condition:** Expenditures made on behalf of Dimmit County by the Sheriff's Coalition were not recorded in the general ledger.

**Criteria:** All revenues and expenditures need to be reflected in the general ledger of Dimmit County.

**Effect:** There were vehicles purchased for the Sheriff's department under the Linebacker Grant in the total amount of \$ 207,157 that were not recorded by Dimmit County. There was a similar finding in 2009 (see finding 2009-4).

**Recommendation:** We recommend that the Sheriff's department and the county auditor's office maintain closer communication to ensure that all revenues and expenditures are recorded.

**Status:** This issue is resolved

**Finding No:** 2011-2

**Finding Type:** Internal control over payment of expenditures

**Condition:** Duplicate checks were issued to the same vendor. One payment was made from a vendor invoice and one payment was made from a purchase order.

**Criteria:** The County should have effective internal controls to ensure that invoices are matched with purchase orders prior to issuing checks and that all documentation related to the purchase order is in place prior to payment being made.

**Effect:** There was a duplicate payment on one invoice in the amount of \$ 16,531. The County did subsequently receive credit on a future invoice for the full amount of the duplicate payment.

**Recommendation:** We recommend that a written policy addressing internal control regarding payment of invoices be put in place and adhered to addressing documentation required to process payments.

**Status:** This issue has been resolved



**DIMMIT COUNTY, TEXAS**  
**SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS**  
**SEPTEMBER 30, 2012**

**Finding No:** 2011-3, 2010-2, 2009-6

**Finding Type:** Internal control over inmate commissary accounts

**Condition:** Accurate records are not available that show the amount of money available to each individual inmate for commissary spending.

**Criteria:** The sheriff's department has a fiduciary responsibility to maintain accurate records concerning money owed to individuals that is maintained in the inmate commissary account.

**Effect:** The sheriff's department did not maintain a subsidiary ledger of amounts due to inmates that is reconciled to amounts maintained in the inmate commissary account. There was a similar finding in 2010.

**Recommendation:** We recommend that the sheriff's department maintain a subsidiary ledger of amounts due to inmates that is reconciled to amounts maintained in the inmate commissary account and file the report monthly with the county auditor's office.

**Status:** This finding has not been resolved. See Finding 2012-1