

DIMMIT COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2011

BILL C. ROCHA
CERTIFIED PUBLIC ACCOUNTANT
SAN ANTONIO, TEXAS

DIMMIT COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2011

**DIMMIT COUNTY, TEXAS
ANNUAL FINANCIAL REPORT**

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FINANCIAL SECTION



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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, 2011, 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.

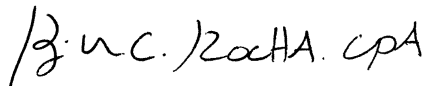
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2011, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2012, 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 45 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 that reads "B. C. Rocha, CPA". The signature is written in a cursive, flowing style.

Bill C. Rocha
Certified Public Accountant
June 14, 2012

**DIMMIT COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2011**

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, 2011.

FINANCIAL HIGHLIGHTS

The government-wide assets of the County exceeded its liabilities as of September 30, 2011, by \$ 13,880,487 (net assets). The net assets of the governmental activities totaled \$ 13,505,999 and were comprised of unrestricted governmental net assets in the amount of \$ 6,127,021, restricted net assets in the amount of \$ 1,691,045 and net assets invested in capital assets, net of related debt in the amount of \$ 5,687,933. The business-type activities had net assets which totaled \$ 374,489 and was comprised of net assets invested in capital assets, net of related debt in the amount of \$ 454,549 and unrestricted net assets in the deficit amount of (\$ 80,060.)

During the year, the County had revenues that exceeded expenses by \$ 3,222,302.

The County's total debt at year end was \$ 8,542,068.

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 \$ 8,288,892 in expenses for these governmental activities, 49% was recovered by charging for services, and 14% 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 and Public Facility Corporation 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 56.

Proprietary Funds - At this time, the County maintains one type of proprietary funds (enterprise funds). The County's Enterprise Funds consist of the Dimmit County Utilities 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 26-35 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 46-60.

GOVERNMENTAL- WIDE FINANCIAL ANALYSIS

A portion of the County's net assets (\$ 5,687,933) 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. 2011

	Governmental Activities 2011	Business Type Activities 2011	Total 2011	Governmental Activities 2010	Business Type Activities 2010	Total 2010	Increase (Decrease)
Current and Other Assets	7,822,420	(59,417)	7,763,003	7,056,213	(173,097)	6,883,116	879,887
Non-Current Assets	14,830,782	454,549	15,285,331	14,137,518	267,661	14,405,179	880,152
Total Assets	22,653,202	395,132	23,048,334	21,193,731	94,564	21,288,295	1,760,039
Current Liabilities	605,146	20,643	625,789	1,218,607	18,553	1,237,160	(611,371)
Other Liabilities	8,542,068	-	8,542,068	9,678,528	-	9,678,528	(1,136,460)
Total Liabilities	9,147,214	20,643	9,167,857	10,897,135	18,553	10,915,688	(1,747,831)
Net Assets:							
Invested in Capital Assets							
Net of Related Debt	5,687,933	454,549	6,142,482	4,736,430	267,661	5,004,091	1,138,391
Restricted	1,691,045	-	1,691,045	1,578,893	-	1,578,893	112,152
Unrestricted	6,127,021	(80,060)	6,046,961	3,981,273	(191,650)	3,789,623	2,257,338
Total Net Assets	13,505,999	374,489	13,880,488	10,296,596	76,011	10,372,607	3,507,881

Analysis of County Activities—the following schedule provides a summary of the County's operations for the years ended September 30, 2011 and 2010.

DIMIT COUNTY'S CHANGES IN NET ASSETS

Table 2
Changes in Net Assets

	Governmental Activities 2011	Business-Type Activities 2011	Total 2011	Governmental Activities 2010	Business-Type Activities 2010	Total 2010	Total Increase (Decrease)
Revenues:							
Program Revenues:							
Charges for Services	\$ 4,098,768	\$ 243,861	\$ 4,342,629	\$ 3,551,032	\$ 290,893	\$ 3,841,925	500,704
Operating/Capital Grants & Contributions	1,159,233	-	1,159,233	1,377,964	-	1,377,964	(218,731)
Total Program Revenue	5,258,001	243,861	5,501,862	4,928,996	290,893	5,219,889	281,973
General Revenues:							
Property Taxes,							
General Purpose	3,036,929	-	3,036,929	2,690,789	-	2,690,789	346,140
Property Taxes, Debt Service	410,590	-	410,590	300,000	-	300,000	110,590
Sales Taxes	2,893,800	-	2,893,800	626,801	-	626,801	2,266,999
Investment Earnings/ Reimbursements	323,409	-	323,409	(189,071)	285,233	96,162	227,247
Total General Revenues	6,664,728	0	6,664,728	3,428,519	285,233	3,713,752	2,950,976
Total Program & General Revenues	11,922,729	243,861	12,166,590	8,357,515	576,126	8,933,641	3,232,949
Expenses:							
General Government	2,365,932	-	2,365,932	1,724,291	-	1,724,291	641,641
Public Safety	3,112,980	-	3,112,980	2,399,200	-	2,399,200	713,780
Judicial	716,739	-	716,739	649,118	-	649,118	67,621
Culture and Recreation	231,864	-	231,864	237,491	-	237,491	(5,627)
Highways and Streets	967,612	-	967,612	1,422,922	-	1,422,922	(455,310)
Health and Welfare	419,601	-	419,601	181,064	-	181,064	238,537
Interest on Long-Term Debt	474,164	-	474,164	731,831	-	731,831	(257,667)
Business-Type Activities:							
Utilities	-	356,918	356,918	-	202,555	202,555	154,363
Total Expenses	8,288,892	356,918	8,645,810	7,345,917	202,555	7,548,472	1,097,338
Increase (decrease) in Net Assets Before Transfers:	3,633,837	(113,057)	3,520,780	1,296,829	88,337	1,385,166	2,135,614
Transfers/Refunds to State	(411,535)	411,535	-	(285,233)	285,233	-	-
Net Increase In Net Assets	3,222,302	298,478	3,520,780	1,011,596	373,570	1,385,166	2,135,614
Net Assets, Beginning	10,296,592	76,011	10,372,603	9,299,913	(297,560)	9,002,353	1,370,250
Prior Period Adjustment	(12,895)	-	(12,895)	(14,913)	-	(14,913)	2,018
Net Assets, Ending	\$ 13,505,999	\$ 374,489	\$ 13,880,488	\$ 10,296,596	\$ 76,010	\$ 10,372,606	3,507,882

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 \$ 4,282,516. The governing body has committed about (25% (\$ 1,073,987) of this amount for future contingencies. About 39% of this amount (\$ 1,691,045) 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 \$ 8,029,563 in revenues and the actual amount collected at year end was \$ 8,490,878. The County budgeted \$ 6,667,708 in expenditures and the actual current expenditures were \$ 5,753,453. Please refer to page 46-57 of this report for more information.

The Public Facility Corporation fund has a total fund balance of \$ 784,635 and the Debt Service Fund has a fund balance of \$ 396,095.

Proprietary funds and Component Units - The County's proprietary fund and component unit 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, 2011, amounts to \$ 14,497,282 (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	\$ 770,036	\$ -	\$ 770,036
Buildings	15,168,981	596,141	15,765,122
Machinery & Equipment	6,469,694	65,249	6,534,943
Leased Assets	-	-	-
	22,408,711	661,390	23,070,101
Less Accumulated Depreciation	(8,365,982)	(206,837)	(8,572,819)
Total Capital Assets	\$ 14,042,729	\$ 454,553	\$ 14,497,282

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 \$ 8,542,068. 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 37 of this report.

DIMMIT COUNTY CERTIFICATES, NOTES AND CAPITALIZED LEASE OBLIGATIONS PAYABLE			
	Governmental Activities	Business Type Activities	Total
Certificates of Obligation	\$ 4,685,000	\$ -	\$ 4,685,000
Notes Payable	3,536,916	-	3,536,916
Capital Lease	320,152	-	320,152
Total Debt	<u>\$ 8,542,068</u>	<u>\$ -</u>	<u>\$ 8,542,068</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, 2011

	Primary Government		
	Governmental Activities	Business - Type Activities	Total
<u>ASSETS</u>			
Current Assets			
Cash and Cash Equivalents	\$ 3,100,267	\$ 37,628	\$ 3,137,895
Investments	9,933	-	9,933
Receivables (net)			
Taxes	3,597,770	-	3,597,770
Other	464,989	-	464,989
Internal Balances	157,648	(97,045)	60,603
Due from Other Governments	409,243	-	409,243
Notes Receivable	82,570	-	82,570
Total Current Assets	7,822,420	(59,417)	7,763,003
Non-Current Assets			
Restricted Cash and Investments	600,781	-	600,781
Capital Assets			
Land	770,036	-	770,036
Buildings and Improvements, net	12,115,745	-	12,115,745
Equipment, net	1,156,948	454,549	1,611,497
Other Assets	187,272	-	187,272
Total Non-Current Assets	14,830,782	454,549	15,285,331
Total Assets	22,653,202	395,132	23,048,333
<u>LIABILITIES</u>			
Current Liabilities			
Bank Overdraft	-	-	-
Accounts Payable	295,805	20,020	315,824
Accrued Liabilities	69,204	-	69,204
Due to Other Governments	(63,923)	-	(63,923)
Accrued Payroll	62,229	623	62,852
Deferred Revenue	241,831	-	241,831
Due to Other Funds	-	-	-
Total Current Liabilities	605,147	20,642	625,788
Long Term Liabilities			
Due within one Year	1,638,824	-	1,638,824
Due after one Year	6,903,244	-	6,903,244
Total Long Term Liabilities	8,542,068	-	8,542,068
Total Liabilities	9,147,214	20,642	9,167,856
<u>NET ASSETS</u>			
Invested in Capital Assets, net of related debt	5,687,933	454,549	6,142,482
Restricted for			
Special Revenue Funds	397,458	-	397,458
Capital Projects	897,492	-	897,492
Debt Service	396,095	-	396,095
Unrestricted	6,127,019	(80,059)	6,046,960
Total Net Assets	\$ 13,505,998	\$ 374,490	\$ 13,880,487

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, 2011

Functions / Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 2,365,932	\$ 873,905	\$ -	\$ -
Public Safety	3,234,514	3,040,093	842,942	-
Judicial	716,739	108,838	-	-
Culture and Recreation	231,864	-	-	-
Highways and Streets	846,078	75,932	-	316,291
Health and Welfare	419,601	-	-	-
Interest on Long-Term Debt	474,164	-	-	-
Total Governmental Activities	<u>8,288,894</u>	<u>4,098,767</u>	<u>842,942</u>	<u>316,291</u>
Business-Type Activities				
Utility	<u>356,918</u>	<u>243,861</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 8,645,812</u>	<u>\$ 4,342,631</u>	<u>\$ 842,942</u>	<u>\$ 316,291</u>

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, 2010

Prior Period Adjustments

Net Assets - September 30, 2011

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

**Net (Expenses) Revenues and
Changes in Net Assets
Primary Government**

Governmental Activities	Business-Type Activities	Total
\$ (1,492,027)	\$ -	\$ (1,492,027)
648,521	-	648,521
(607,901)	-	(607,901)
(231,864)	-	(231,864)
(453,856)	-	(453,856)
(419,601)	-	(419,601)
(474,164)	-	(474,164)
		-
(3,030,892)	-	(3,030,892)
-	(113,056)	(113,056)
(3,030,892)	(113,056)	(3,143,948)
3,036,929	-	3,036,929
410,590	-	410,590
2,893,800	-	2,893,800
16,189	-	16,189
318,492	-	318,492
(11,272)	-	(11,272)
-		-
(411,535)	411,535	-
6,253,192	411,535	6,664,727
3,222,300	298,479	3,520,779
10,296,592	76,011	10,372,604
(12,895)	-	(12,895)
\$ 13,505,998	\$ 374,490	\$ 13,880,488

Governmental Fund Financial Statements

**DIMMIT COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011**

	Major Funds		
	General	Debt Service	Public Facility Corporation
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,772,129	\$ 391,703	\$ 140,199
Certificates of Deposit	-	9,933	-
Receivables (net)			
Taxes	3,252,334	345,436	-
Other	462,461	-	-
Due from Other Funds	809,804	-	16,900
Due from Other Governments	32,000	-	-
Notes Receivable	-	-	-
Cash and Cash Equivalents- Restricted	-	-	600,781
Total Assets	\$ 6,328,727	\$ 747,072	757,880
<u>LIABILITIES</u>			
Accounts Payable	\$ 284,222	\$ -	\$ -
Accrued Liabilities	22,792	-	35,547
Due to Other Funds	-	5,541	(62,302)
Due to Other Governments	(63,923)	-	-
Accrued Payroll	-	-	-
Deferred Revenue	3,494,165	345,436	-
Total Liabilities	3,737,256	350,977	(26,755)
<u>FUND BALANCES</u>			
Restricted			
Special revenue purposes	\$ -	\$ -	\$ -
Capital projects	-	-	784,635
Debt Service	-	396,095	-
Committed			
For future contingencies	1,073,987	-	-
Unassigned	1,517,484	-	-
Total Fund Balances	2,591,471	396,095	784,635
Total Liabilities and Fund Balances	\$ 6,328,727	\$ 747,072	757,880

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

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 796,237	\$ 3,100,267
-	9,933
-	3,597,770
2,528	464,989
59,854	886,558
377,243	409,243
82,570	82,570
-	600,781
<u>\$ 1,318,432</u>	<u>\$ 9,152,110</u>

\$ 11,583	\$ 295,805
10,864	69,204
785,670	728,910
-	(63,923)
-	-
-	3,839,601
<u>808,116</u>	<u>4,869,596</u>

\$ 397,458	\$ 397,458
112,857	897,492
-	396,095
-	1,073,987
-	1,517,484
<u>510,315</u>	<u>4,282,516</u>
<u>\$ 1,318,432</u>	<u>\$ 9,152,110</u>

DIMMIT COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

Total Fund Balance - Governmental Funds	\$ 4,282,516						
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 \$ 21,623,389 and the accumulated depreciation was \$ 7,485,871. 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 \$ 9,678,527. The net effect of these adjustments is to increase net assets.	4,458,991						
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.	6,865,583						
<table> <tr> <td>Capital Outlays</td><td style="text-align: right;">\$ 785,322</td></tr> <tr> <td>Long-term Debt Principal Payments</td><td style="text-align: right;">6,080,261</td></tr> <tr> <td></td><td style="text-align: right;"><u>\$ 6,865,583</u></td></tr> </table>	Capital Outlays	\$ 785,322	Long-term Debt Principal Payments	6,080,261		<u>\$ 6,865,583</u>	
Capital Outlays	\$ 785,322						
Long-term Debt Principal Payments	6,080,261						
	<u>\$ 6,865,583</u>						
Depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.	(880,115)						
Proceeds from capital lease 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.	(243,802)						
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	187,272						
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 it to increase net assets.	3,535,540						
Total Net Assets - Governmental Activities	<u><u>\$ 13,505,985</u></u>						

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, 2011

	Major Funds		
	General	Debt Service	Public Facility Corporation
Revenues			
Taxes	\$ 5,879,701	\$ 441,814	\$ -
Licenses and Permits	263,870	-	-
Intergovernmental	222,482	-	-
Non Capital Grants	-	-	-
Charges for Services	750,859	-	1,337,372
Use of County Monies and Property	708,459	-	-
Fines and Forfeitures	510,706	-	-
Miscellaneous	154,801	12,912	(570)
Total Revenues	8,490,878	454,726	1,336,802
Expenses			
Current			
General Government	2,244,963	-	-
Public Safety	2,494,792	-	90,609
Judicial	717,572	-	-
Culture and Recreation	140,428	-	-
Highways and Streets	831,910	-	-
Health and Welfare	-	-	-
Capital Outlay	-	-	-
Debt Service			
Principal Retirement	-	4,807,000	1,174,956
Interest & Fiscal Charges	-	327,617	71,016
Total Expenses	6,429,665	5,134,617	1,336,581
Operating Income (Loss)	2,061,212	(4,679,891)	221
Other Financing Sources (Uses)			
Operating Transfers In (Out)	(435,535)	-	-
Loan Proceeds	237,865	4,700,000	-
Capital Grants	-	-	-
Refund to State	-	-	-
Total Other Financing Sources (Uses)	(197,670)	4,700,000	-
Net Change In Fund Balance	1,863,543	20,109	221
Fund Balances - Beginning October 1, 2010	734,865	375,986	784,414
Prior Year Adjustments	(6,937)	-	-
Fund Balances - Ending September 30, 2011	\$ 2,591,471	\$ 396,095	\$ 784,635

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

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 6,321,515
-	263,870
-	222,482
837,674	837,674
10,645	2,098,876
82,768	791,228
25,378	536,084
42,097	209,240
<u>998,562</u>	<u>11,280,967</u>
-	2,244,963
285,603	2,871,005
-	717,572
89,810	230,238
272,997	1,104,907
420,465	420,465
166,863	166,863
-	5,981,956
-	398,633
<u>1,235,738</u>	<u>14,136,601</u>
<u>(237,176)</u>	<u>(2,855,634)</u>
24,000	(411,535)
-	4,937,865
316,291	316,291
(11,272)	(11,272)
<u>329,019</u>	<u>4,831,349</u>
91,843	1,975,715
418,497	2,313,762
(21)	(6,958)
<u>\$ 510,318</u>	<u>\$ 4,282,519</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, 2011

Total Net Change in Fund Balance - Governmental Funds	\$ 1,975,715
--	---------------------

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.	(338,595)
--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	336,734
--	---------

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.	5,942,508
---	-----------

Prior Period Adjustment to record prior year capital outlay to capital lease.	5,937
---	-------

Change in Net Assets of Governmental Activities	<table style="margin-left: auto; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 10px;">\$ 3,222,299</td> </tr> </table>	\$ 3,222,299
\$ 3,222,299		

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, 2011**

	Water Utility Fund	Catarina Utility Fund	Total
<u>ASSETS</u>			
Current Assets			
Cash and Cash Equivalents	\$ 7,498	\$ 30,130	\$ 37,628
Total Current Assets	<u>7,498</u>	<u>30,130</u>	<u>37,628</u>
Capital Assets			
Depreciable Capital Assets, Net of Accumulated Depreciation	454,549	-	454,549
Total Current Assets	<u>454,549</u>	<u>-</u>	<u>454,549</u>
Total Assets	<u>462,047</u>	<u>30,130</u>	<u>492,177</u>
<u>LIABILITIES</u>			
Current Liabilities			
Accrued Payroll	623	-	623
Accounts Payable	20,020	-	20,020
Due to other Funds	94,890	2,155	97,045
Total Current Liabilities	<u>115,533</u>	<u>2,155</u>	<u>117,688</u>
Total Liabilities	<u>115,533</u>	<u>2,155</u>	<u>117,688</u>
<u>NET ASSETS</u>			
Invested in Capital Assets Net of Related Debt	454,549	-	454,549
Unrestricted	<u>(108,035)</u>	<u>27,975</u>	<u>(80,060)</u>
Total Net Assets	<u>\$ 346,514</u>	<u>\$ 27,975</u>	<u>\$ 374,489</u>

DIMMIT COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Water Utility Fund</u>	<u>Catarina Utility Fund</u>	<u>Total</u>
Operating Revenues			
Water Fees	\$ 163,827	\$ 16,500	\$ 180,327
Other Revenue	63,534	-	63,534
	<u>227,361</u>	<u>16,500</u>	<u>243,861</u>
Total Operating Revenue			
Operating Expenses			
Operating Expenses	226,576	6,572	233,148
Depreciation and Amortization	123,770	-	123,770
	<u>350,346</u>	<u>6,572</u>	<u>356,918</u>
Total Operating Expenses			
Operating Income (Loss)	(122,985)	9,928	(113,057)
Operating Transfers In (Out)			
Transfers in from County	411,535	-	411,535
	<u>411,535</u>	<u>-</u>	<u>411,535</u>
Change in Net Assets	288,550	9,928	298,478
Net Assets - Beginning October 1, 2010	57,964	18,047	76,011
	<u>57,964</u>	<u>18,047</u>	<u>76,011</u>
Net Assets - Ending September 30, 2011	<u>\$ 346,514</u>	<u>\$ 27,975</u>	<u>\$ 374,489</u>

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

DIMMIT COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Water Utility Fund</u>	<u>Catarina Utility Fund</u>	<u>Total</u>
Cash Flows From Operating Activities			
Cash Received from Third Party Payors and customers	\$ 227,361	\$ 16,500	\$ 243,861
Other Receipts and Payments form Operations, Net			-
Cash Paid to Suppliers	(399,164)		(399,164)
Cash Paid to Employees			-
Cash Paid for Employee Benefits and Payroll Taxes	(89,055)	(6,350)	(95,405)
Net Cash Provided (Used) By Operating Activities	(260,858)	10,150	(250,708)
Cash Flows from Investing Activities			
Purchase of Fixed Assets	(310,658)	-	(310,658)
	411,535		
Cash and Cash Equivalents - October 1, 2010	167,479	19,980	187,459
Cash and Cash Equivalents - September 30, 2011	<u>\$ 7,498</u>	<u>\$ 30,130</u>	<u>\$ 37,628</u>
Reconciliation of Net Income to Net Cash Flows From Operating Activities			
Operating Income (loss)	\$ (122,985)	\$ 9,929	\$ (113,056)
Adjustments to Reconcile Operating Income to Net Cash Flows Used in Operating Activities:			
Depreciation	123,770	-	123,770
Changes in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable and Accrued Expenses	2,090		2,090
Increase (Decrease) in Interfund Activities	(263,733)	221	(263,512)
Net Cash Provided by (Used In) Operating Activities	<u>\$ (260,858)</u>	<u>\$ 10,150</u>	<u>\$ (250,708)</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, 2011

	<u>Agency Fund</u>
<u>ASSETS</u>	
Cash and Investments	\$ 1,141,545
Due From Other Funds	<u>7,841</u>
Total Assets	<u>\$ 1,149,386</u>
<u>LIABILITIES</u>	
Due to Other Funds	\$ 68,444
Due to Others	<u>1,080,942</u>
Total Liabilities	<u>\$ 1,149,386</u>

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

DIMMIT COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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, 2011

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, 2011

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, 2011.

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, 2011

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:

Assets	Years
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, 2011**

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, 2011**

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Deficit Fund Equity

The following governmental activities had deficit fund balances as of September 30, 2011:

Records Management - District Clerk Fund \$ (7,946), Law Library \$ (1,444), Linebacker Project \$ (253), Border Patrol Project \$ (6,121), and the Gang Prevention Fund \$ (18).

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	\$ 3,871,826	\$ 411,233	\$ -	\$ 4,283,059
Accounts	337,286	-	-	337,286
Special Assessment	125,175	-	-	125,175
Intergovernmental	32,000	-	312,618	344,618
Notes Receivable	-	-	82,570	82,570
Gross Receivables	4,366,287	411,233	395,188	5,172,708
Less allowance for uncollectible	(619,492)	(65,797)	-	(685,289)
Net Receivables	\$ 3,746,795	\$ 345,436	\$ 395,188	\$ 4,487,419

- (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, 2011 is \$ 82,570.

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, 2011

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, 2011 consisted of the following individual fund receivables and payables:

Fund	Receivable	Payable
General	\$ 809,804	\$ -
Debt Service Fund	\$ -	\$ 5,541
Public Facility Corporation	79,202	-
Other Non Major	-	725,817
Water Utility Fund	-	94,890
Catarina Fund	-	2,155
Fiduciary	-	60,603
	<u>\$ 889,006</u>	<u>\$ 889,006</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, 2011, was as follows:

	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balances
Government Activities:				
Capital assets, not being depreciated:				
Land	\$ 712,226	\$ 57,810	\$ -	\$ 770,036
Construction in Progress	-	-	-	-
Total assets not being depreciated	<u>712,226</u>	<u>57,810</u>	<u>-</u>	<u>770,036</u>
Capital assets, being depreciated:				
Buildings	15,168,981	-	-	15,168,981
Improvements other than buildings	-	-	-	-
Equipment	5,742,182	727,512	-	6,469,694
Total assets being depreciated	<u>20,911,163</u>	<u>727,512</u>	<u>-</u>	<u>21,638,675</u>
Less accumulated depreciation:				
Buildings	(2,840,594)	(212,642)	-	(3,053,236)
Equipment	(4,645,277)	(667,469)	-	(5,312,746)
Total accumulated depreciation	<u>(7,485,871)</u>	<u>(880,111)</u>	<u>-</u>	<u>(8,365,982)</u>
Total capital assets being depreciated, net	<u>13,425,292</u>	<u>(152,599)</u>	<u>-</u>	<u>13,272,693</u>
Government activities capital assets, net	<u>14,137,518</u>	<u>(94,789)</u>	<u>-</u>	<u>14,042,729</u>
Business - Type Activities:				
Capital assets being depreciated:				
Water Wells	285,233	310,908		596,141
Equipment	65,245	-	-	65,245
Less accumulated depreciation	<u>(82,817)</u>	<u>(124,020)</u>	<u>-</u>	<u>(206,837)</u>
Business-type activities being depreciated, net	<u>\$ 267,661</u>	<u>\$ 186,888</u>	<u>\$ -</u>	<u>\$ 454,549</u>

DIMMIT COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

3. DETAILED NOTES ON ALL FUNDS (continued)

Capital Assets (continued)

Dimmit County (continued)

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

<u>Governmental Activities</u>	
General Government	\$ 173,274
Public Safety	437,676
Highways and Streets	2,823
Judicial	11,035
Culture and Recreation	248,271
Health and Welfare	7,032
Total Depreciation Expense - Governmental Activities	<u>\$ 880,111</u>

Debt

At September 30, 2011, 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 2008	\$ 4,595,000	\$ -	\$ 4,595,000	\$ -	\$ -
(2) Series 2011	\$ 4,700,000	\$ -	\$ 15,000	\$ 4,685,000	\$ 320,000
<u>Notes Payable</u>					
(3) Bank of America	4,711,872	-	1,174,956	3,536,916	1,142,693
<u>Limited Tax Notes</u>					
(4) Series 2006	197,000	-	197,000	-	-
<u>Capital Leases</u>					
(5) Motor Grader	-	243,802	69,523	174,279	32,472
(6) Equipment	174,655	-	28,782	145,873	33,658
	<u>\$ 14,378,527</u>	<u>\$ 243,802</u>	<u>\$ 6,080,261</u>	<u>\$ 8,542,068</u>	<u>\$ 1,528,823</u>

- (1) Certificates of Obligation Limited Tax Refunding Bonds, Series 2008 was issued in the amount of \$ 4,685,000. This C.O. was issued to decrease Certificates of Obligation Series 2001, 2002, 2003, 2003A and 2003B.
- (2) Certificates of Obligation Limited Tax Refunding Bonds, Series 2011 was issued in the amount of \$ 4,700,000. This C.O. Was issued to decrease the 2008 Series Certificates of Obligations.

DIMMIT COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

3. DETAILED NOTES ON ALL FUNDS (continued)

Debt (continued)

- (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) Limited Tax Note, Series 2006, dated September 15, 2006, was issued in the amount of \$533,000. The limited tax note is payable semi-annually on March 1, and September 1, beginning March 1, 2007 for five years. The interest is 4.62% per annum. The proceeds of the Limited Tax Note were used to finance equipment purchases.
- (5) The County entered into a capital lease on May 4, 2005 to purchase equipment and to refinance two motor graders. The lease is payable in five annual installments of \$54,666, including interest at 4.948% per annum, beginning January 20, 2006 and maturing on January 20, 2010. The lease is secured by the equipment.
- (6) 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.

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

Year Ended September 30,	Principal	Interest	Total
2012	\$ 1,462,693	\$ 337,266	\$ 1,799,959
2013	1,539,435	259,164	1,798,599
2014	1,529,788	176,808	1,706,596
2015	350,000	130,995	480,995
2016	370,000	118,570	488,570
2017 - 2021	2,045,000	387,305	2,432,305
2022 - 2023	925,000	49,523	974,523
	\$ 8,221,916	\$ 1,459,631	\$ 9,681,547

**DIMMIT COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

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:

<u>Year Ending September 30,</u>	
2012	86,036
2013	86,037
2014	86,057
2015	<u>86,037</u>
Total minimum lease payments	344,167
Less: amount representing interest	<u>(24,014)</u>
Present value of future minimum lease payments	<u><u>\$ 320,153</u></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.

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.

DIMMIT COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

3. DETAILED NOTES ON ALL FUNDS (continued)

Debt (continued)

Fair Value

As of September 30, 2011, the swap had a negative fair value of (\$ 43,257). 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, 2011, 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.

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, 2011, 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:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u> <u>Swaps, Net</u>	<u>Total</u>
2012	1,142,693	118,973	69,674	1,331,340
2013	1,209,435	72,523	42,472	1,324,430
2014	1,170,606	23,361	13,680	1,207,647
Total	<u>\$ 3,522,734</u>	<u>\$ 214,857</u>	<u>\$ 125,826</u>	<u>\$ 3,863,417</u>

DIMMIT COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

3. DETAILED NOTES ON ALL FUNDS (continued)

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. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the 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 7.96% for the months of the accounting year 2010, and 8.01% for the months of the accounting year 2011.

The contribution rate payable by the employee members for calendar year 2011 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.

Annual Pension Cost

For the employer's accounting year ending September 30, 2011 the annual pension cost for the TCDRS plan for its employees was \$ 186,530.

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, 2008 and December 31, 2009 and December 31, 2010, the basis for determining the contribution rates for the calendar years 2010 and 2011. The December 31, 2010 actuarial valuation is the most recent valuation.

DIMMIT COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

3. DETAILED NOTES ON ALL FUNDS (continued)

Retirement Plan (continued)

Actuarial Valuation Information			
	<u>12/31/08</u>	<u>12/31/09</u>	<u>12/31/10</u>
Actuarial valuation date			
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	19.4	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)	5.30%	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**

<u>Accounting Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
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.

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage Of Covered Payroll [(b-a)/c]</u>
12/31/08	\$ 2,989,219	\$ 3,226,589	\$ 237,370	92.64%	\$ 2,023,125	11.73%
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%

**DIMMIT COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

3. DETAILED NOTES ON ALL FUNDS (continued)

Contingent Liabilities and Commitments

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

SUPPLEMENTAL INFORMATION

Budgetary Comparison Schedules

DIMMIT COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE - REVENUES
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
TAXES				
Current Roll Collections	\$ 2,675,028	\$ 2,742,405	\$ 2,737,678	\$ (4,727)
Delinquent Taxes Collected	123,061	169,579	173,780	4,201
Penalties and Interest	93,284	127,941	131,195	3,254
State General Sales Tax	396,287	2,496,869	2,893,800	396,931
Miscellaneous	10,000	10,000	-	(10,000)
Discounts and Fees	(53,391)	(56,391)	(56,752)	(361)
TOTAL TAXES	3,244,269	5,490,403	5,879,701	389,298
LICENSES AND PERMITS				
Motor Vehicle Registration	275,000	275,000	262,990	(12,010)
Alcoholic Beverage Permits	2,200	2,200	880	(1,320)
TOTAL LICENSES AND PERMITS	277,200	277,200	263,870	(13,330)
INTERGOVERNMENTAL REVENUE				
State Judicial	35,833	35,833	15,000	(20,833)
Law Enforcement	296,000	266,000	206,250	(59,750)
Other	127,500	27,500	1,232	(26,268)
TOTAL INTERGOVERNMENTAL REVENUE	459,333	329,333	222,482	(106,851)
CHARGES FOR SERVICES				
Tax Collections	115,615	115,615	108,097	(7,518)
Tax Certificates	1,045	1,045	5,550	4,505
Garbage Collection			-	-
Child Support Fees	10,000	10,000	12,118	2,118
County Attorney			-	-
Sheriff	750	750	-	(750)
County Clerk	210,000	478,882	474,289	(4,593)
District Clerk	67,500	67,500	68,172	672
Miscellaneous	79,146	79,146	82,633	3,487
TOTAL CHARGES FOR SERVICES	484,056	752,938	750,859	(2,079)

DIMMIT COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE - REVENUES
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

(continued)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
USE OF COUNTY MONIES AND PROPERTY				
Interest Earned	\$ 16,500	\$ 16,500	\$ 24,515	\$ 8,015
Equipment Rental	4,000	4,000	-	(4,000)
Lateral Road/Lease Payment	13,895	13,895	13,885	(10)
Auction Revenues	25,000	25,000	9,658	(15,342)
Rentals and Leases	265,000	190,000	179,402	(10,598)
Detention Center	645,000	454,940	481,000	26,060
TOTAL USE OF COUNTY MONIES AND PROPERTY	<u>969,395</u>	<u>704,335</u>	<u>708,459</u>	<u>4,124</u>
FINES AND FORFEITURES				
Traffic Fines	2,500	2,500	5,744	3,244
Court Costs and Fines			-	-
Bail Bond Forfeitures	2,500	2,500	-	(2,500)
Justice of the Peace	172,500	396,904	504,962	108,058
TOTAL FINES AND FORFEITURES	<u>177,500</u>	<u>401,904</u>	<u>510,706</u>	<u>108,802</u>
MISCELLANEOUS				
Other Services	73,450	73,450	154,801	81,351
TOTAL MISCELLANEOUS	<u>73,450</u>	<u>73,450</u>	<u>154,801</u>	<u>81,351</u>
TOTAL REVENUES	<u><u>\$ 5,685,203</u></u>	<u><u>\$ 8,029,563</u></u>	<u><u>\$ 8,490,878</u></u>	<u><u>\$ 461,315</u></u>

DIMMIT COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
GENERAL GOVERNMENT				
County Judge and Commissioners:				
Personnel Services	\$ 270,599	\$ 276,939	\$ 276,766	\$ 173
Repairs, Materials and Supplies	973	973	2,526	(1,553)
Professional and Contract Services	21,927	21,637	16,038	5,599
Capital Outlays	-	-	-	-
TOTAL COUNTY JUDGE AND COMMISSIONERS	<u>293,499</u>	<u>299,549</u>	<u>295,331</u>	<u>4,218</u>
County Clerk:				
Personnel Services	118,131	146,721	129,033	17,688
Repairs, Materials and Supplies	46,856	48,656	27,903	20,753
Professional and Contract Services	14,825	21,985	21,887	98
Capital Outlays	-	-	-	-
TOTAL COUNTY CLERK	<u>179,812</u>	<u>217,362</u>	<u>178,823</u>	<u>38,539</u>
Veterans Service Office:				
Other Services and Charges	<u>1,700</u>	<u>1,700</u>	<u>1,100</u>	<u>600</u>
TOTAL VETERAN SERVICE OFFICE	<u>1,700</u>	<u>1,700</u>	<u>1,100</u>	<u>600</u>
County Treasurer:				
Personnel Services	71,491	73,811	72,722	1,089
Repairs, Materials and Supplies	1,300	1,300	6,884	(5,584)
Professional and Contract Services	14,825	15,715	8,072	7,643
Capital Outlays	-	-	-	-
TOTAL COUNTY TREASURER	<u>87,616</u>	<u>90,826</u>	<u>87,677</u>	<u>3,149</u>
County Auditor:				
Personnel Services	97,632	100,992	99,191	1,801
Repairs, Materials and Supplies	3,500	3,680	2,963	717
Professional and Contract Services	9,150	11,580	10,010	1,570
Capital Outlays	-	-	-	-
TOTAL COUNTY AUDITOR	<u>110,282</u>	<u>116,252</u>	<u>112,164</u>	<u>4,088</u>

DIMMIT COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

(continued)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
GENERAL GOVERNMENT (continued)				
Other Services and Charges:				
Professional and Contract Services	\$ 106,200	\$ 157,954	\$ 155,771	\$ 2,183
Other Services and Charges	144,500	144,500	108,483	36,017
TOTAL OTHER SERVICES AND CHARGES	<u>250,700</u>	<u>302,454</u>	<u>264,255</u>	<u>38,199</u>
 Courthouse:				
Personnel Services	63,523	63,523	51,917	11,606
Repairs, Materials and Supplies	20,000	21,780	74,313	(52,533)
Professional and Contract Services	207,100	238,830	112,222	126,608
TOTAL COURTHOUSE	<u>290,623</u>	<u>324,133</u>	<u>238,453</u>	<u>85,680</u>
 Planner:				
Personnel Services	73,749	75,484	69,149	6,335
Repairs, Materials and Supplies	6,800	10,335	6,428	3,907
Other Services and Charges	4,800	7,055	5,589	1,466
TOTAL PLANNER	<u>85,349</u>	<u>92,874</u>	<u>81,167</u>	<u>11,707</u>
 Appraisal District:				
Other Services and Charges	146,210	146,210	186,189	(39,979)
TOTAL VOTER ADMINISTRATION	<u>146,210</u>	<u>146,210</u>	<u>186,189</u>	<u>(39,979)</u>
 Tax Assessor Collector:				
Personnel Services	162,568	164,128	159,629	4,499
Repairs, Materials and Supplies	5,000	5,000	11,287	(6,287)
Professional and Contract Services	44,062	48,042	18,057	29,985
Capital Outlays	1,100	3,970	9,410	(5,440)
TOTAL TAX ASSESSOR COLLECTOR	<u>212,730</u>	<u>221,140</u>	<u>198,383</u>	<u>22,757</u>
 County Insurance:				
Other Services and Charges	98,000	98,000	94,022	3,978
TOTAL COUNTY INSURANCE	<u>98,000</u>	<u>98,000</u>	<u>94,022</u>	<u>3,978</u>
 TOTAL GENERAL GOVERNMENT	<u>1,756,521</u>	<u>1,910,500</u>	<u>1,737,563</u>	<u>172,937</u>

DIMMIT COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

(continued)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
JUDICIAL				
293rd District Court:				
Personnel Services	\$ 9,767	\$ 9,782	\$ 3,798	\$ 5,984
Repairs, Materials and Supplies	1,400	2,765	9,716	(6,951)
Professional and Contract Services	68,430	69,207	56,018	13,189
Capital Outlays	-	-	-	-
TOTAL 293rd DISTRICT COURT	<u>79,597</u>	<u>81,754</u>	<u>69,531</u>	<u>12,223</u>
365th District Court:				
Personnel Services	9,767	9,822	3,838	5,984
Repairs, Materials and Supplies	2,435	2,525	8,751	(6,226)
Professional and Contract Services	73,555	85,445	76,358	9,087
TOTAL 365th DISTRICT COURT	<u>85,757</u>	<u>97,792</u>	<u>88,947</u>	<u>8,845</u>
County Attorney				
Personnel Services	95,809	99,129	97,546	1,583
Repairs, Materials and Supplies	3,000	3,210	3,089	121
Professional and Contract Services	5,903	6,243	2,943	3,300
Capital Outlays	-	-	-	-
TOTAL COUNTY ATTORNEY	<u>104,712</u>	<u>108,582</u>	<u>103,578</u>	<u>5,004</u>
District Attorney:				
Other Services and Charges	55,000	55,000	55,000	-
TOTAL DISTRICT ATTORNEY	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>
District Clerk:				
Personnel Services	100,700	102,780	102,837	(57)
Repairs, Materials and Supplies	5,209	6,254	25,350	(19,096)
Other Services and Charges	33,896	56,196	35,601	20,595
Capital Outlays	-	-	-	-
TOTAL DISTRICT CLERK	<u>139,805</u>	<u>165,230</u>	<u>163,788</u>	<u>1,442</u>

DIMMIT COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

(continued)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
JUDICIAL (continued)				
Justice of the Peace Pct 1:				
Personnel Services	\$ 49,176	\$ 51,046	\$ 49,006	\$ 2,040
Repairs, Materials and Supplies	1,750	1,750	1,028	722
Professional and Contract Services	3,150	4,990	4,607	383
Capital Outlay	1,500	1,500	218	1,282
TOTAL JUSTICE OF THE PEACE PCT. 1	<u>55,576</u>	<u>59,286</u>	<u>54,859</u>	<u>4,427</u>
Justice of the Peace Pct 2:				
Personnel Services	48,432	50,092	41,698	8,394
Repairs, Materials and Supplies	800	800	7,149	(6,349)
Professional and Contract Services	3,000	4,010	3,402	608
Capital Outlay	-	-	-	-
TOTAL JUSTICE OF THE PEACE PCT. 2	<u>52,232</u>	<u>54,902</u>	<u>52,249</u>	<u>2,653</u>
Justice of the Peace Pct 3:				
Personnel Services	45,487	49,067	49,057	10
Repairs, Materials and Supplies	700	1,070	920	150
Professional and Contract Services	2,750	5,530	5,271	259
Capital Outlay	-	-	-	-
TOTAL JUSTICE OF THE PEACE PCT. 3	<u>48,937</u>	<u>55,667</u>	<u>55,248</u>	<u>419</u>
Justice of the Peace Pct 4:				
Personnel Services	47,022	48,442	48,939	(497)
Repairs, Materials and Supplies	700	1,805	2,537	(732)
Professional and Contract Services	4,350	7,120	5,259	1,861
Capital Outlay	-	-	-	-
TOTAL JUSTICE OF THE PEACE PCT. 4	<u>52,072</u>	<u>57,367</u>	<u>56,735</u>	<u>632</u>
TOTAL JUDICIAL	<u>673,688</u>	<u>735,580</u>	<u>699,934</u>	<u>35,646</u>
PUBLIC SAFETY				
Constables:				
Personnel Services	92,655	204,122	69,576	134,546
Repairs, Materials and Supplies	3,600	4,730	165	4,565
Professional and Contract Services	24,700	99,145	-	99,145
Capital Outlay	1,750	14,274	6,994	7,280
TOTAL CONSTABLES	<u>122,705</u>	<u>322,271</u>	<u>76,736</u>	<u>245,535</u>

DIMMIT COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

(continued)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
PUBLIC SAFETY (continued)				
Sheriff:				
Personnel Services	\$ 698,592	\$ 826,587	\$ 741,744	\$ 84,843
Repairs, Materials and Supplies	17,200	17,200	26,059	(8,859)
Other Services and Charges	112,092	279,672	244,724	34,948
Capital Outlay	2,000	2,000	-	2,000
TOTAL SHERIFF	<u>829,884</u>	<u>1,125,459</u>	<u>1,012,527</u>	<u>112,932</u>
Fire and Ambulance Service:				
Repairs, Materials and Supplies	5,500	5,500	11,829	(6,329)
Other Services and Charges	69,800	89,800	75,817	13,983
Capital Outlay	2,000	2,000	-	2,000
TOTAL FIRE AND AMBULANCE SERVICE	<u>77,300</u>	<u>97,300</u>	<u>87,646</u>	<u>9,654</u>
Jail:				
Personnel Services	609,375	653,425	574,672	78,753
Repairs, Materials and Supplies	159,150	280,040	66,161	213,879
Other Services and Charges	166,583	181,493	348,026	(166,533)
Capital Outlay	-	-	-	-
TOTAL JAIL	<u>935,108</u>	<u>1,114,958</u>	<u>988,859</u>	<u>126,099</u>
Probation Office:				
Personnel Services	33,300	42,680	-	42,680
Other Services and Charges	36,000	36,000	71,546	(35,546)
TOTAL PROBATION OFFICE	<u>69,300</u>	<u>78,680</u>	<u>71,546</u>	<u>7,134</u>
Department of Public Safety:				
Personnel Services	27,075	30,115	31,848	(1,733)
Repairs, Materials, and Supplies	600	500	380	120
Other Services and Charges	1,550	2,225	2,159	66
Capital Outlay	1,800	1,800	1,742	58
TOTAL DEPARTMENT OF PUBLIC SAFETY	<u>31,025</u>	<u>34,640</u>	<u>34,388</u>	<u>(1,548)</u>
INS:				
Personnel Services	67,577	78,077	22,885	55,192
Repairs, Materials, and Supplies	24,558	24,558	54,236	(29,678)
TOTAL INS	<u>92,135</u>	<u>102,635</u>	<u>77,121</u>	<u>25,514</u>
TOTAL PUBLIC SAFETY	<u>2,157,457</u>	<u>2,875,943</u>	<u>2,348,822</u>	<u>525,321</u>

DIMMIT COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

(continued)	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
CULTURE AND RECREATION				
Public Library:				
Other Services and Charges	\$ 45,185	\$ 45,185	\$ 41,420	3,765
TOTAL PUBLIC LIBRARY	45,185	45,185	41,420	3,765
Agriculture:				
Personnel Services	40,354	47,259	47,093	166
Repairs, Materials and Supplies	10,000	10,000	6,375	3,625
Other Services and Charges	12,500	13,480	12,041	1,439
Capital Outlay	-	-	-	-
TOTAL AGRICULTURE	62,854	70,739	65,508	5,231
MHMR Services:				
Other Services and Charges	5,000	5,000	5,000	-
TOTAL MHMR SERVICES	5,000	5,000	5,000	-
Community Center:				
Other Services and Charges	28,500	28,500	28,500	-
TOTAL COMMUNITY CENTER	28,500	28,500	28,500	-
TOTAL CULTURE AND RECREATION	141,539	149,424	140,428	8,996
HIGHWAYS AND STREETS				
Road and Bridge:				
Personnel Services	399,358	410,038	379,680	30,358
Repairs, Materials and Supplies	1,900	2,660	165,091	(162,431)
Other Services and Charges	395,348	531,353	229,727	301,626
Capital Outlay	24,500	52,210	52,208	2
TOTAL ROAD AND BRIDGE	821,106	996,261	826,705	169,556
TOTAL HIGHWAYS AND STREETS	821,106	996,261	826,705	169,556
TOTAL CURRENT EXPENDITURES	5,550,311	6,667,708	5,753,453	912,455
OTHER FINANCING SOURCES (USES)				
Operating Transfer out (County Hospital)	-	-	-	-
Other Transfers	-	-	435,535	(435,535)
Total Expenditures	\$ 5,550,311	\$ 6,667,708	\$ 6,188,988	\$ 476,920

DIMMIT COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE - REVENUES AND EXPENDITURES
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 316,015	\$ 399,902	\$ 441,814	\$ 41,912
Miscellaneous	12,500	10,000	12,912	2,912
Total Revenues	<u>328,515</u>	<u>409,902</u>	<u>454,726</u>	<u>44,824</u>
EXPENDITURES				
Debt Service				
Principal Retirement	212,000	212,000	4,807,000	(4,595,000)
Interest & Fiscal Charges	237,851	242,351	327,617	(85,266)
Debt Issue Costs			-	-
Total Expenditures	<u>449,851</u>	<u>454,351</u>	<u>5,134,617</u>	<u>(4,680,266)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(121,336)</u>	<u>(44,449)</u>	<u>(4,679,891)</u>	<u>(4,635,442)</u>
OTHER FINANCING SOURCE (USES)				
Bond Proceeds	-	-	4,700,000	4,700,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,700,000</u>	<u>4,700,000</u>
NET CHANGE IN FUND BALANCES	<u>(121,336)</u>	<u>(44,449)</u>	<u>20,109</u>	<u>64,558</u>
FUND BALANCE - OCTOBER 1, 2010	<u>465,954</u>	<u>465,954</u>	<u>375,986</u>	<u>(89,968)</u>
FUND BALANCE - SEPTEMBER 30, 2011	<u>\$ 344,618</u>	<u>\$ 421,505</u>	<u>\$ 396,095</u>	<u>\$ (25,410)</u>

DIMMIT COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE - REVENUES AND EXPENDITURES
PUBLIC FACILITY CORPORATION (A BLENDED COMPONENT UNIT)
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ -	\$ -	\$ 1,337,372	\$ 1,337,372
Intergovernmental	-	-	-	-
Interest	-	-	(570)	(570)
Total Revenues	-	-	1,336,802	1,336,802
EXPENDITURES				
Public Safety				
Personnel services	-	-	-	-
Repairs, materials, and supplies	-	-	-	-
Professional and contract services	-	-	81,875	(81,875)
Other services and charges	-	-	4,212	(4,212)
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	1,174,956	(1,174,956)
Interest	-	-	71,016	(71,016)
Total Expenditures	-	-	1,332,059	(1,332,059)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	4,742	4,742
OTHER FINANCING SOURCE (USES)				
Operating Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	4,742	4,742
FUND BALANCE - OCTOBER 1, 2010	-	-	784,414	784,414
Prior Period Adjustments	-	-	-	-
FUND BALANCE - SEPTEMBER 30, 2011	\$ -	\$ -	\$ 789,157	\$ 789,157

**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, 2011

	<u>Airport Fund Project</u>	<u>Emergency Fund</u>	<u>Courthouse Security</u>	<u>Technology</u>	<u>Records Management County Clerk</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 175,560	\$ -	\$ 63,282	\$ 7,709	\$ 31,397
Due from Other Funds	-	1,045	-	-	-
Due from Other Governments	-	-	-	-	-
Notes Receivable	-	-	-	-	-
TOTAL ASSETS	<u><u>\$ 175,560</u></u>	<u><u>\$ 1,045</u></u>	<u><u>\$ 63,282</u></u>	<u><u>\$ 7,709</u></u>	<u><u>\$ 31,397</u></u>
<u>LIABILITIES</u>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-	-	-
Due to Other Funds	85,426	-	15,625	2,600.00	21,797
TOTAL LIABILITIES	<u><u>85,426</u></u>	<u><u>-</u></u>	<u><u>15,625</u></u>	<u><u>2,600</u></u>	<u><u>21,797</u></u>
<u>FUND BALANCES(DEFICIT)</u>					
Restricted					
Capital Projects	-	-	-	-	-
Special Revenue Purposes	90,134	1,045	47,657	5,109	9,601
TOTAL FUND BALANCES	<u><u>90,134</u></u>	<u><u>1,045</u></u>	<u><u>47,657</u></u>	<u><u>5,109</u></u>	<u><u>9,601</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 175,560</u></u>	<u><u>\$ 1,045</u></u>	<u><u>\$ 63,282</u></u>	<u><u>\$ 7,709</u></u>	<u><u>\$ 31,397</u></u>

(Continued)

Economic Development	Operation Linebacker	Operation Border Star	Records Management District Clerk	Law Library	Total Non-major Special Revenue Funds
\$ 1,547	\$ -	\$ 34,805	\$ 5,111	\$ 4	\$ 319,414
26,389	-	3,857	-	-	31,291
-	68,105	52,462	-	-	120,568
82,570	-	-	-	-	82,570
<u>\$ 110,507</u>	<u>\$ 68,105</u>	<u>\$ 91,124</u>	<u>\$ 5,111</u>	<u>\$ 4</u>	<u>\$ 553,842</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,419	-	-	-	-	8,419
-	8,013	-	13,058	1,448	147,965
<u>8,419</u>	<u>8,013</u>	<u>-</u>	<u>13,058</u>	<u>1,447</u>	<u>156,384</u>
-	-	-	-	-	-
<u>102,087</u>	<u>60,092</u>	<u>91,124</u>	<u>(7,946)</u>	<u>(1,444)</u>	<u>397,458</u>
-	-	-	-	-	-
<u>102,087</u>	<u>60,092</u>	<u>91,124</u>	<u>(7,946)</u>	<u>(1,444)</u>	<u>397,458</u>
<u>\$ 110,507</u>	<u>\$ 68,105</u>	<u>\$ 91,124</u>	<u>\$ 5,111</u>	<u>\$ 4</u>	<u>553,842</u>

COMBINING AND INDIVIDUAL FUND BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	Dimmit County Jail Project	Texas Historical Commission Project	Colonia Carrizo Hill Project	ORCA #719077 Disaster Relief	ORCA Espantosa #727277	Border Colonia
ASSETS						
Cash and Cash Equivalents	\$ 5,188	\$ 37,649	\$ -	\$ -	\$ -	\$ 19,285
Due from Other Funds	9,714	2,688	16,162	-	-	-
Due from Other Governments	-	-	-	48,740	-	-
Due from Others	-	-	-	-	-	-
TOTAL ASSETS	\$ 14,902	\$ 40,337	\$ 16,162	\$ 48,740	\$ -	\$ 19,285
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-	-
Due to Other Funds	-	-	-	48,740	-	19,285
TOTAL LIABILITIES	-	-	-	48,740	-	19,285
FUND BALANCES(DEFICIT)						
Restricted						
Capital Projects	14,902	40,337	16,162	-	-	-
Special Revenue Purposes	-	-	-	-	-	-
TOTAL FUND EQUITY	14,902	40,337	16,162	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,902	\$ 40,337	\$ 16,162	\$ 48,740	\$ -	\$ 19,285

Continued

Colonia Planning	ORCA Colonia Construction	Limited Tax Notes Series 2006	Linebacker Project	Border Patrol Project	Texas Border Gang Prevention Project	Ed Byrne Memorial Justice	Operation Linebacker 2010
\$ -	\$ 61,849	\$ -	\$ 37,445	\$ 21,859	\$ 39,285	\$ 35,561	\$ 3,453
-	-	-	-	-	-	-	-
-	-	-	-	-	14,878	-	15,986
-	-	-	(4,206)	-	4,840	-	1,895
<u>\$ -</u>	<u>\$ 61,849</u>	<u>\$ -</u>	<u>\$ 33,239</u>	<u>\$ 21,859</u>	<u>\$ 59,002</u>	<u>\$ 35,561</u>	<u>\$ 21,333</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,186	\$ -	\$ -	\$ -
-	-	-	1,339	-	1,105	-	-
-	61,805	-	32,153	26,792	57,917	35,561	21,333
-	61,805	-	33,492	27,978	59,022	35,561	21,333
-	44	-	(253)	(6,121)	(18)	-	-
-	-	-	-	-	-	-	-
-	44	-	(253)	(6,121)	(18)	-	-
<u>\$ -</u>	<u>\$ 61,849</u>	<u>\$ -</u>	<u>\$ 33,239</u>	<u>\$ 21,858</u>	<u>\$ 59,003</u>	<u>\$ 35,561</u>	<u>\$ 21,333</u>

**COMBINING AND INDIVIDUAL FUND BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011**

	Local Border Security FY 10-11	Operation Stone Garden 2011	Local Border Sec Sheriff 110001	2010 CDBG Street Impr Grant	SECO Grant
ASSETS					
Cash and Cash Equivalents	\$ 23,419	\$ 90,000	\$ 158	\$ 8,266	\$ -
Due from Other Funds	-	-	-	-	-
Due from Other Governments	10,397	19,549	12,530	12,734	32,000
Due from Others	-	-	-	-	-
TOTAL ASSETS	\$ 33,817	\$ 109,549	\$ 12,688	\$ 21,000	\$ 32,000
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	33,817	109,549	12,688	21,000	32,000
TOTAL LIABILITIES	33,817	109,549	12,688	21,000	32,000
FUND BALANCES(DEFICIT)					
Reserved for:					
Capital Projects	-	-	-	-	-
Special Revenue Purposes	-	-	-	-	-
TOTAL FUND EQUITY	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 33,817	\$ 109,549	\$ 12,688	\$ 21,000	\$ 32,000

Justice Assistance Grant SU-09-A10	BJA-Byrne JAG-2009 Grant	Federal Emergency Management Agency (FEMA)	Total Non-major Capital Project Funds	Total All Non-major Governmental Funds
\$ -	\$ -	\$ 93,405	\$ 476,823	\$ 796,237
-	-	-	28,564	59,854
-	-	89,862	256,675	377,243
-	-	-	2,528	2,528
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183,267</u>	<u>\$ 764,589</u>	<u>\$ 1,318,433</u>
\$ -	\$ -	\$ 10,396	\$ 11,583	\$ 11,583
-	-	-	2,445	10,864
-	-	125,066	637,705	785,670
-	-	135,462	651,731	808,116
-	-	47,806	112,857	112,857
-	-	-	-	397,458
-	-	47,806	112,857	510,316
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183,267</u>	<u>\$ 764,589</u>	<u>\$ 1,318,433</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, 2011

	Airport Fund Project	Emergency Fund	Courthouse Security	Technology	Records Management County Clerk
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Non Capital Grants	8,282	-	-	-	-
Charges for Services	-	-	4,829	25	-
Use of County Monies and Property	82,768	-	-	-	-
Fines and Forfeitures	-	-	12,506	12,871	-
Miscellaneous	-	-	445	(1)	34,745
TOTAL REVENUES	91,051	-	17,781	12,896	34,745
EXPENDITURES					
Culture and Recreation	50,885	-	-	11,374	17,760
Highways and Streets	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Capital Outlay	-	-	-	-	-
	50,885	-	-	11,374	17,760
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	40,165	-	17,781	1,522	16,985
Other Financing Sources (uses)					
Capital Grants	-	-	-	-	-
Operating Transfers-In (Out)	24,000	-	-	-	-
Refund to State	-	-	-	-	-
Matching Funds	-	-	-	-	-
Total Other Financing Sources (uses)	24,000	-	-	-	-
Net Change in Fund Balances	64,165	-	17,781	1,522	16,985
FUND BALANCES - OCTOBER 1, 2010	25,969	1,045	29,876	3,586	(7,384)
Prior Period Adjustments	-	-	-	-	-
FUND BALANCES - SEPTEMBER 30, 2011	\$ 90,134	\$ 1,045	\$ 47,657	\$ 5,109	\$ 9,601

(Continued)

Economic Development	Operation linebacker	Operation Border Star	Records Management District Clerk	Law Library	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	31,182	-	-	39,464
-	-	-	-	5,791	10,645
-	-	-	-	-	82,768
-	-	-	-	-	25,378
2,804	-	-	2,169	16	40,179
<u>2,804</u>	<u>-</u>	<u>31,182</u>	<u>2,169</u>	<u>5,807</u>	<u>198,436</u>
-	-	-	-	9,793	89,810
-	-	-	-	-	-
-	-	31,182	-	-	31,182
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>31,182</u>	<u>-</u>	<u>9,793</u>	<u>120,993</u>
2,804	-	-	2,169	(3,984)	77,442
-	-	-	-	-	-
-	-	-	-	-	24,000
(11,272)	-	-	-	-	(11,272)
-	-	-	-	-	-
<u>(11,272)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,728</u>
(8,469)	-	-	2,169	(3,985)	90,171
110,556	60,092	91,124	(10,116)	2,541	307,290
-	-	-	-	-	-
<u>\$ 102,087</u>	<u>\$ 60,092</u>	<u>\$ 91,124</u>	<u>\$ (7,946)</u>	<u>\$ (1,444)</u>	<u>\$ 397,458</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, 2011
(Continued)

	Dimmit County Jail Project	Texas Historical Commission Project	Colonia Carrizo Hill Project	ORCA #719077 Disaster Relief	ORCA Espantosa #727277
REVENUES					
Non Capital Grants	-	-	-	-	-
Charges for Services	-	-	-	-	-
Use of County Monies and Property	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	1,563	-	-	-	-
TOTAL REVENUES	1,563	-	-	-	-
EXPENDITURES					
Public Safety	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Highways and Streets	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Capital Outlay	-	-	-	-	-
	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,563	-	-	-	-
Other Financing Sources (uses)					
Capital Grants	-	-	-	-	-
Operating Transfers-In (Out)	-	-	-	-	-
Refund to State	-	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-	-
Net Change in Fund Balances	1,563	-	-	-	-
FUND BALANCES - OCTOBER 1, 2010	13,339	40,337	16,162	-	-
Prior Period Adjustments	-	-	-	-	-
FUND BALANCES - SEPTEMBER 30, 2011	\$ 14,902	\$ 40,337	\$ 16,162	\$ -	\$ -

Continued

Border Colonia	Colonia Planning	ORCA Colonia Construction	Limited Tax Notes Series 2006	Linebacker Project	Border Patrol Project	Texas Border Gang Prevention Project	Ed Byrne Memorial Justice
-	-	-	-	19,976	-	169,544	187,406
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	173	-	-	183	-	-
-	-	173	-	19,976	183	169,544	187,406
-	-	-	-	19,976	-	144,094	-
-	-	-	-	-	-	-	-
111,758	-	61,673	-	-	-	-	99,565
-	-	-	-	-	-	-	-
-	-	2,572	-	-	-	25,450	87,841
111,758	-	64,245	-	19,976	-	169,544	187,406
(111,758)	-	(64,072)	-	-	183	-	-
111,758	-	63,999	-	-	-	-	-
-	-	-	-	-	-	-	-
111,758	-	63,999	-	-	-	-	-
-	-	(73)	-	-	183	-	-
-	-	117	21	(253)	(6,303)	(18)	-
-	-	-	(21)	-	-	-	-
\$ -	\$ -	\$ 44	\$ -	\$ (253)	\$ (6,121)	\$ (18)	\$ -

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, 2011

	Operation Linebacker 2010	Local Border Security FY 10-11	Operation Stone Garden 2010	Local Border Sec Sheriff 110001	2010 CDBG Street Impr Grant
REVENUES					
Non Capital Grants	183,315	34,288	109,549	41,169	20,962
Charges for Services	-	-	-	-	-
Use of County Monies and Property	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL REVENUES	183,315	34,288	109,549	41,169	20,962
EXPENDITURES					
Public Safety	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Highways and Streets	-	-	-	-	-
Health and Welfare	183,315	34,288	109,549	41,169	20,962
Capital Outlay	-	-	-	-	-
	183,315	34,288	109,549	41,169	20,962
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-
Other Financing Sources (uses)					
Capital Grants	-	-	-	-	-
Operating Transfers-In (Out)	-	-	-	-	-
Refund to State	-	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-	-
Net Change in Fund Balances	-	-	-	-	-
FUND BALANCES - OCTOBER 1, 2010	-	-	-	-	-
Prior Period Adjustments	-	-	-	-	-
FUND BALANCES - SEPTEMBER 30, 2011	\$ -	\$ -	\$ -	\$ -	\$ -

SECO Grant	Justice Assistance Grant SU-09-A10	BJA-Byrne JAG-2009 Grant	Federal Emergency Management Agency (FEMA)	Total Non-major Capital Project Funds	Total All Non-major Governmental Funds
32,000	-	-	-	798,209	837,674
-	-	-	-	-	10,645
-	-	-	-	-	82,768
-	-	-	-	-	25,378
-	-	-	-	1,917	42,097
32,000	-	-	-	800,127	998,562
-	121,534	-	-	285,603	285,603
-	-	-	-	-	89,810
-	-	-	-	272,997	272,997
-	-	-	-	389,283	420,465
32,000	-	19,000	-	166,863	166,863
32,000	-	19,000	-	1,114,745	1,235,738
-	-	(19,000)	-	(314,618)	(237,176)
-	-	-	-	-	-
-	121,534	19,000	-	316,291	316,291
-	-	-	-	-	24,000
-	-	-	-	-	(11,272)
-	121,534	19,000	-	316,291	329,019
-	121,534	-	-	123,205	213,374
-	-	-	47,806	111,207	418,497
-	-	-	-	(21)	(21)
\$ -	\$ 121,534	\$ -	\$ 47,806	\$ 234,412	\$ 631,850

COMBINING FIDUCIARY STATEMENTS

DIMMIT COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
SEPTEMBER 30, 2011

	County Clerk	District Clerk	Tax Assessor/C ollector	County Attorney	Commissary
<u>ASSETS</u>					
Cash and Investments	\$ 58,789	\$ 577,385	\$ 226,662	\$ 7,232	\$ 39,441
Due From Other Funds	-	-	-	-	-
Total Assets	\$ 58,789	\$ 577,385	\$ 226,662	\$ 7,232	\$ 39,441
 <u>LIABILITIES</u>					
Due to Other Funds	\$ 29,702	\$ -	\$ -	\$ -	\$ -
Due to Others	29,087	577,385	226,662	7,232	39,441
Total Liabilities	\$ 58,789	\$ 577,385	\$ 226,662	\$ 7,232	\$ 39,441

Constable Forfeiture Account	Sheriff Forfeiture Account	Payroll Fund	Total
\$ - 7,841	\$ 622 -	\$ 231,414 -	\$ 1,141,545 7,841
<u>\$ 7,841</u>	<u>\$ 622</u>	<u>\$ 231,414</u>	<u>\$ 1,149,386</u>

\$ - 7,841	\$ - 622	\$ 38,742 192,672	\$ 68,444 1,080,942
<u>\$ 7,841</u>	<u>\$ 622</u>	<u>\$ 231,414</u>	<u>\$ 1,149,386</u>

DIMMIT COUNTY, TEXAS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Beginning Balance	Additions	Deletions	Ending Balance
County Clerk				
Assets				
Cash	\$ 63,193	\$ 575,870	\$ 580,274	\$ 58,789
Liabilities				
Due to others	\$ 63,193	\$ 575,870	\$ 580,274	\$ 58,789
District Clerk				
Assets				
Cash	\$ 176,077	\$ 586,164	\$ 184,856	\$ 577,385
Liabilities				
Due to others	\$ 176,077	\$ 586,164	\$ 184,856	\$ 577,385
Tax Assessor/Collector				
Assets				
Cash	\$ 181,136	\$ 12,011,364	\$ 11,965,838	\$ 226,662
Liabilities				
Due to others	\$ 181,136	\$ 12,011,364	\$ 11,965,838	\$ 226,662
County Attorney				
Assets				
Cash	\$ 7,232	\$ -	\$ -	\$ 7,232
Liabilities				
Due to others	\$ 7,232	\$ -	\$ -	\$ 7,232
Sheriff Commissary Account				
Assets				
Cash	\$ 39,859	\$ 63,299	\$ 63,717	\$ 39,441
Liabilities				
Due to others	\$ 39,859	\$ 63,299	\$ 63,717	\$ 39,441
Constable Forfeiture Account				
Assets				
Cash	\$ -	\$ -	\$ -	\$ -
Due from Other Funds	7,841	-	-	7,841
Due from Other Funds	\$ 7,841	\$ -	\$ -	\$ 7,841
Liabilities				
Due to others	\$ 7,841	\$ -	\$ -	\$ 7,841
Sheriff Forfeiture Account				
Assets				
Cash	\$ 11,481	\$ 11,509	\$ 22,368	\$ 622
Liabilities				
Due to others	\$ 11,481	\$ 11,509	\$ 22,368	\$ 622
Payroll Fund				
Assets				
Cash	\$ 200,734	\$ 3,642,887	\$ 3,612,207	\$ 231,414
Due From Other Funds	100,685	(100,685)	-	-
	\$ 301,419	\$ 3,542,202	\$ 3,612,207	\$ 231,414
Liabilities				
Due to others	\$ 301,419	\$ 3,542,202	\$ 3,612,207	\$ 231,414

SINGLE AUDIT INFORMATION



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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, 2011, which collectively comprise Dimmit County, Texas's basic financial statements and have issued our report thereon dated June 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of 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.

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. 2011-1, and 2011-2. 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. 2011-1, 2011-2, and 2011-3.

We noted certain matters that we reported to management of Dimmit County, Texas, in a separate letter dated June 14, 2012.

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.

/s/ B. C. Rocha, CPA

Bill C. Rocha
Certified Public Accountant
June 14, 2012



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CERTIFIED PUBLIC ACCOUNTANT

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**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, 2011. 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, 2011.

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.

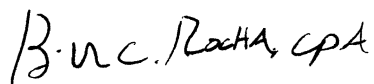
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weakness and therefore, there can be no assurance 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. 2011-1, 2011-2, and 2011-3 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
June 14, 2012

DIMMIT COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Texas Border Sheriff's Coalition			
Operation Linebacker	97.067	LBSP-08-0003	19,976
Operation Stonegarden	97.067		109,549
Texas Border Gang Prevention Project	97.067		169,544
Local Border Security Program	97.067	LBSP-11-0029	34,288
Local Border Security Program	97.067	LBSP-10/11	<u>41,169</u>
<u>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</u>			<u>374,526</u>
Texas Department of Housing and Urban Development			
Passed through Texas Department of Agriculture			
ORCA Colonia Construction	14.228	728045	63,999
CDBG Street Improvement	14.228	710145	<u>20,967</u>
<u>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</u>			<u>84,966</u>
U.S. DEPARTMENT OF JUSTICE			
Passed through Texas Border Sheriff's Coalition			
Operation Linebacker	16.580		183,315
Justice Assistance Grant	16.803		121,534
Border Star II	16.738		31,182
Edward Byrne Memorial Justice	16.738		187,406
Edward Byrne Memorial Justice	16.804		<u>19,000</u>
<u>TOTAL U.S. DEPARTMENT OF JUSTICE</u>			<u>542,437</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Energy Efficiency and Conservation Block Grant	81.128		<u>32,000</u>
<u>TOTAL U.S. DEPARTMENT OF ENERGY</u>			<u>32,000</u>
<u>TOTAL FEDERAL FINANCIAL ASSISTANCE</u>			<u><u>\$ 1,033,929</u></u>

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

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, 2011**

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 x no
- Significant deficiency(ies) identified x yes ___no
- c. Noncompliance material finding to financial statements: ___yes x no

FEDERAL AWARDS

- d. Internal control over major programs:
- Material weakness(es) identified ___yes x no
- Significant deficiency(ies) identified x 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
in accordance with Section 510(a) of OMB Circular A-133: x yes ___no

Major Program(s):

Operation Linebacker	CFDA 16.580
Justice Assistance Grant	CFDA 16.803
Border Star	CFDA 16.738
Edward Byrne Memorial Justice	CFDA 16.738
Edward Byrne Memorial Justice	CFDA 16.804
Energy efficiency and Consevation Grant	CFDA 81.128
Operation Linebacker	CFDA 97.067
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: x yes ___no

**DIMMIT COUNTY, TEXAS
SUMMARY OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2011**

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

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.

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.

Finding No: 2011-3

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 is unresolved.

**DIMMIT COUNTY, TEXAS
SUMMARY OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2011**

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Refer to findings 2011-1

**DIMMIT COUNTY, TEXAS
CORRECTIVE ACTION PLAN
SEPTEMBER 30, 2011**

Finding Number Corrective Action

2011-1 The Sheriffs department was notified that all expenditures regardless of purchases must be submitted to the County to be recorded. Copies of drawdowns will be reviewed for compliance. Implementation will take place immediately.

2011-2 All invoices will be paid from original invoices and any partial payments will be documented in the purchase orders. Implementation will be immediate.

2011-3 Sheriffs department is working on updating all information concerning the account.

Official responsible for implementation:

Carlos A. Pereda
County Auditor

DIMMIT COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS
SEPTEMBER 30, 2011

Finding No: 2010-1

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 finding is unresolved. See Finding 2011-1.

Finding No: 2010-2

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 2009 (see finding 2009-5).

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 is unresolved.

DIMMIT COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS
SEPTEMBER 30, 2011

Finding No: 2009-4

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 \$ 70,500 that were not recorded by Dimmit County.

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 has not been resolved. See Finding 2010-1.

Finding No: 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.

Recommendation: We recommended 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 issue has not been resolved. See Finding 2010-2