

ANNUAL FINANCIAL
AND COMPLIANCE REPORT

WILLACY COUNTY, TEXAS

September 30, 2012

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WILLACY COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
(INCLUDING COMPLIANCE REPORT ON GRANT ACTIVITIES)
For The Fiscal Year Ended September 30, 2012

COUNTY OFFICIALS

Commissioners

County Judge	John F. Gonzales
Precinct 1	Elberto Guerra
Precinct 2	Noe Loya
Precinct 3	Alfredo Serrato
Precinct 4	Dora Perez

PREPARED BY
AUDITOR'S OFFICE

Ida C. Martinez, CPA
County Auditor

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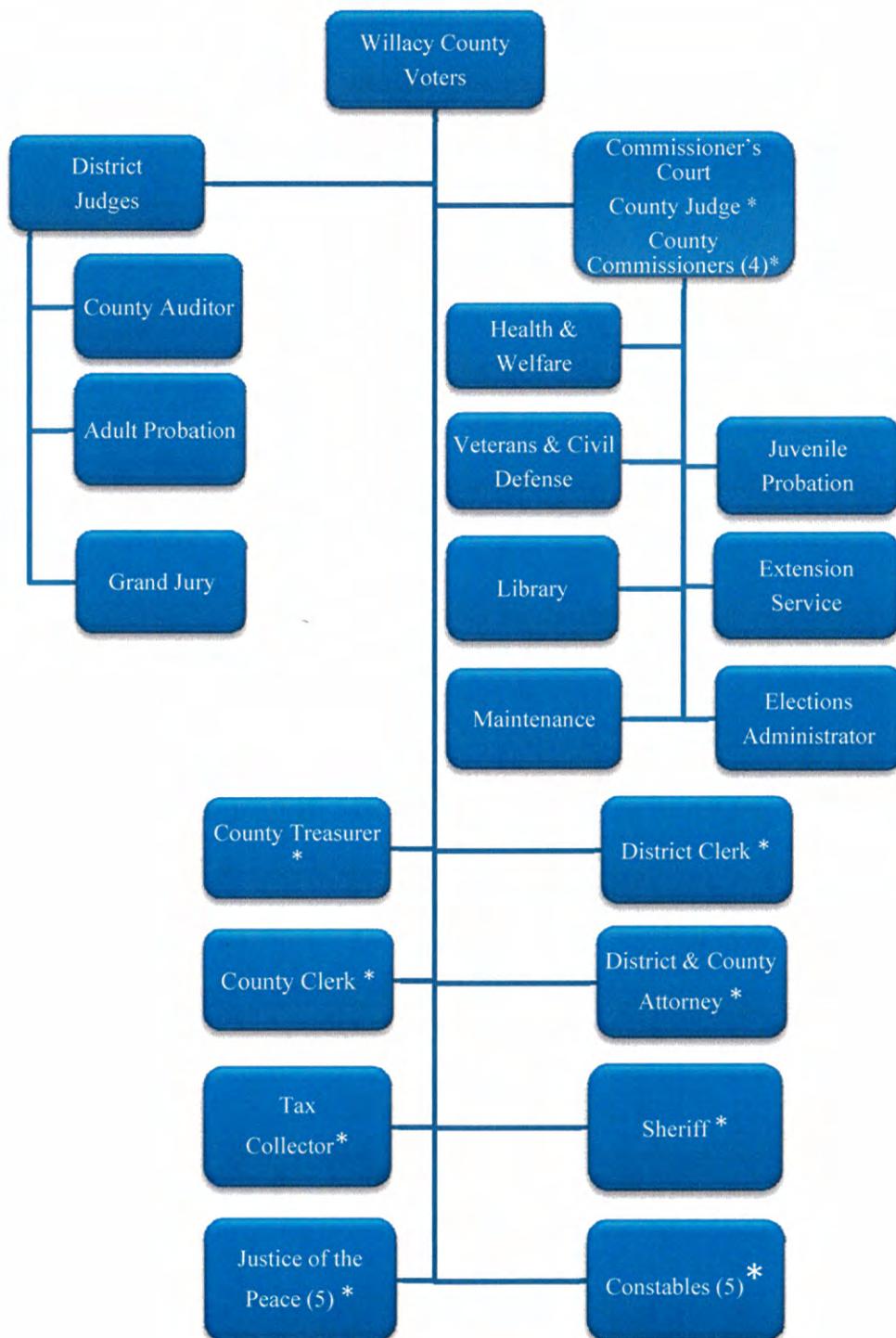
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WILLACY COUNTY, TEXAS ORGANIZATIONAL CHART



*Denotes elected officials

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

The Honorable County Judge and
Commissioners' Court
Willacy County, Texas

Gentlemen:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Willacy County, Texas, as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Willacy County, Texas as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2013 on our consideration of the County'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 required supplementary information schedules on pages 23 through 29 and 73 through 75 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 Willacy County's basic financial statements as a whole. The introductory section, other supplementary information section, the supplementary individual fund financial statements and schedules, and the statistical section as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, and *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Willacy County, Texas. The other supplementary information, the supplementary individual fund financial statements and schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The other supplementary information, the supplementary individual fund financial statements and schedules, and the schedule of expenditures of federal awards, have been subjected to the auditing procedures applied in the audit of the basic financial statements and 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 other supplementary information, the supplementary individual fund financial statements and schedules, and the schedule of expenditures have been fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.


LONG CHILTON, LLP
Certified Public Accountants

Harlingen, Texas
June 24, 2013

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Willacy County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2012. Please read in conjunction with the independent's auditors' report on page 19, and the County's Basic Financial Statements which begin on page 31.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the fiscal year ended September 30, 2012, by \$19,360,481 (net assets). Of this amount, \$8,289,035 (unrestricted net assets) may be used to meet the governments' ongoing obligations to citizens and creditors.
- The County's total net assets increased \$3,624,699. Contributing to this increase is \$2.5M in capital grants and contributions and \$1M on the Service Contract fund.
- The County's governmental funds reported combined ending fund balances of \$9,592,189 an increase of \$538,038 in comparison to the previous year. This increase was a result of \$1M on the Service Contract fund and \$400K in the general fund, offset by the decreases in the Capital Projects fund and Other Governmental funds. The Capital Project and Road & Bridge funds' overages were budgeted to utilize fund balance, comparable to last year.
- \$4,335,481 is the unassigned portion of the General Fund balance at the end of the year.

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 comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) fiduciary financial statements, and 4) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Willacy County's finances. Two statements, the Statement of Net Assets and the Statement of Activities, are utilized to provide the financial overview 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 government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flow. 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 vacation leave).

The government-wide statements distinguish between governmental activities and business-type activities. Governmental activities basically account for those activities supported by taxes and intergovernmental revenues. On the other hand, business-type activities are basically supported by user fees and charges. Most County services are reported in governmental activities while Internal Service activities are reported in the Proprietary fund.

Fund Financial Statements. The County, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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. All of the funds of a County can be divided into two categories: governmental funds and proprietary 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 the near-term inflows and outflows of available resources as well as on balances

of available 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 decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains several individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Capital Projects Fund, the Stone Garden Fund and the Service Contract Fund, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Governmental Accounting Standard Board (GASB) released Statement 54 – “Fund Balance Reporting and Governmental Fund Type Definitions” on March 11, 2009, which was effective for the fiscal year ending September 30, 2011. This statement is intended to improve the usefulness of the amount reported in fund balance by providing more structured classifications of the fund balance. Previously, fund balance was classified as “reserved” or “unreserved”. GASB 54 will change how fund balance is reported. The hierarchy of five possible classifications is as follows.

- **Non spendable** fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances include restricted, committed, assigned and unassigned based upon the hierarchy of spending constraints.

- **Restricted** fund balances are constrained by external parties, constitutional provisions or enabling legislation.
- **Committed** fund balances contain self-imposed constraints of the government from its highest level of decision making authority (the county commission).
- **Assigned** fund balances contain self-imposed constraints of the government to be used for a particular purpose (the county commission has the authority to assign funds for specific purposes).
- **Unassigned** fund balance of the general fund are those that have no constraints for any particular purpose.

Proprietary Funds. The County maintains one type of proprietary fund, an Internal Service Fund. The Internal Service Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses the proprietary fund to account for its self-funded portion of health insurance provided to employees.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, distinguishing operating revenue and expenses from non-operating items.

Fiduciary Funds. The County maintains funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support County programs.

Notes to Financial Statements. The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide, fund financial statements, proprietary fund statements and fiduciary fund statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information. Required supplementary information can be found after the notes to the financial statements. The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information.

Government-wide Financial Analysis

At the end of fiscal year 2012, the County's net assets (assets exceeding liabilities) totaled \$19.36M. This analysis focuses on the net assets (Table 1) and changes in net assets (Table 2).

Net Assets. A portion of the County's net assets, \$7.97M or 41%, reflects its investment in capital assets (land, building and improvements, buildings, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County reports its capital assets net of related debt, 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.

\$3.10M of the net assets is restricted for the purposes of the special revenue funds to which they belong. The remaining balance of unrestricted net assets, \$8.29M, or 43%, may be used to meet the government's ongoing obligations to citizens and creditors.

**TABLE 1
NET ASSETS**

	<i>Governmental Activities</i>		Increase/ (Decrease)
	2012	2011	
<i>Current and Other Assets</i>			
Capital Assets	\$ 17,807,268	\$ 15,483,624	\$ 2,323,644
	<u>8,210,277</u>	<u>5,365,525</u>	<u>2,844,752</u>
Total Assets	\$ 26,017,545	\$ 20,849,149	\$ 5,168,396
<i>Long-Term Liabilities</i>			
Other Liabilities	\$ 299,227	\$ 415,842	\$ (116,615)
	<u>6,357,837</u>	<u>4,697,525</u>	<u>1,660,312</u>
Total Liabilities	\$ 6,657,064	\$ 5,113,367	\$ 1,543,697
Net Assets:			
Capital Assets Net of Related Debt	\$ 7,969,462	\$ 5,028,671	\$ 2,940,791
Restricted	3,101,984	2,461,463	640,521
Unrestricted	<u>8,289,035</u>	<u>8,245,648</u>	<u>43,387</u>
Total Net Assets	\$ 19,360,481	\$ 15,735,782	\$ 3,624,699

Changes in Net Assets. The net assets of the County increased by \$3.62M for the fiscal year ended September 30, 2012.

Governmental Activities increased the County's net assets by \$3.62M from the prior year. The major contributing factor to this increase is capital assets.

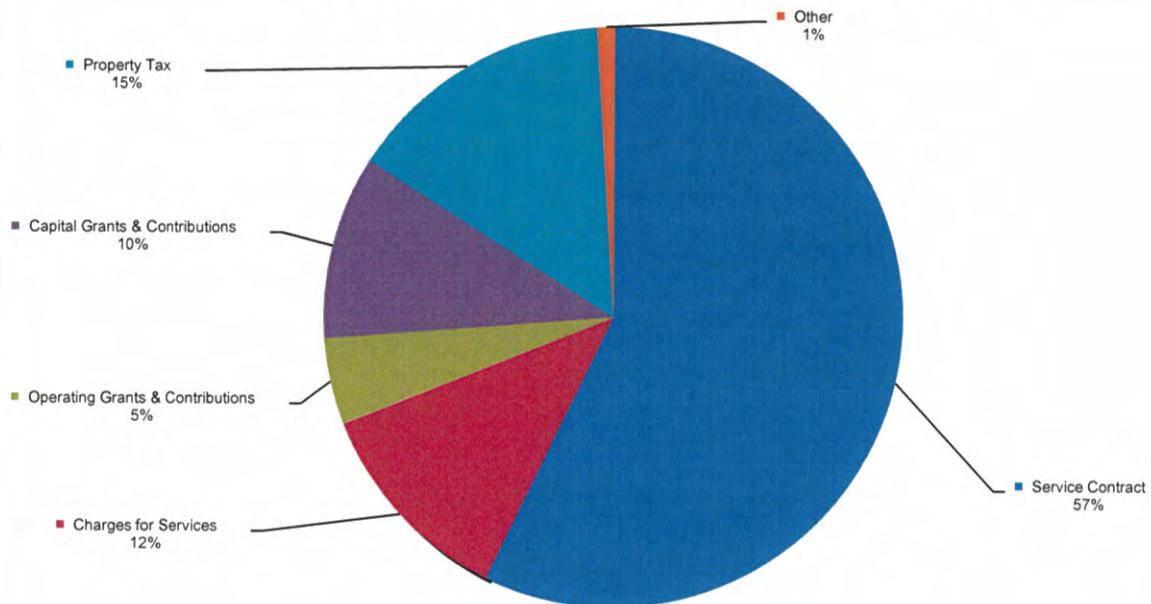
TABLE 2
CHANGE IN NET ASSETS

	<i>Governmental Activities</i>		
	2012	2011	Increase/ (Decrease)
Revenues:			
Program Revenues:			
<i>Charges for Services</i>	\$ 21,806,020	\$ 17,823,512	\$ 3,982,508
<i>Operating Grants & Contrib.</i>	1,518,503	1,233,593	284,910
<i>Capital Grants</i>	3,236,409	687,742	2,548,667
General Revenues:			
<i>Maintenance & Operations Taxes</i>	4,725,353	5,177,972	(452,619)
<i>Debt Service & Other Taxes</i>	9,847	7,890	1,957
<i>Investment Earnings</i>	9,622	19,034	(9,412)
<i>Miscellaneous</i>	219,361	130,336	89,025
<i>Gain (Loss) on Sale of Capital Assets</i>	86,437	14,889	71,548
Total Revenue	31,611,552	25,094,968	6,516,584
Expenditures:			
<i>General Government</i>	3,517,055	3,296,341	220,714
<i>Public Safety</i>	20,373,945	19,083,721	1,290,224
<i>Highway & Streets</i>	2,036,121	2,029,054	7,067
<i>Health & Welfare</i>	1,823,077	1,522,156	300,921
<i>Culture & Recreation</i>	224,582	229,787	(5,205)
<i>Debt Service</i>	12,073	16,860	(4,787)
Total Expenses	27,986,853	26,177,919	1,808,934
(Decrease)/Increase in Net Assets	3,624,699	(1,082,951)	4,707,650
Net Assets, beginning of year	15,735,782	16,818,733	(1,082,951)
Net Assets, end of year	\$ 19,360,481	\$ 15,735,782	\$ 3,624,699

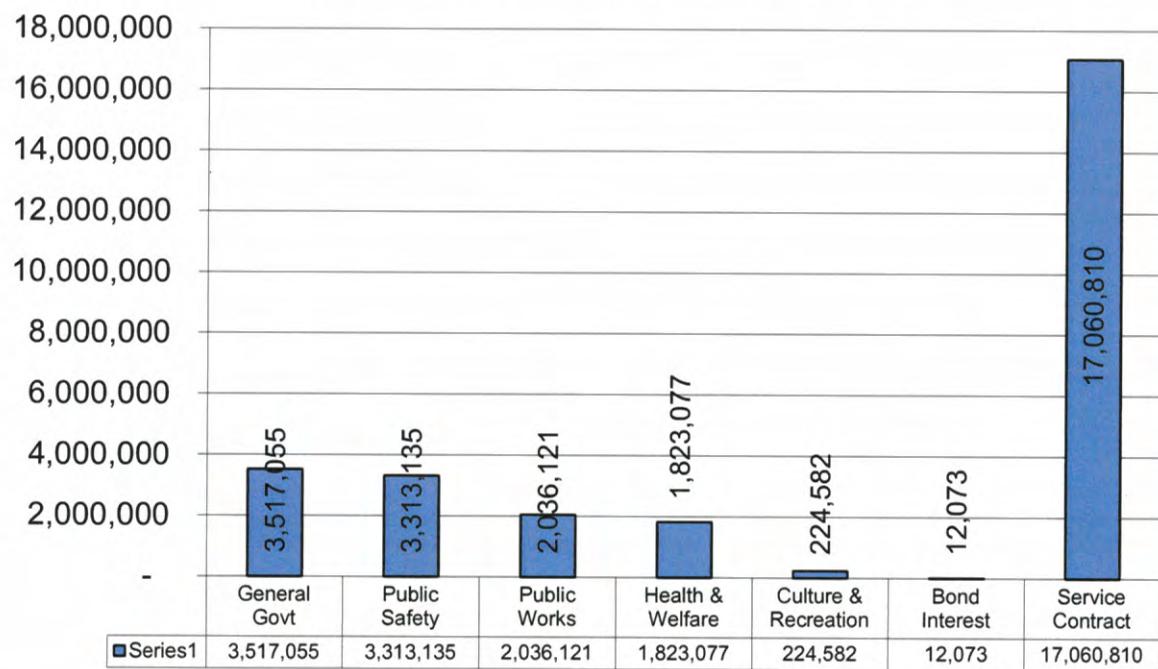
Governmental Activities. Governmental activities increased Willacy County's net assets by \$3.62M. Key elements of this increase are as follows:

- \$2.5M in capital grants and contributions
- \$1M on the Service Contract fund

REVENUE BY SOURCE - GOVERNMENTAL ACTIVITIES



EXPENDITURES - GOVERNMENTAL ACTIVITIES



Willacy County, Texas

Management's Discussion and Analysis

September 30, 2012

Financial Analysis of the Government's Funds

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

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$9,592,189, an increase of \$538,038 over 2011.

The General Fund is the main operating fund of the County. At the end of the current fiscal year, the General Fund unassigned fund balance was \$4,335,481. The fund balance increased by \$421,775 during the current fiscal year. Key factors of the increase are as follows:

- Federal Prison Revenue exceeded budget by \$531K. This overage was offset by the variances in other revenue line items. .
- Expenditures were below budget overall and for almost all departments, the largest exception being the sheriff and jail administration which expended over \$38K and \$781K more than budgeted, respectively. The departments making the most positive contribution to the budget was District Court due to indigent defense expenditures being below budget for the second year in a row.

The Road & Bridge Fund had a decrease in fund balance of \$128,091. The adopted budget for fiscal year 2012 included the utilization of fund balance for operations. One of the precincts remained within the budget allocations without utilizing fund balance and three precincts utilized fund balance.

General Fund Budgetary Highlights. Each year the County performs periodic reviews of the budget. State law prohibits increasing total budgeted expenditures except during an emergency, however, an amount budgeted for one line item can be transferred to another budgeted item without authorizing an emergency expenditure.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental activities as of September 30, 2012, amounts to \$8,210,277 (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, machinery and equipment and infrastructure. The total increase in the County's investment in capital assets for the current year was 53.02%. More detailed information on capital asset activity is available in the notes to the financial statements.

Debt Administration. At the end of the current fiscal year, Willacy County had total debt outstanding of \$299,227, which is a decrease of \$116,615. This amount is backed by the full faith and credit of Willacy County. Obligations include accrued vacation and compensatory pay. More detailed information about the County's long-term liabilities activity is available in the notes to the financial statements.

From time to time Willacy County issues short term notes payable to finance equipment purchases in the Road & Bridge Fund. Currently this fund does not have any notes payable. Capital Leases are also used for equipment and renovation purposes. During fiscal year 2012, the County leased major equipment for the Road & Bridge funds. The balance at the end of fiscal year 2012 is \$240,815.

Additional information on the County's long-term debt is presented in Note G to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Willacy County economy remains disadvantaged compared to the national economy. Willacy County's unemployment rate at September 30, 2012 was 13.4%; and is currently at 13.9%, which is above the state and national average. Economic development initiatives continue. The impact of the alternative energy via the utilization of windmills is in the near future. The restructuring of a correctional facility contract contributed \$500K to the County this fiscal year.

Willacy County, Texas

Management's Discussion and Analysis

September 30, 2012

The annual budget is developed to provide efficient, effective and economic uses of the County's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the County Judge and Commissioners set the direction of the County, allocate its resources and establish its priorities.

The Commissioners' Court adopted the county's 2012-13 budget in September 2012. The balanced budget was adopted based on historical expenditures and estimated revenues to be received in fiscal year 2013. The total available for the General Fund for the fiscal year 2013 is \$7.2 million.

For 2012-13, the property tax rate is \$.67528 per \$100 assessed taxable valuation, a \$.002 increase over the prior year's tax rate of \$.67368. Current tax revenues are budgeted to go up .02% over prior years' actual; generating an increase of \$72 thousand at the effective tax rate of \$.67528. Budgeted expenditures for 2013 in the general fund increased \$653,135 from prior year's actual and \$378,337 over prior year's amended budget.

Requests for Information

This financial report is designed to provide a general overview of Willacy County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 546 West Hidalgo, Raymondville, Texas 78580.

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BASIC

FINANCIAL STATEMENTS

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Willacy County, Texas
STATEMENT OF NET ASSETS
September 30, 2012

	Primary Government	Component Activities	Component Units
ASSETS			
Cash and cash equivalents	\$ 8,733,624	\$ 13,519,675	
Receivables, net	9,031,783		4,096,318
Prepaid items	41,861		-
Deferred charges	-		662,523
Restricted assets:			
Temporarily restricted			
Cash and cash equivalents	-		5,596,836
Investments	-		7,353,954
Capital assets, net			
Non-depreciable assets	3,090,277		382,435
Depreciable assets	5,120,000		<u>102,812,190</u>
 TOTAL ASSETS	 <u>\$ 26,017,545</u>	 <u>\$ 134,423,931</u>	
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	\$ 5,472,600	\$ 10,835,964	
Accrued expenditures	146,673		-
Payable from restricted assets - accrued interest payable	-		1,647,861
Claims and judgments payable	10,677		-
Intergovernmental payable	326,076		-
Other payables	293,173		-
Unearned revenues	108,638		-
Non-current liabilities			
Due within one year	124,647		2,325,219
Due in more than one year	174,580		<u>85,500,003</u>
 Total liabilities	 6,657,064	 100,309,047	
Net assets			
Invested in capital assets, net			
of related debt	7,969,462		22,137,156
Restricted	3,101,984		6,648,024
Unrestricted	8,289,035		<u>5,329,704</u>
Total net assets	19,360,481		<u>34,114,884</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 26,017,545</u>	 <u>\$ 134,423,931</u>	

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

Willacy County, Texas
STATEMENT OF ACTIVITIES
For the year ended September 30, 2012

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Program Revenues				Primary Government
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs					
Governmental activities:					
General government	\$ 3,517,055	\$ 453,973	\$ 355,749	\$ -	\$ (2,707,333)
Public safety	20,373,945	20,750,387	278,123	257,256	911,821
Public works	2,036,121	600,672	49,526	2,977,993	1,592,070
Health and welfare	1,823,077	-	835,105	1,160	(986,812)
Culture and recreation	224,582	988	-	-	(223,594)
Interest on long-term debt	12,073	-	-	-	(12,073)
Total primary government	<u>\$ 27,986,853</u>	<u>\$ 21,806,020</u>	<u>\$ 1,518,503</u>	<u>\$ 3,236,409</u>	(1,425,921)
Component Units					
Detention facility project - CJPFC	\$ 428,381	\$ 176,279	\$ -	\$ -	\$ (252,102)
Detention facility project - WCPFC	2,074,225	2,607,460	-	-	533,235
Detention facility project - WCLGC	<u>69,511,103</u>	<u>65,671,078</u>	<u>-</u>	<u>-</u>	<u>(3,840,025)</u>
Total component units	<u>\$ 72,013,709</u>	<u>\$ 68,454,817</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(3,558,892)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes				4,735,200	-
Unrestricted investment earnings				9,622	196,572
Miscellaneous revenues				219,361	305,824
Gain (loss) on sale of capital assets				<u>86,437</u>	<u>-</u>
Total general revenues				<u>5,050,620</u>	<u>502,396</u>
Change in net assets				<u>3,624,699</u>	<u>(3,056,496)</u>
Net assets--beginning					
Prior period adjustment				-	2,083,632
Net assets--beginning, as adjusted				<u>15,735,782</u>	<u>37,171,380</u>
Net assets--ending				<u>\$ 19,360,481</u>	<u>\$ 34,114,884</u>

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

Willacy County, Texas
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2012

	General Fund	Capital Projects Fund	Service Contract Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 4,125,074	\$ 1,847,144	\$ -	\$ 2,145,562	\$ 8,117,780
Receivables (less allowances for uncollectible accounts)					
Property taxes	1,063,412	-	-	155,786	1,219,198
Intergovernmental	382,239	172,953	5,779,032	1,021,502	7,355,726
Other	410,322	-	-	12,895	423,217
Due from other funds	1,116,792	149,039	-	644,870	1,910,701
Prepaid items	<u>39,521</u>	<u>-</u>	<u>-</u>	<u>2,340</u>	<u>41,861</u>
TOTAL ASSETS	<u>\$ 7,137,360</u>	<u>\$ 2,169,136</u>	<u>\$ 5,779,032</u>	<u>\$ 3,982,955</u>	<u>\$ 19,068,483</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 325,611	\$ 22,267	\$ 5,037,133	\$ 82,801	\$ 5,467,812
Accrued and other liabilities	144,933	-	-	1,740	146,673
Claims and judgments payable	-	-	-	10,677	10,677
Intergovernmental payable	326,076	-	-	-	326,076
Other Payables	293,173	-	-	-	293,173
Due to other funds	609,205	21,001	-	1,280,495	1,910,701
Deferred revenues	<u>1,063,360</u>	<u>-</u>	<u>-</u>	<u>257,822</u>	<u>1,321,182</u>
Total liabilities	<u>2,762,358</u>	<u>43,268</u>	<u>5,037,133</u>	<u>1,633,535</u>	<u>9,476,294</u>
Fund balances					
Nonspendable	39,521	-	-	2,340	41,861
Restricted	-	-	741,899	2,347,642	3,089,541
Committed	-	2,125,868	-	-	2,125,868
Unassigned	<u>4,335,481</u>	<u>-</u>	<u>-</u>	<u>(562)</u>	<u>4,334,919</u>
Total fund balances	<u>4,375,002</u>	<u>2,125,868</u>	<u>741,899</u>	<u>2,349,420</u>	<u>9,592,189</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,137,360</u>	<u>\$ 2,169,136</u>	<u>\$ 5,779,032</u>	<u>\$ 3,982,955</u>	<u>\$ 19,068,483</u>

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

Willacy County, Texas
Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Assets
September 30, 2012

	<u>Governmental Activities</u>
Fund balances -- total governmental funds	\$ 9,592,189
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	8,210,277
Other long term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds	1,212,544
Long term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long-term are reported in the statement of net assets	(299,227)
Internal service funds are used by management to charge the cost of certain activities. The assets and liabilities of certain internal service funds are included in the governmental activities in the statement of net assets	<u>644,698</u>
Net assets of governmental activities	<u>\$ 19,360,481</u>

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

Willacy County, Texas
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the year ended September 30, 2012

	General Fund	Capital Projects Fund	Service Contract Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 4,258,319	\$ -	\$ -	\$ 464,438	\$ 4,722,757
Fees and charges	2,280,518	646,061	18,069,971	58,507	21,055,057
Fines and forfeitures	993	-	-	146,277	147,270
Licenses and permits	3,021	-	-	600,672	603,693
Intergovernmental	-	1,136,615	-	3,618,297	4,754,912
Interest	5,995	516	-	2,545	9,056
Contributions & donation from private sources	-	-	-	21,315	21,315
Miscellaneous income	<u>187,457</u>	<u>89,802</u>	<u>-</u>	<u>40,414</u>	<u>317,673</u>
Total revenues	6,736,303	1,872,994	18,069,971	4,952,465	31,631,733
Expenditures					
Current					
General government	2,678,988	333,607	-	389,307	3,401,902
Public safety	2,765,914	-	17,060,810	338,080	20,164,804
Public works	-	843,236	-	1,086,370	1,929,606
Health and welfare	732,841	76,832	-	1,001,993	1,811,666
Culture and recreation	204,561	-	-	10,043	214,604
Debt service					
Principal	5,550	-	-	90,405	95,955
Interest and fees	1,950	-	-	10,207	12,157
Capital outlay	<u>11,065</u>	<u>1,309,175</u>	<u>-</u>	<u>2,142,761</u>	<u>3,463,001</u>
Total expenditures	6,400,869	2,562,850	17,060,810	5,069,166	31,093,695
Excess (deficiency) of revenues over (under) expenditures	335,434	(689,856)	1,009,161	(116,701)	538,038
Other financing sources (uses)					
Transfers in	86,341	-	-	-	86,341
Transfers out	-	(86,341)	-	-	(86,341)
Total other financing sources (uses)	86,341	(86,341)	-	-	-
Net change in fund balance	421,775	(776,197)	1,009,161	(116,701)	538,038
Fund balance, beginning of year	<u>3,953,227</u>	<u>2,902,065</u>	<u>(267,262)</u>	<u>2,466,121</u>	<u>9,054,151</u>
Fund balance, end of year	<u>\$ 4,375,002</u>	<u>\$ 2,125,868</u>	<u>\$ 741,899</u>	<u>\$ 2,349,420</u>	<u>\$ 9,592,189</u>

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

Willacy County, Texas
**Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balance of Governmental Funds
 to the Statement of Activities**
 For the year ended September 30, 2012

	<u>Governmental Activities</u>
Net change in fund balances -- total governmental funds	\$ 538,038
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 (\$3,463,001) exceeded depreciation (\$585,058) in the current period	2,877,943
Governmental activities report the gain (\$86,437) on the sale of capital assets. The funds report the proceeds received in the amount of (\$119,627)	(33,190)
Other long term assets are not available to pay for current period expenditures and therefore are deferred in the funds	12,442
Internal service funds are used by management to charge the cost of certain activities. The net income (loss) of the internal service funds are reported as a part of governmental activities	112,851
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The change in compensated absences payable during the year is reported as an increase or decrease to expenditures in the statement of activities but not in the governmental funds	20,576
Capital lease payments for principal is an expenditure in the governmental funds, but the payment reduces long term liabilities in the statement of net assets	96,039
Change in net assets of governmental activities:	<u>\$ 3,624,699</u>

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

Willacy County, Texas
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
September 30, 2012

Governmental
Activities
Internal
Service Fund

ASSETS

Cash and cash equivalents	\$ 615,844
Accounts receivable	<u>33,642</u>
TOTAL ASSETS	<u>\$ 649,486</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 4,788
Net assets	
Unrestricted	<u>644,698</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 649,486</u>

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

Willacy County, Texas
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the year ended September 30, 2012

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Operating revenues	
Charges for services	\$ 170,218
Refunds	<u>33,642</u>
Total operating revenues	203,860
Operating expenses	
Claims payments	<u>91,575</u>
Operating net income	112,285
Nonoperating revenues	
Interest revenue	<u>566</u>
NET INCOME	112,851
Net assets, beginning of year	<u>531,847</u>
Net assets, end of year	<u>\$ 644,698</u>

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

Willacy County, Texas
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the year ended September 30, 2012

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Cash flows from operating activities	
Premiums received	\$ 181,190
Refunds received	33,642
Payments for insurance claims	<u>(101,497)</u>
Net cash provided by operations	113,335
Cash flows from non-capital financing activities	
(Increase) decrease in due from other funds	1,200
Increase (decrease) in due to other funds	<u>(33,666)</u>
Net cash provided (used) by noncapital financing activities	(32,466)
Cash flows from capital and related financing activities	-
Cash flows from investing activities	
Interest received	<u>566</u>
Net cash provided by investing activities	<u>566</u>
Net increase in cash and cash equivalents	81,435
Cash and cash equivalents, beginning of year	<u>534,409</u>
Cash and cash equivalents, end of year	<u>\$ 615,844</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 112,285
Adjustments to reconcile net income from operations to net cash from operating activities	
(Increase) decrease in accounts receivable	10,972
Increase (decrease) in accounts payable	<u>(9,922)</u>
Total adjustments	<u>1,050</u>
Net cash provided (used) by operations	<u>\$ 113,335</u>

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

Willacy County, Texas
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
September 30, 2012

	County Clerk Fee Fund	District Clerk Fund	District Trust Fund
ASSETS			
Cash and cash equivalents	\$ 276,169	\$ 72,217	\$ 1,398
Investments	40,975	487,206	-
Receivables	- <hr/>	1,396 <hr/>	- <hr/>
TOTAL ASSETS	\$ 317,144	\$ 560,819	\$ 1,398
LIABILITIES			
Liabilities			
Due to others	\$ 317,144	\$ 560,819	\$ 1,398
TOTAL LIABILITIES	\$ 317,144	\$ 560,819	\$ 1,398

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

Sheriff's Trust Fund	Justice of the Peace Agency Fund	Tax Office Agency Fund	Other Tax Entities	Delinquent Tax Attorney Fund	Total Fiduciary Funds
\$ 150	\$ -	\$ 125,426	\$ -	\$ -	\$ 475,360
-	-	-	-	-	528,181
-	-	14,954	27,444	12,647	56,441
<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 140,380</u>	<u>\$ 27,444</u>	<u>\$ 12,647</u>	<u>\$ 1,059,982</u>
<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 140,380</u>	<u>\$ 27,444</u>	<u>\$ 12,647</u>	<u>\$ 1,059,982</u>
<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 140,380</u>	<u>\$ 27,444</u>	<u>\$ 12,647</u>	<u>\$ 1,059,982</u>

Willacy County, Texas
COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS
September 30, 2012

	County Jail Public Facility Corporation	Public Facility Corporation	Local Government Corporation	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 13,519,675	\$ 13,519,675
Receivables, net	- -	71	4,096,247	4,096,318
Deferred charges	101,252	145,882	415,389	662,523
Restricted assets:				
Temporarily restricted				
Cash and cash equivalents	419,156	5,177,680	- -	5,596,836
Investments	- -	- -	7,353,954	7,353,954
Capital assets, net				
Non-depreciable assets	61,755	100,000	220,680	382,435
Depreciable assets	<u>4,159,718</u>	<u>11,108,608</u>	<u>87,543,864</u>	<u>102,812,190</u>
TOTAL ASSETS	<u>\$ 4,741,881</u>	<u>\$ 16,532,241</u>	<u>\$ 113,149,809</u>	<u>\$ 134,423,931</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ - -	\$ 357,560	\$ 10,478,404	\$ 10,835,964
Payable from restricted assets:				
Accrued interest payable	116,563	522,775	1,008,523	1,647,861
Non-current liabilities				
Due within one year	120,999	797,482	1,406,738	2,325,219
Due in more than one year	<u>3,195,206</u>	<u>17,178,879</u>	<u>65,125,918</u>	<u>85,500,003</u>
Total liabilities	3,432,768	18,856,696	78,019,583	100,309,047
Net assets (deficit)				
Invested in capital assets net				
of related debt	905,268	- -	21,231,888	22,137,156
Restricted	302,593	- -	6,345,431	6,648,024
Unrestricted	<u>101,252</u>	<u>(2,324,455)</u>	<u>7,552,907</u>	<u>5,329,704</u>
Total net assets	<u>1,309,113</u>	<u>(2,324,455)</u>	<u>35,130,226</u>	<u>34,114,884</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,741,881</u>	<u>\$ 16,532,241</u>	<u>\$ 113,149,809</u>	<u>\$ 134,423,931</u>

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

Willacy County, Texas
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the year ended September 30, 2012

	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	County Jail Public Facility Corporation	Public Facility Corporation	Local Government Corporation	Total
County Jail Public Facility Corporation						
Governmental activities:						
General government	\$ 131,016	\$ 176,279	\$ 45,263	\$ -	\$ -	\$ 45,263
Interest on long-term debt	297,365	-	(297,365)	-	-	(297,365)
Total County Jail Public Facility Corporation	428,381	176,279	(252,102)	-	-	(252,102)
Public Facility Corporation						
Governmental activities:						
General government	376,599	2,607,460	-	2,230,861	-	2,230,861
Interest on long-term debt	1,697,626	-	-	(1,697,626)	-	(1,697,626)
Total Public Facility Corporation	2,074,225	2,607,460	-	533,235	-	533,235
Local Government Corporation						
Governmental activities:						
General government	63,679,319	65,671,078	-	-	1,991,759	1,991,759
Interest on long-term debt	5,831,784	-	-	-	(5,831,784)	(5,831,784)
Total Local Government Corporation	69,511,103	65,671,078	-	-	(3,840,025)	(3,840,025)
Total Component Units	<u>\$ 72,013,709</u>	<u>\$68,454,817</u>	(252,102)	533,235	(3,840,025)	(3,558,892)
General revenues:						
Miscellaneous revenues	305,824	-	-	-	305,824	305,824
Unrestricted investment earnings	-	-	-	196,572	196,572	196,572
Total general revenues	305,824	-	-	196,572	196,572	502,396
Change in net assets	53,722	533,235	(3,643,453)	(3,643,453)	(3,643,453)	(3,056,496)
Net assets (deficit)--beginning	1,255,391	(2,857,690)	36,690,047	36,690,047	36,690,047	35,087,748
Prior period adjustment	-	-	2,083,632	2,083,632	2,083,632	2,083,632
Net assets (deficit)--beginning--restated	1,255,391	(2,857,690)	38,773,679	38,773,679	38,773,679	37,171,380
Net assets (deficit)--ending	<u>\$ 1,309,113</u>	<u>\$ (2,324,455)</u>	<u>\$35,130,226</u>	<u>\$35,130,226</u>	<u>\$35,130,226</u>	<u>\$34,114,884</u>

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

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Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Willacy County (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

1. Reporting Entity

Willacy County is a public corporation and a political subdivision of the State of Texas. Commissioners' Court, composed of four elected County Commissioners and one elected County Judge, governs the County. The County provides a vast number of services, including public safety, administration of justice, health and human services, culture and recreation, public improvements and general administration.

The County is a financial reporting entity as defined by the Governmental Accounting Standards Council ("GASB") in its Statement No. 14, *"The Financial Reporting Entity."*

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Generally Accepted Accounting Principles (GAAP). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of the above criteria, the following is a brief review of the County's component units addressed in defining the County's reporting entity.

Blended Component Units — Blended component units, although legally separate entities, are in substance part of the government's operations and consequently data from these units are combined with data of the primary government. The County does not include any blended component units.

Discretely Presented Component Units — The discretely presented component units, on the other hand, are typically reported in a separate column in the combined financial statements to emphasize that they are legally separate from the County. Discretely presented component units include the following:

Willacy County Public Facility Corporation (WCPFC) - This component unit was established in December 1999 for the purpose of financing for and on behalf of the County eligible jail, criminal detention and correctional facility projects and other public buildings and facilities for use by the County. The Willacy County Public Facility Corporation was organized as a Texas nonprofit corporation. Pursuant to its vested powers, in August 2002 the corporation issued Senior Lien Project Revenue Bonds Series 2002A-1 and Taxable Senior Lien Project Revenue Bonds Series 2002A-2 in the amounts \$19,010,000 and \$4,905,000, respectively.

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The bylaws for the corporation provide for a total of up to five board members, however at this time, the Board is under the direction of a four member board. Appointments to the board are made by the Commissioners' Court.

County Jail Public Facility Corporation of Willacy County (CJPFC) - This component unit was established in August 2004 for the purpose of financing for and on behalf of the County eligible jail, criminal detention and correctional Facility projects and other public buildings and facilities for use by the County. The Willacy County Public Facility Corporation was organized as a Texas nonprofit corporation. Pursuant to its vested powers, in August 2002 the corporation issued Project Revenue Bonds Series 2004 in the amount \$7,565,000. The bylaws for the corporation provide for a total of up to five board members, however at this time, the Board is under the direction of a four member board. Appointments to the board are made by the Commissioners' Court.

Willacy County Local Government Corporation (LGC) — This component unit was established on June 22, 2006, under Chapter 394 of the Local Government Code. The LGC was organized as a Texas nonprofit corporation. The LGC is managed by a five director board, all appointed by the Willacy County Commissioners' Court. The purpose of the LGC was for the construction and implementation of a 2,000 bed correctional facility. On August 3, 2006, the LGC issued bonds in the amount of \$60,670,000. On August 30, 2007, the Corporation issued Project Revenue Bonds, Series 2007 in the amount of \$56,795,000 and Refunding Bonds, Series 2007, in the amount of \$52,405,000. The Project Revenue Bonds were issued to finance a project that consists of expanding the existing detention facility. The Refunding Bonds were issued to refund the Project Revenue Bonds, Series 2006 in advance. On September 21, 2011 the Corporation issued Project Revenue Refunding Bonds, Series 2011 in the amount of \$78,505,000. The Project Revenue Refunding Bonds were issued to refund the Project Revenue Bonds, Series 2007 in advance and finance a project that consists of expanding the existing detention facility. The County has entered into the Inter-Governmental Services Agreement effective June 6, 2011 with the Federal Bureau of Prisons to provide housing for an estimated number of 3,000 inmates per day at a contracted per diem amount per inmate to be paid by the Bureau to the County. In accordance with the bond agreement, the County assigned the rights and obligations of the Bureau contract to the Corporation. The contracted amount is expected to be sufficient to cover all operating costs of the facility and also to pay the principal and interest on the Bonds when due. The Bonds will be payable from and secured by a pledge of Project revenues and escrow funds and secured by a lien on the Project. The full faith and credit of neither the County nor the Corporation, nor any other political subdivision or agency are pledged for the payment of the Bonds.

Complete financial statements of the individual component units can be obtained directly from the County Auditor's office at 546 W. Hidalgo Avenue, Raymondville, Texas 78580.

2. Government-wide Financial Statements

The government-wide financial statements consist of the statement of net assets and the statement of activities. These statements report information on all the activities of the reporting entity with the exception of fiduciary activity. Generally, the effect of interfund activity has been eliminated from these statements. *Governmental activities*, normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which primarily rely on fees and charges.

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The statement of activities reflects the extent to which direct expenses of each function are offset by program revenues. *Direct expenses* are attributable to a specific function and are clearly identifiable. *Program revenues* include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a specific function as well as grants and contributions that are restricted to meeting the operational or capital requirements of a specific function. Taxes and other items not appropriately included with program revenues are shown as *general revenues*.

In addition to and apart from the government-wide financial statements, fund financial statements are presented for governmental funds, proprietary funds and fiduciary funds. In each of these financial statements, major funds are presented in separate columns.

3. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*, consistent with the presentation of the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, without regard to the timing of the related cash flows. Property taxes are recognized as revenues 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*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, consistent with accrual accounting. However, debt service expenditures, as well as those related to compensated absences and claims and judgments are recognized only when payment is made.

The County reports the following fund types and related major governmental funds:

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

The *special revenue funds* are used to account for the proceeds of specific revenue sources, other than for major capital projects, that are legally restricted to be expended for specified purposes. The only special revenue fund reported as a major fund is the *Service Contract Fund*. The Service Contract Fund is used to account for the proceeds and expenditures of operating the County eligible jail, criminal detention and correctional facility.

The *capital projects funds* are used to account for the acquisition or construction of capital assets. The capital projects fund is a major fund.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital project funds), and the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The County does not maintain a major proprietary fund. The internal service fund provides services to other County departments on a cost reimbursement basis for the self-fund insurance plan.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses typically are the result from activities specific to a particular proprietary fund's operations. Operating revenues include charges for services. Operating expenses include costs of services as well as materials, contracts, personnel and depreciation. All other revenues and expenses are reported as non-operating revenues and expenses.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, or a private purpose trust is used.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and fiduciary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The County does not choose to apply applicable Financial Accounting Standards Board (FASB) pronouncements issued subsequent to November 30, 1989.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The government considers property taxes as available if they are collected within 60 days after year end. A 60 day availability period is also used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the State at year end on behalf of the County also are recognized as revenue. Fines and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The accrual basis of accounting is utilized by proprietary funds, trust funds, and agency funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The County reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "*measurable*" and "*available*" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

4. Assets, Liabilities and Equity

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all demand deposits and short-term investments (inclusive of restricted assets) with maturity dates within ninety days of the date initially acquired.

b. Short-Term Interfund Receivables and Payables/Internal Balances

Short-term lending/borrowing between funds that result in amounts outstanding at the end of the fiscal year are referred to as "due to/from other funds". "Due to/from other funds" represent the current portion of interfund loans. With respect to the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances."

c. Prepaid Items

Expenditures made to third party vendors for goods and services that will benefit periods beyond September 30, 2012 are recorded as prepaid items, in both governmental and fund financial statements.

d. Capital Assets

Capital assets, which includes property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are reflected at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Gains or losses on dispositions of capital assets are included in income within the governmental activities of the government-wide financial statements. In the governmental fund financial statements only the proceeds from the disposition are reported.

Depreciation of capital assets is charged as an expense against their operations in the government-wide financial statements. Depreciation of capital assets used by funds categorized as governmental activities is not provided in the fund financial statements, however, is included in the gross expense by function in the government-wide Statement of Activities. Capital assets, net of accumulated depreciation, are reported in the governmental activities column of the government-wide statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	20-40 years
Equipment	5-10 years
Infrastructure	25 years

e. Compensated Absences

The liability for compensated absences in governmental funds is recorded only in the governmental activities column of the government-wide financial statements. The expense is recognized in the governmental fund financial statements when paid or expected to be paid with current financial resources. Compensated absences are reported in governmental funds only if they have matured.

f. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, as applicable. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received on debt issuances are reported as other financing sources and discounts are reported as other financing uses. Issuance costs, whether or not withheld from debt proceeds, are reported as debt service expenditures.

g. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions are reported as transfers.

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

h. Comparative Data

Comparative total data for the prior year has been presented in the individual fund financial statements included in the Other Supplementary Information Section.

i. Prior Year Reclassification

The financial statements for the fiscal year ended September 30, 2011, have been reclassified to conform with the presentation of the statements for the fiscal year ended September 30, 2012.

j. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

k. Fund Balance Reporting

The County has adopted GASB 54 during the current year. GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. The responsibility to commit funds rests with the County Commission. Committed amounts cannot be used for any other purpose unless the governing body authorizes it.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The responsibility to assign funds rests with the County Commission and therefore makes the assignment committed.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. *Budgetary Information*

The Commission adopts an "appropriated budget" for the General Fund. The County is required to present the adopted and final amended budgeted revenues and expenditures for the general fund. The County compares the final amended budget to actual revenues and expenditures. The General Fund budget to actual report appears in the required supplementary information section.

The following procedures are followed in establishing the budgetary data reflected in Required Supplementary Information:

- a. Prior to October 1, the County prepared a budget for the next succeeding fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Commission is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
- c. Prior to October 1st, the budget is legally enacted through passage of a resolution by the Commission. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Commission. Amendments are presented to the Commission at its regular meetings. Each amendment must have Commission approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Commission, and are not made after fiscal year end. The County had few budget amendments during the year.

The County Commission approves budget appropriations by individual account. The legal level of budgetary responsibility is by individual account; however, for report purposes, this level has been compressed to a functional basis (General Government, Public Safety, etc.)

2. *Expenditures Over Appropriations*

At September 30, 2012, expenditures in the General Fund exceeded appropriations in each of the following categories:

Public safety	\$(104,011)
Debt Service – interest and fees	(1,500)

These expenditures over appropriations are the result of underestimating actual expenditures for the year. Revenue sufficient to provide for the excess was made available through the use of available surplus from current and prior years.

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS – CONTINUED
September 30, 2012

NOTE C – DEPOSITS AND INVESTMENTS

The funds of the County must be deposited and invested under the terms of a contract, contents of which are set out in Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the County's agent bank in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. During the year ended September 30, 2012, the County's deposits were entirely covered by federal deposit insurance or were secured by collateral held by the County's agent in the County's name pursuant to the County's depository agreement.

Investments

Investments at fair value, including accrued interest, as of September 30, 2012 are as follows:

	Investment Maturities (in years)	
	Fair Value	1 or less
Primary Government		
Cash and cash equivalents		
Cash	\$ 7,398,038	\$ 7,398,038
TxClass	<u>1,335,586</u>	<u>1,335,586</u>
	<u>\$ 8,733,624</u>	<u>\$ 8,733,624</u>
Component Units		
	Investment Maturities (in years)	
	Fair Value	1 or less
Cash	\$13,519,675	\$13,519,675
Cash – restricted	5,596,836	5,596,836
Investments		
Certificates of deposit	<u>7,353,954</u>	<u>7,353,954</u>
	<u>\$26,470,465</u>	<u>\$26,470,465</u>

A reconciliation of cash and investments follows:

	Primary Government	Component Units	Total
Cash	\$ 7,398,038	\$13,519,675	\$20,917,713
Cash – restricted	-	5,596,836	5,596,836
TxClass	<u>1,335,586</u>	<u>-</u>	<u>1,335,586</u>
	<u>8,733,624</u>	<u>19,116,511</u>	<u>27,850,135</u>
Investments			
Certificates of deposit	<u>-</u>	<u>7,353,954</u>	<u>7,353,954</u>
	<u>\$ 8,733,624</u>	<u>\$26,470,465</u>	<u>\$35,204,089</u>

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS – CONTINUED
September 30, 2012

NOTE C – DEPOSITS AND INVESTMENTS - Continued

Public Funds Investment Pool

The County's investment in Investment Pool is determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one in which is not registered with the Securities and Exchange Commission ("SEC") as an investment Company, but nevertheless has a policy that will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Texas CLASS is a 2a-7-life investment pool. Texas CLASS pool is rated AAAm by Standard and Poor's Rating Services. Texas CLASS participants' investments in the pool are evidenced by shares of the pool. The public entity's investment is with the pool, not the securities that make up the pool.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the County manages its exposure to interest rate risk is by purchasing more short term investments to provide the cash flow and liquidity needed for operations. The investment policy states that the maximum final stated maturity of any investment shall not exceed three years.

Credit Risk

As of September 30, 2012, the investments in the State's investment pool was rated AAAm by Standard and Poor's.

Concentration of Credit Risk

The certificate of deposits holdings at September 30, 2012 represents 0% of the total portfolio and TxClass holds the remaining 100%.

The following maximum limits, by instrument are limited by the County's investment policy:

U.S. Treasury Securities	100%
Agencies and Instrumentalities	5%
Certificates of Deposit	25%
Repurchase Agreements	0%
Money Market Mutual Funds	50%
Authorized Pools	100%

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS – CONTINUED
September 30, 2012

NOTE D – RECEIVABLES

Receivables at September 30, 2012, consist of the following:

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Service Contract Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>
Receivables					
Taxes	\$1,251,285	\$ -	\$ -	\$ 191,833	\$1,443,118
Intergovernmental	382,239	172,953	5,779,032	1,021,502	7,355,726
Accounts	<u>410,322</u>	<u>-</u>	<u>-</u>	<u>46,537</u>	<u>456,859</u>
Gross receivables	2,043,846	172,953	5,779,032	1,259,872	9,255,703
Less allowance for uncollectibles	<u>187,873</u>	<u>-</u>	<u>-</u>	<u>36,047</u>	<u>223,920</u>
Net total receivables	<u>\$1,855,973</u>	<u>\$ 172,953</u>	<u>\$5,779,032</u>	<u>\$1,223,825</u>	<u>\$9,031,783</u>

Property Taxes

Property tax revenues are recognized when they become available in the fund statements. Available includes those property tax receivables expected to be collected within sixty days after year end.

Property taxes are levied by October 1st on the assessed value listed as of the prior January 1st for all real and business personal property located in the County in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE E - CAPITAL ASSETS

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

Governmental Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Reclassification</u>	<u>Retirement</u>	<u>Ending Balance</u>
Capital assets, not being depreciated					
Land	\$ 142,262	\$ 736,615	\$ -	\$ -	\$ 878,877
Construction in progress	<u>463,944</u>	<u>1,747,456</u>	<u>-</u>	<u>-</u>	<u>2,211,400</u>
	606,206	2,484,071	-	-	3,090,277
Capital assets, being depreciated					
Building	1,511,227	-	-	-	1,511,227
Improvement	539,249	-	-	-	539,249
Furniture and equipment	7,670,909	978,929	-	(799,151)	7,850,687
Infrastructure	<u>620,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>620,280</u>
	10,341,665	978,929	-	(799,151)	10,521,443
Less accumulated depreciation					
Building	(790,321)	(32,038)	-	-	(822,359)
Improvements	(400,227)	(17,659)	-	-	(417,886)
Furniture and equipment	(4,299,453)	(511,548)	-	765,961	(4,045,040)
Infrastructure	<u>(92,345)</u>	<u>(23,813)</u>	<u>-</u>	<u>-</u>	<u>(116,158)</u>
Total accumulated depreciation	(5,582,346)	(585,058)	-	765,961	(5,401,443)
Total capital assets being depreciated, net	<u>4,759,319</u>	<u>393,871</u>	<u>-</u>	<u>(33,190)</u>	<u>5,120,000</u>
Governmental activities, capital assets, net	<u>\$ 5,365,525</u>	<u>\$ 2,877,942</u>	<u>\$ -</u>	<u>\$ (33,190)</u>	<u>\$ 8,210,277</u>

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE E - CAPITAL ASSETS - Continued

Depreciation is provided in the funds in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Buildings and improvements	20-40 years
Equipment	5-10 years
Infrastructure	25 years

Depreciation expenses was charged to government functions as follows:

General Government	\$148,214
Public Safety	279,689
Public Works	121,243
Health and Welfare	22,490
Culture and Recreation	<u>13,422</u>
Total depreciation - governmental activities	<u>\$585,058</u>

Component Units

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

	Beginning Balance	Additions	Transfers/ Reclassification	Retirement	Ending Balance
Capital assets, not being depreciated					
Land	\$ 382,435	\$ -	\$ -	\$ -	\$ 382,435
Construction in progress	<u>7,633,601</u>	<u>-</u>	<u>(7,633,601)</u>	<u>-</u>	<u>-</u>
	8,016,036	-	(7,633,601)	-	382,435
Capital assets, being depreciated					
Building	112,502,197	-	7,633,601	-	120,135,799
Furniture and equipment	<u>1,318,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,318,560</u>
	113,820,757	-	7,633,601	-	121,454,359
Less accumulated depreciation					
Building	(14,580,946)	(3,003,396)	-	-	(17,584,342)
Furniture and equipment	<u>(984,705)</u>	<u>(73,121)</u>	<u>-</u>	<u>-</u>	<u>(1,057,826)</u>
	(15,565,651)	(3,076,517)	-	-	(18,642,168)
Total capital assets being depreciated, net	<u>98,255,106</u>	<u>(3,076,517)</u>	<u>7,633,601</u>	<u>-</u>	<u>102,812,190</u>
Governmental activities, capital assets, net	<u>\$106,271,142</u>	<u>\$(3,076,517)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$103,194,625</u>

Depreciation expense was charged to component unit functions as follows:

General government	<u>\$3,076,517</u>
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Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE F - DEFERRED/UNEARNED REVENUE

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the fund financial statements were as follows:

	2012	
	<u>Unavailable</u>	<u>Unearned</u>
Governmental funds		
Delinquent property taxes receivable	\$1,156,420	\$ -
Grants and other	<u>56,124</u>	<u>108,638</u>
Total deferred/earned revenue for governmental funds	<u>\$1,212,544</u>	<u>\$108,638</u>

NOTE G - LONG-TERM DEBT

1. *Notes and Capital Lease Payable*

Notes and capital leases payable at September 30, 2012 consist of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital lease payable to Government Capital Corporation for purchase of NetData Justice of the Peace software.	\$ 6,622	\$ -	\$ 5,634	\$ 988
Capital lease payable to Bancorp South Equipment Finance for purchase of a backhoe.	29,710	-	12,428	17,282
Capital lease payable to Bancorp South Equipment Finance for purchase of a backhoe.	66,777	-	13,168	53,609
Capital lease payable to Bancorp South Equipment Finance for purchase of a grader.	190,924	-	52,155	138,769
Capital lease payable to Bancorp South Equipment Finance for purchase of a backhoe.	42,821	-	12,654	30,167
	<u>\$336,854</u>	<u>\$ -</u>	<u>\$ 96,039</u>	<u>\$240,815</u>

The annual requirements to amortize capital lease debt as of September 30, 2012 is as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Capital Lease</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 94,647	\$ 6,964	\$101,611
2014	88,073	3,676	91,749
2015	46,815	980	47,795
2016	<u>11,280</u>	<u>162</u>	<u>11,442</u>
	<u>\$240,815</u>	<u>\$ 11,782</u>	<u>\$252,597</u>

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE G - LONG-TERM DEBT – Continued

2. Changes in Long-term Liabilities

	Balance at October 1, 2011	Additional Obligations	Retirements and Decreases	Balance at September 30, 2012	Amount Due Within One Year
Capital lease payable	\$336,854	\$ -	\$ 96,039	\$240,815	\$ 94,647
Compensated absences	<u>78,988</u>	<u>89,921</u>	<u>110,497</u>	<u>58,412</u>	<u>30,000</u>
	<u>\$415,842</u>	<u>\$ 89,921</u>	<u>\$206,536</u>	<u>\$299,227</u>	<u>\$124,647</u>

3. Component Unit Debt

The changes in long-term debt for the component units for the year ending September 30, 2012 is as follows:

	Balance at October 1, 2011	Additional Obligations	Retirements and Decreases	Balance at September 30, 2012	Amount Due Within One Year
WCPFC					
Series 2002A-2	\$ 1,265,000	\$ -	\$(1,265,000)	\$ -	\$ -
Series 2002A-1	19,010,000	-	-	19,010,000	890,000
Discount	(1,126,157)	—	92,518	(1,033,639)	(92,518)
	19,148,843	-	(1,172,482)	17,976,361	797,482
CJPFC					
Series 2004B	3,775,000	-	(225,000)	3,550,000	140,000
Discount	(252,796)	—	19,001	(233,795)	(19,001)
	3,522,204	-	(205,999)	3,316,205	120,999
WCLGC					
Series 2011 Refunding	78,505,000	-	-	78,505,000	2,145,000
Discount	(12,710,606)	—	738,262	(11,972,344)	(738,262)
	65,794,394	-	738,262	66,532,656	1,406,738
Total component unit	<u>\$88,465,441</u>	<u>\$ —</u>	<u>\$ (640,219)</u>	<u>\$87,825,222</u>	<u>\$2,325,219</u>

The following is a summary of the Component Unit bond and note payable terms:

WCPFC – Project revenue bonds Series 2002A-1 & A-2 with interest rates between 8.25% and 11.25%.

CJPFC – Project revenue bonds Series 2004A & B with interest rates between 6% and 7.5%.

WCLGC – Refunding bonds Series 2011 with an interest rate of 7.8%.

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE G - LONG-TERM DEBT – Continued

The annual requirements to amortize Component Unit debt as of September 30, 2012 is as follows:

	WCPFC		CJPFC		WCLGC		<u>Total</u>
	<u>Principal</u>	<u>Bonds</u>	<u>Principal</u>	<u>Bonds</u>	<u>Principal</u>	<u>Bonds</u>	
2013	\$ 890,000	\$ 1,531,613	\$ 140,000	\$ 274,500	\$ 2,145,000	\$ 5,969,727	\$ 10,950,840
2014	960,000	1,455,300	155,000	263,438	2,310,000	5,800,636	10,944,374
2015	1,040,000	1,372,800	165,000	251,438	2,490,000	5,618,429	10,937,667
2016	1,125,000	1,283,494	175,000	238,688	2,685,000	5,421,959	10,929,141
2017	1,220,000	1,136,437	190,000	225,000	2,895,000	5,210,098	10,876,535
2018-2022	7,785,000	3,363,113	1,190,000	879,375	18,235,000	22,245,917	53,698,405
2023-2027	5,990,000	1,444,782	1,535,000	311,063	26,540,000	12,924,516	48,745,361
2028-2030	—	—	—	—	21,205,000	2,792,400	23,997,400
	<u>\$19,010,000</u>	<u>\$11,587,539</u>	<u>\$3,550,000</u>	<u>\$2,443,502</u>	<u>\$78,505,000</u>	<u>\$65,983,682</u>	<u>\$181,079,723</u>

NOTE H - INTERFUND ASSETS/LIABILITIES

Due to/from other funds

Payable Fund	Receivable Fund								Attorney General District Clerk Fund
	General Fund	Capital Projects Fund	Sheriff's 2009 D1 BS 01041 Fund	TDRA Grant Contracts Fund	Law Library Fund	Attorney Processing Fund	Debt Service Fund	Sheriff's Ven U S Marshall's Fund	
								\$ 4,934	
General Fund	\$ -	\$120,264	\$ 16,247	\$ 3,449	\$48,823	\$ 62	\$ 4,934	\$11,138	
Capital Projects Fund	1	-	-	-	-	-	-	-	
Stone Garden Fund	377,070	-	-	-	-	-	-	-	
Sheriff's 2009 D1 BS	18,859	-	-	-	-	-	-	-	
TDRA Grant Contracts Fund	62,829	-	-	-	-	-	-	-	
Law Library Fund	1,850	-	-	-	-	-	-	-	
Sheriff's Drug Seizure Fund	616	-	-	-	-	-	-	-	
TDHCA Fund	173,550	-	-	-	-	-	-	-	
Attorney General Dist. Clerk Fund	593	-	-	-	-	-	-	-	
CJD-2322401 (ARRA) Law Comm Equipment Fund	35,054	-	-	-	-	-	-	-	
SB 770 Fund	21	-	-	-	-	-	-	-	
FEMA Disaster Fund	35,934	-	-	-	-	-	-	-	
CR-43 PRJ-GRT #2603001 Fund	343	-	-	-	-	-	-	-	
Reber Memorial Fund	1,867	-	-	-	-	-	-	-	
CJD Purchase of Juvenile SVC Fund	4,911	-	-	-	-	-	-	-	
CJD-171605 Juvenile Justice Alts	499	-	-	-	-	-	-	-	
District Attorney Drug Seizure Fund	27,929	-	-	-	-	4,941	-	-	
CJD - 2106501 Domestic Violence	5,529	-	-	-	-	-	-	-	
CJD - 2106401 Victims Assistance	3,016	-	-	-	-	-	-	-	
Pre-Trial Diversion	2,234	-	-	-	-	-	-	-	
Miscellaneous Grants Fund	65,706	-	-	-	-	-	-	-	
CPS Grant	4,777	-	-	-	-	-	-	-	
District Attorney Border Prosecutor	14,339	-	-	-	-	-	-	-	
DA State Fund	1,493	-	-	-	-	-	-	-	
CJD-2273301 - Equipment Grant	13,383	-	-	-	-	-	-	-	
Road & Bridge #1 Fund	12,467	-	-	-	-	-	-	-	
Road & Bridge #2 Fund	4,914	-	-	-	-	-	-	-	
Road & Bridge #3 Fund	1,553	28,775	-	-	-	-	-	-	
Road & Bridge #4 Fund	22,795	-	-	-	-	-	-	-	
TJPC A Fund	10,910	-	-	-	-	-	-	-	
NOAA Grant #NA17022189 Fund	210,188	-	-	-	-	-	-	-	
TJPC E Fund	1,562	-	-	-	-	-	-	-	
	<u>\$1,116,792</u>	<u>\$149,039</u>	<u>\$ 16,247</u>	<u>\$ 3,449</u>	<u>\$48,823</u>	<u>\$ 4,941</u>	<u>\$ 62</u>	<u>\$ 4,934</u>	<u>\$11,138</u>

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE H - INTERFUND ASSETS/LIABILITIES – Continued

Payable Fund	Receivable Fund							
	Lease Fund	SB 770 Fund	FEMA Disaster Fund	Lasara Fire and Community Fund	Reber Mem. Fund	TJPC Misc. Grants-244	District Attorney Drug Seizure Fund	CJD-2106501 Domestic Violence Fund
General Fund	\$ 3,518	\$124,689	\$109,724	\$49,263	\$ 35,898	\$ -	\$ 6,603	\$ -
Capital Projects Fund	-	-	-	-	-	-	-	-
Stone Garden Fund	-	-	-	-	-	-	-	-
Sheriff's 2009 D1 BS	-	-	-	-	-	-	-	-
TDRA Grant Contracts Fund	-	-	-	-	-	-	-	-
Law Library Fund	-	-	-	-	-	-	-	-
Sheriff's Drug Seizure Fund	-	-	-	-	-	-	-	-
TDHCA Fund	-	-	-	-	-	-	-	-
Attorney General Dist. Clerk Fund	-	-	-	-	-	-	-	-
CJD-2322401 (ARRA) Law Comm Equipment Fund	-	-	-	-	-	-	-	-
SB 770 Fund	-	-	-	-	-	-	-	-
FEMA Disaster Fund	-	-	-	-	-	-	-	-
CR-43 PRJ-GRT #2603001 Fund	-	-	-	-	-	-	-	-
Reber Memorial Fund	-	-	-	-	-	-	-	-
CJD Purchase of Juvenile SVC Fund	-	-	-	-	-	-	-	-
CJD-171605 Juvenile Justice Alts	-	-	-	-	-	-	-	363
District Attorney Drug Seizure Fund	-	-	-	-	-	-	-	-
CJD - 2106501 Domestic Violence	-	-	-	-	-	-	141	-
CJD - 2106401 Victims Assistance	-	-	-	-	-	-	173	-
Pre-Trial Diversion	-	-	-	-	-	-	2	-
Miscellaneous Grants Fund	-	-	-	-	-	-	-	-
CPS Grant	-	-	-	-	-	-	-	-
District Attorney Border Prosecutor	-	-	-	-	-	-	219	-
DA State Fund	-	-	-	-	-	-	-	-
CJD-2273301 – Equipment Grant	-	-	-	-	-	-	-	-
Road & Bridge #1 Fund	-	-	-	-	-	-	-	-
Road & Bridge #2 Fund	-	-	-	-	-	-	-	-
Road & Bridge #3 Fund	-	-	4,516	-	-	-	-	-
Road & Bridge #4 Fund	-	-	-	-	-	-	-	-
TJPC A Fund	-	-	-	-	-	-	-	-
NOAA Grant #NA17022189 Fund	-	-	-	-	-	-	-	-
TJPC E Fund	-	-	-	-	-	2,396	-	-
	<u>\$ 3,518</u>	<u>\$124,689</u>	<u>\$114,240</u>	<u>\$49,263</u>	<u>\$ 35,898</u>	<u>\$2,396</u>	<u>\$ 7,138</u>	<u>\$ 363</u>

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE H - INTERFUND ASSETS/LIABILITIES – Continued

<u>Payable Fund</u>	Receivable Fund							<u>Road & Bridge #1 Fund</u>
	<u>CJD Purchase of Juvenile Services Fund</u>	<u>HIDTA Grant Fund</u>	<u>Pre-Trial Diversion</u>	<u>Miscellaneous Grants Fund</u>	<u>CPS Grant Fund</u>	<u>DA Border Prosecutor</u>	<u>DA State Fund</u>	
General Fund	\$ -	\$ -	\$ 17,907	\$ 39,557	\$ -	\$ 394	\$ 10,745	\$ 204
Capital Projects Fund	-	-	-	-	-	-	-	21,000
Stone Garden Fund	-	-	-	-	-	-	-	-
Sheriff's 2009 D1 BS	-	-	-	-	-	-	-	-
TDRA Grant Contracts Fund	-	-	-	-	-	-	-	-
Law Library Fund	-	-	-	-	-	-	-	-
Sheriff's Drug Seizure Fund	-	-	-	-	-	-	-	-
TDHCA Fund	-	-	-	-	-	-	-	-
Attorney General Dist. Clerk Fund	-	-	-	-	-	-	-	-
CJD-2322401 (ARRA) Law Comm Equipment Fund	-	-	-	-	-	-	-	-
SB 770 Fund	-	-	-	-	-	-	-	-
FEMA Disaster Fund	-	-	-	-	-	-	-	-
CR-43 PRJ-GRT #2603001 Fund	-	-	-	-	-	-	-	-
Reber Memorial Fund	-	-	-	-	-	-	-	-
CJD Purchase of Juvenile SVC Fund	-	-	-	-	-	-	-	-
CJD-171605 Juvenile Justice Alts	-	-	-	-	-	-	-	-
District Attorney Drug Seizure Fund	-	121	13,861	-	1,653	1,863	-	-
CJD - 2106501 Domestic Violence	-	-	-	-	-	-	-	-
CJD - 2106401 Victims Assistance	-	-	-	-	-	-	326	-
Pre-Trial Diversion	-	-	-	-	-	-	-	-
Miscellaneous Grants Fund	-	-	-	-	-	-	-	-
CPS Grant	-	-	-	-	-	-	-	-
District Attorney Border Prosecutor	-	-	326	-	-	-	-	-
DA State Fund	-	-	-	-	-	-	-	-
CJD-2273301 - Equipment Grant	-	-	-	-	-	-	-	-
Road & Bridge #1 Fund	-	-	-	-	-	-	-	-
Road & Bridge #2 Fund	-	-	-	-	-	-	-	-
Road & Bridge #3 Fund	-	-	-	-	-	-	-	-
Road & Bridge #4 Fund	-	-	-	-	-	-	-	2,500
TJPC A Fund	-	-	-	-	-	-	-	-
NOAA Grant #NA17022189 Fund	-	-	-	-	-	-	-	-
TJPC E Fund	27,729	-	-	-	-	-	-	-
	<u>\$ 27,729</u>	<u>\$ 121</u>	<u>\$ 32,094</u>	<u>\$ 39,557</u>	<u>\$ 1,653</u>	<u>\$ 2,583</u>	<u>\$ 10,745</u>	<u>\$ 23,704</u>

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE H - INTERFUND ASSETS/LIABILITIES – Continued

<u>Payable Fund</u>	Receivable Fund						<u>Total</u>
	Road & Bridge #2 Fund	Road & Bridge #3 Fund	Road & Bridge #4 Fund	TJPC A Fund	NOAA Grant #NA17022189 Fund	TJPC E Fund	
General Fund	\$ -	\$ 980	\$ -	\$ 1,085	\$ 3,721	\$ -	\$ 609,205
Capital Projects Fund	-	-	-	-	-	-	21,001
Stone Garden Fund	-	-	-	-	-	-	377,070
Sheriff's 2009 D1 BS	-	-	-	-	-	-	18,859
TDRA Grant Contracts Fund	-	-	-	-	-	-	62,829
Law Library Fund	-	-	-	-	-	-	1,850
Sheriff's Drug Seizure Fund	-	-	-	-	-	-	616
TDHCA Fund	-	-	-	-	-	-	173,550
Attorney General Dist. Clerk Fund	-	-	-	-	-	-	593
CJD-2322401 (ARRA) Law Comm Equipment Fund	-	-	-	-	-	-	35,054
SB 770 Fund	-	-	-	-	-	-	21
FEMA Disaster Fund	2,564	20,755	990	-	-	-	60,243
CR-43 PRJ-GRT #2603001 Fund	-	-	-	-	-	-	343
Reber Memorial Fund	-	-	-	-	-	-	1,867
CJD Purchase of Juvenile SVC Fund	-	-	-	-	-	-	4,911
CJD-171605 Juvenile Justice Alts	-	-	-	-	-	2,886	3,385
District Attorney Drug Seizure Fund	-	-	-	-	-	-	50,731
CJD - 2106501 Domestic Violence	-	-	-	-	-	-	5,670
CJD - 2106401 Victims Assistance	-	-	-	-	-	-	3,189
Pre-Trial Diversion	-	-	-	-	-	-	2,562
Miscellaneous Grants Fund	-	-	-	-	-	-	65,706
CPS Grant	-	-	-	-	-	-	4,777
District Attorney Border Prosecutor	-	-	-	-	-	-	14,884
DA State Fund	-	-	-	-	-	-	1,493
CJD-2273301 - Equipment Grant	-	-	-	-	-	-	13,383
Road & Bridge #1 Fund	3,482	2,136	-	-	-	-	18,085
Road & Bridge #2 Fund	-	-	-	-	-	-	4,914
Road & Bridge #3 Fund	5,027	-	-	-	-	-	39,871
Road & Bridge #4 Fund	5,939	-	-	-	-	-	31,234
TJPC A Fund	-	-	-	-	-	-	10,910
NOAA Grant #NA17022189 Fund	-	-	-	-	-	-	210,188
TJPC E Fund	-	-	-	30,020	-	-	61,707
	<u>\$17,012</u>	<u>\$23,871</u>	<u>\$ 990</u>	<u>\$31,105</u>	<u>\$ 3,721</u>	<u>\$ 2,886</u>	<u>\$1,910,701</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE I - PENSION PLAN

Plan Description

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

The plan provisions are adopted by the governing body for the employer, within the options available in the Texas State statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with 8 or more years of service, with 30 years of services regardless of age, or when the sum of their age and years for service equal 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive an employer-funded benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefits amounts are determined by the sum of the employer's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within 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 for the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the employer's rate is actuarially determined annually. The employer contributed 8.12% for calendar year 2011 and 8.36% for calendar year 2012.

The contribution rate payable by the employee members for calendar years 2011 and 2012 is 7.00% as adopted by the governing body. The 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.

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE I - PENSION PLAN - Continued

Annual Pension Cost

For the employer's accounting year ended September 30, 2012, the annual pension cost for the TCDRS plan for its employees was \$324,915. The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2009 and December 31, 2010, the basis for determining the contribution rates for calendar years 2011 and 2012.

The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2010 was 20 years.

Funded Status and Funding Progress.

As of December 31, 2011, the most recent actuarial valuation date, the plan was 93.19 percent funded. The actuarial accrued liability for benefits was \$8,322,560, and the actuarial value of assets was \$7,755,923, resulting in an unfunded actuarial accrued liability (UAAL) of \$566,637. The covered payroll (annual payroll of active employees covered by the plan) was \$3,862,784, and the ratio of the UAAL to the covered payroll was 14.67 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Contributions Required and Contributions Made

<u>Year Ended September 30,</u>	<u>Annual Pension Costs</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2010	\$304,191	100%	\$ -
2011	325,273	100%	-
2012	324,915	100%	-

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE J - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees; automobile liability and natural disasters. To reduce the risk of exposure in these areas, the County contracts in the form of interlocal agreements with risk pools created by the Texas Association of Counties (TAC). The County is a member of workers compensation, unemployment, and property and liability risk pools.

The pools are public entity risk pools and were created based on the general objectives of formulating, developing and administering a program of self-insurance for the membership and obtaining lower costs for coverage. The pools have the power to establish fees, contributions and methods for establishing rates. Under contract with the pools, the TAC provides for such services as claims administration and management, underwriting, loss control services and training, and financial reporting for its members. The pools are governed by a board of directors made up of employees or officials of counties, which are members of the pool. Member counties make contributions to the pools, and the pools provide insurance coverage and applicable reinsurance or stop loss coverage. Contributions are set annually and the interlocal agreements carry various deductibles and aggregate maximum loss totals. Liability by the County is generally limited to the amounts calculated by the County interlocal agreements.

The by-laws and audited financial statements of the pools are detailed in separate documents and can be obtained from the Texas Association of Counties, 1210 San Antonio Street, Austin, TX 78701. The County has had no significant reduction in insurance coverage from prior years and the County has had no settlements, which exceeded insurance coverage in the current or prior years.

NOTE K - CONTINGENCIES

The County is involved in litigation claims against it from time to time that are generally incidental to its operations. However, it is the opinion of the County's management that the County's liability in those cases that are not covered by liability insurance will not be material to the financial statements for these contingent liabilities.

The County received a substantial portion of its financial resources in the form of state and federal grants. Audits of the State and Federal Agency programs have not been conducted. Expenditure of such funds generally requires compliance with terms and conditions specified in the grant agreement. Any disallowed costs resulting from such audits could become the responsibility of the County and repayment could be requested from nonfederal resources. The amount of the costs disallowed, if any, cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE L – FUND BALANCES

	General Fund	Capital Projects Fund	Service Contract Fund	Other Governmental Funds	Total
Nonspendable Prepaid items	\$ 39,521	\$ -	\$ -	\$ 2,340	\$ 41,861
Restricted					
Service contract	-	-	741,899	-	741,899
Library	-	-	-	118,444	118,444
Public Safety	-	-	-	21,619	21,619
SB 770	-	-	-	124,668	124,668
FEMA Disaster Recovery	-	-	-	44,445	44,445
Lasara Fire and Community	-	-	-	49,263	49,263
Drug Seizures	-	-	-	253,045	253,045
Pre-Trial Diversion	-	-	-	63,923	63,923
Road and Bridge	-	-	-	832,019	832,019
Juvenile Probation Title IV-E	-	-	-	98,355	98,355
Spaceport	-	-	-	603	603
Jail Construction	-	-	-	80,146	80,146
Debt Service	-	-	-	<u>661,112</u>	<u>661,112</u>
Restricted total	-	-	741,899	2,347,642	3,089,541
Committed					
Capital Projects	-	2,125,868	-	-	2,125,868
Unassigned	<u>4,335,481</u>	<u>-</u>	<u>-</u>	<u>(562)</u>	<u>4,334,919</u>
	<u>\$4,375,002</u>	<u>\$2,125,868</u>	<u>\$741,899</u>	<u>\$2,349,420</u>	<u>\$9,592,189</u>

Willacy County, Texas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 2012

NOTE M – NET ASSETS

Net assets are composed of three categories: invested in capital assets net of related debt, restricted and unrestricted.

	<u>Governmental Activities</u>	<u>Component Unit</u>
Invested in capital assets net of related debt:		
Capital assets, net of accumulated depreciation	\$ 8,210,277	\$103,194,625
Less related liabilities	<u>(240,815)</u>	<u>(81,057,469)</u>
Invested in capital assets net of related debt – total	7,969,462	22,137,156
Restricted net assets consist of the following:		
Service contract	741,899	-
Library	118,444	-
Public Safety	21,619	-
SB 770	124,668	-
FEMA Disaster Recovery	44,445	-
Lasara Fire and Community	49,263	-
Drug Seizures	253,045	-
Pre-Trial Diversion	63,923	-
Road and Bridge	832,019	-
Juvenile Probation Title IV-E	98,355	-
Spaceport	603	-
Jail Construction	80,146	-
Debt Service	<u>673,555</u>	<u>6,648,024</u>
Restricted net assets – total	3,101,984	6,648,024
Unrestricted net assets	<u>8,289,035</u>	<u>5,329,704</u>
Total net assets	<u>\$19,360,481</u>	<u>\$34,114,884</u>

NOTE N – SUBSEQUENT EVENTS

In May 2013, the Willacy County Public Facility Corporation issued Taxable Project Revenue Refunding Bonds, Series 2013 in the principal amount of \$20,490,000. Proceeds from the sale of the 2013 Revenue Refunding Bonds will be used to refund and defease the Series 2002A-2 Project Revenue Bonds and pay for issuance costs. The 2013 Refunding Bonds carry interest rates between 1.75% and 6.95%.

NOTE O – PRIOR PERIOD ADJUSTMENT

Component Units

The Local Government Corporation recorded a prior period adjustment totaling \$2,083,632 related to an accounts payable which was over accrued at September 30, 2011. The beginning net assets of the component unit have been restated to reflect the adjustment.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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Willacy County, Texas
PENSION PLAN SCHEDULE OF FUNDING PROGRESS
September 30, 2012

Funding Progress - An analysis of funding progress for the County as of September 30, 2012, follows:

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) (AAL)	(3) Excess of Assets Over/ (Unfunded) AAL	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) Excess/ UAAL as Percentage of Covered Payroll (3)/(5)
December 31,						
2004	\$5,458,095	\$5,555,524	\$ (97,429)	98.25%	\$1,928,268	5.05%
2005	5,707,337	6,023,681	(316,344)	94.75%	2,075,009	15.25%
2006	6,466,788	6,604,228	(137,440)	97.92%	2,246,648	6.12%
2007	6,774,394	6,912,056	(137,662)	98.01%	2,309,502	5.96%
2008	6,445,117	7,019,442	(574,325)	91.82%	2,613,170	21.98%
2009	7,190,621	7,573,537	(382,916)	94.94%	3,162,472	12.11%
2010	7,531,864	7,994,979	(463,115)	94.21%	3,540,901	13.08%
2011	7,755,923	8,322,560	(566,637)	93.19%	3,862,784	14.67%

Willacy County, Texas
**STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND**
 For the year ended September 30, 2012

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
Revenues				
Property taxes	\$ 4,176,518	\$ 4,176,518	\$ 4,258,319	\$ 81,801
Fees and charges	1,766,230	1,766,230	2,280,518	514,288
Fines and forfeitures	25,500	25,500	993	(24,507)
Licenses and permits	3,000	3,000	3,021	21
Interest	8,500	8,500	5,995	(2,505)
Miscellaneous income	<u>81,550</u>	<u>81,550</u>	<u>187,457</u>	<u>105,907</u>
Total revenues	6,061,298	6,061,298	6,736,303	675,005
Expenditures				
Current				
General government	2,930,070	2,939,570	2,678,988	260,582
Public safety	2,649,302	2,661,903	2,765,914	(104,011)
Health and welfare	826,715	821,815	732,841	88,974
Culture and recreation	215,935	217,175	204,561	12,614
Debt service				
Principal	7,134	7,000	5,550	1,450
Interest and fees	366	450	1,950	(1,500)
Capital outlay	<u>27,545</u>	<u>27,754</u>	<u>11,065</u>	<u>16,689</u>
Total expenditures	<u>6,657,067</u>	<u>6,675,667</u>	<u>6,400,869</u>	<u>274,798</u>
Excess (deficiency) of revenues over (under) expenditures	(595,769)	(614,369)	335,434	949,803
Other financing sources (uses)				
Transfers in	<u>-</u>	<u>18,600</u>	<u>86,341</u>	<u>67,741</u>
Net change in fund balance	<u>\$ (595,769)</u>	<u>\$ (595,769)</u>	<u>421,775</u>	<u>\$ 1,017,544</u>
Fund balance, beginning of year			<u>3,953,227</u>	
Fund balance, end of year			<u>\$ 4,375,002</u>	

Willacy County, Texas
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended September 30, 2012

Budgetary Information

1. The Commission adopts an "*appropriated budget*" for the General Fund. The County is required to present the adopted and final amended budgeted revenues and expenditures for the general fund. The County compares the final amended budget to actual revenues and expenditures.

The following procedures are followed in establishing the budgetary data reflected in the Required Supplementary Information:

- a. Prior to October 1, the County prepared a budget for the next succeeding fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Commission is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
- c. Prior to October 1st, the budget is legally enacted through passage of a resolution by the Commission. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Commission. Amendments are presented to the Commission at its regular meetings. Each amendment must have Commission approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Commission, and are not made after fiscal year end. The County had few budget amendments during the year.

The County Commission approves budget appropriations by individual account. The legal level of budgetary responsibility is by individual account; however, for report purposes, this level has been compressed to a functional basis (General Government, Public Safety, etc.)

2. Expenditures Over Appropriations

At September 30, 2012, expenditures in the General Fund exceeded appropriations in each of the following categories:

Public safety	\$ (104,011)
Debt Service – interest and fees	(1,500)

These expenditures over appropriations are the result of underestimating actual expenditures for the year. Revenue sufficient to provide for the excess was made available through the use of available surplus from current and prior years.

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OTHER SUPPLEMENTARY INFORMATION

Willacy County, Texas
NON MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2012

	Special Revenue Funds				
	Sheriff's Stone Garden Fund	TDR 2009 D1 BS 01041 Fund	Reber Grant Contracts Fund	Library Donation Fund	Law Library Fund
ASSETS					
Cash and cash equivalents	\$ 8,557	\$ -	\$ -	\$ 777	\$ 37,062
Receivables (less allowances for uncollectible accounts)					
Property taxes	-	-	-	-	-
Intergovernmental	372,325	2,612	110,502	-	-
Other	-	-	-	-	-
Due from other funds	-	16,247	3,449	-	48,823
Prepaid items	-	-	-	-	-
TOTAL ASSETS	\$ 380,882	\$ 18,859	\$ 113,951	\$ 777	\$ 85,885
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 169	\$ -	\$ 51,122	\$ -	\$ -
Accrued and other liabilities	-	-	-	-	-
Claims and judgments payable	-	-	-	-	-
Due to other funds	377,070	18,859	62,829	-	1,850
Deferred revenues	-	-	-	-	-
Total liabilities	377,239	18,859	113,951	-	1,850
Fund balance					
Nonspendable	-	-	-	-	-
Restricted	3,643	-	-	777	84,035
Unassigned	-	-	-	-	-
Total fund balance	3,643	-	-	777	84,035
TOTAL LIABILITIES AND FUND BALANCE	\$ 380,882	\$ 18,859	\$ 113,951	\$ 777	\$ 85,885

Special Revenue Funds

Attorney Processing Fund	Sheriff's Ven US Marshall's Fund	2001 Colonia Construction Fund	Sheriff's Drug Seizure Fund	TDHCA Fund	Attorney General Dist. Clerk Fund	CJD-2322401 (ARRA) Law Comm Equip Fund	LEOSE Fund
\$ 366	\$ -	\$ -	\$ 12,172	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	173,454	-	35,054	-
100	-	-	-	-	-	-	-
4,941	4,934	-	-	-	11,138	-	3,518
-	-	-	-	96	96	-	-
<u>\$ 5,407</u>	<u>\$ 4,934</u>	<u>\$ -</u>	<u>\$ 12,172</u>	<u>\$ 173,550</u>	<u>\$ 11,234</u>	<u>\$ 35,054</u>	<u>\$ 3,518</u>
\$ -	\$ -	\$ -	\$ 522	\$ -	\$ -	\$ -	\$ -
1,740	-	-	-	-	-	-	-
-	-	-	5,177	-	-	-	-
-	-	-	616	173,550	593	35,054	-
-	-	-	-	-	10,641	-	-
1,740	-	-	6,315	173,550	11,234	35,054	-
-	-	-	-	96	96	-	-
3,667	4,934	-	5,857	-	-	-	3,518
-	-	-	-	(96)	(96)	-	-
<u>3,667</u>	<u>4,934</u>	<u>-</u>	<u>5,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,518</u>
<u>\$ 5,407</u>	<u>\$ 4,934</u>	<u>\$ -</u>	<u>\$ 12,172</u>	<u>\$ 173,550</u>	<u>\$ 11,234</u>	<u>\$ 35,054</u>	<u>\$ 3,518</u>

Willacy County, Texas
NON MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - CONTINUED
September 30, 2012

	Special Revenue Funds				
	SB 770 Fund	FEMA Disaster Fund	CR-43 PRJ #2603001	Lasara Fire & Community Fund	Reber Memorial Trust Fund
			GRT Fund		
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables (less allowances for uncollectible accounts)					
Property taxes	-	-	-	-	-
Intergovernmental	-	24,308	343	-	-
Other	-	-	-	-	-
Due from other funds	124,689	114,240	-	49,263	35,898
Prepaid items	102	-	-	-	-
TOTAL ASSETS	\$ 124,791	\$ 138,548	\$ 343	\$ 49,263	\$ 35,898
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 399
Accrued and other liabilities	-	-	-	-	-
Claims and judgments payable	-	-	-	-	-
Due to other funds	21	60,243	343	-	1,867
Deferred revenues	-	33,860	-	-	-
Total liabilities	21	94,103	343	-	2,266
Fund balance					
Nonspendable	102	-	-	-	-
Restricted	124,668	44,445	-	49,263	33,632
Unassigned	-	-	-	-	-
Total fund balance	124,770	44,445	-	49,263	33,632
Total liabilities and fund balance	\$ 124,791	\$ 138,548	\$ 343	\$ 49,263	\$ 35,898

Special Revenue Funds

TJPC C Fund	TJPC S Fund	District Attorney Drug Seizure Fund	CJD-2106501 Domestic Violence Fund	CJD-2106401 Victims Assistance Fund	Pre-Trial Diversion Fund	Miscellaneous Grants Fund	CPS Grant Fund	DA Border Prosecutor Fund
\$ -	\$ -	\$ 242,571	\$ -	\$ -	\$ 34,415	\$ 269	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	5,246	3,117	-	49,061	3,079	12,275
-	-	-	-	-	-	325	-	-
2,396	27,729	7,138	363	-	32,094	39,557	1,653	2,583
-	-	140	61	72	-	-	45	96
\$ 2,396	\$ 27,729	\$ 249,849	\$ 5,670	\$ 3,189	\$ 66,509	\$ 89,212	\$ 4,777	\$ 14,954
\$ -	\$ 2,055	\$ 1,152	\$ -	\$ -	\$ 24	\$ 17,854	\$ -	\$ 70
-	-	-	-	-	-	-	-	-
-	-	5,500	-	-	-	-	-	-
-	4,911	50,731	5,670	3,189	2,562	65,706	4,777	14,884
2,396	20,763	-	-	-	-	5,652	-	-
2,396	27,729	57,383	5,670	3,189	2,586	89,212	4,777	14,954
-	-	140	61	72	-	-	45	96
-	-	192,326	-	-	63,923	-	-	-
-	-	-	(61)	(72)	-	-	(45)	(96)
-	-	192,466	-	-	63,923	-	-	-
\$ 2,396	\$ 27,729	\$ 249,849	\$ 5,670	\$ 3,189	\$ 66,509	\$ 89,212	\$ 4,777	\$ 14,954

Willacy County, Texas
NON MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - CONTINUED
September 30, 2012

	Special Revenue Funds				
	CJD-171605	District	HIDTA	DA HIDTA	Road & Bridge #1
	Juvenile Justice Alts Fund	Attorney State Fund	Grant Fund	Fed Seiz Acct Fund	Fund
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 60,719	\$ 234,514
Receivables (less allowances for uncollectible accounts)					
Property taxes	-	-	-	-	28,308
Intergovernmental	3,385	-	13,613	-	-
Other	-	-	-	-	884
Due from other funds	-	10,745	121	-	23,704
Prepaid items	-	-	96	-	408
TOTAL ASSETS	\$ 3,385	\$ 10,745	\$ 13,830	\$ 60,719	\$ 287,818
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 447	\$ -	\$ 3,459
Accrued and other liabilities	-	-	-	-	-
Claims and judgments payable	-	-	-	-	-
Due to other funds	3,385	1,493	13,383	-	18,085
Deferred revenues	-	9,252	-	-	23,416
Total liabilities	3,385	10,745	13,830	-	44,960
Fund balance					
Nonspendable	-	-	96	-	408
Restricted	-	-	-	60,719	242,450
Unassigned	-	-	(96)	-	-
Total fund balance	-	-	-	60,719	242,858
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,385	\$ 10,745	\$ 13,830	\$ 60,719	\$ 287,818

Special Revenue Funds

Road & Bridge #2 Fund	Road & Bridge #3 Fund	Road & Bridge #4 Fund	TJPC A Fund	TJPC E Fund
\$ 217,532	\$ 133,568	\$ 261,685	\$ -	\$ 157,187
28,308	28,308	28,308	-	-
-	-	-	-	-
2,331	3,561	5,135	175	-
17,012	23,871	990	31,105	2,886
<u>408</u>	<u>408</u>	<u>312</u>	<u>-</u>	<u>-</u>
<u>\$ 265,591</u>	<u>\$ 189,716</u>	<u>\$ 296,430</u>	<u>\$ 31,280</u>	<u>\$ 160,073</u>
\$ 303	\$ -	\$ 82	\$ 2,203	\$ -
-	-	-	-	-
-	-	-	-	-
4,914	39,871	31,234	10,910	61,707
<u>41,776</u>	<u>21,886</u>	<u>20,974</u>	<u>18,167</u>	<u>11</u>
<u>46,993</u>	<u>61,757</u>	<u>52,290</u>	<u>31,280</u>	<u>61,718</u>
408	408	312	-	-
218,190	127,551	243,828	-	98,355
-	-	-	-	-
<u>218,598</u>	<u>127,959</u>	<u>244,140</u>	<u>-</u>	<u>98,355</u>
<u>\$ 265,591</u>	<u>\$ 189,716</u>	<u>\$ 296,430</u>	<u>\$ 31,280</u>	<u>\$ 160,073</u>

Willacy County, Texas
NON MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - CONTINUED
September 30, 2012

	Special Revenue Funds	Capital Project
	NOAA Grant #NA17022189 Fund	State Jail Spaceport Construction Fund
ASSETS		
Cash and cash equivalents	\$ 4,124	\$ 603
Receivables (less allowances for uncollectible accounts)	\$ 603	\$ 80,146
Property taxes	-	-
Intergovernmental	213,128	-
Other	-	-
Due from other funds	3,721	-
Prepaid items	-	-
 TOTAL ASSETS	 <u>\$ 220,973</u>	 <u>\$ 603</u>
	 <u>\$ 220,973</u>	 <u>\$ 80,146</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 2,940	\$ -
Accrued and other liabilities	-	-
Claims and judgments payable	-	-
Due to other funds	210,188	-
Deferred revenues	7,845	-
Total liabilities	<u>220,973</u>	<u>-</u>
 Fund balance		
Nonspendable	-	-
Restricted	-	603
Unassigned	-	80,146
Total fund balance	<u>-</u>	<u>603</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 220,973</u>	 <u>\$ 603</u>
	 <u>\$ 220,973</u>	 <u>\$ 80,146</u>

Total	Debt Service Fund	Non Major Governmental Funds	Total
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\$ 1,486,267	\$ 659,295	\$ 2,145,562
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113,232	42,554	155,786
1,021,502	-	1,021,502
12,511	384	12,895
644,808	62	644,870
2,340	-	2,340

<u>\$ 3,280,660</u>	<u>\$ 702,295</u>	<u>\$ 3,982,955</u>
---------------------	-------------------	---------------------

\$ 82,801	\$ -	\$ 82,801
1,740	-	1,740
10,677	-	10,677
1,280,495	-	1,280,495
216,639	41,183	257,822
1,592,352	41,183	1,633,535

2,340	-	2,340
1,686,530	661,112	2,347,642
(562)	-	(562)
1,688,308	661,112	2,349,420

<u>\$ 3,280,660</u>	<u>\$ 702,295</u>	<u>\$ 3,982,955</u>
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Willacy County, Texas
NON MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the year ended September 30, 2012

	Special Revenue Funds				
	Stone	Sheriff's	TDRA	Reber	
	Garden	2009 D1	Grant	Library	Law
	Fund	BS 01041	Contracts	Donation	Library
<u> </u>					
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and charges	-	-	-	-	12,127
Fines and forfeitures	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	282,228	20,508	1,861,201	-	-
Interest	-	-	-	-	-
Contributions & donation from private sources	-	-	-	-	-
Miscellaneous income	<u>20,677</u>	-	-	-	-
Total revenues	302,905	20,508	1,861,201	-	12,127
Expenditures					
Current					
General government	-	-	-	-	806
Public safety	83,777	20,508	-	-	-
Public works	-	-	19,497	-	-
Health and welfare	-	-	326	-	-
Culture and recreation	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fees	-	-	-	-	-
Capital outlay	215,485	-	1,841,378	-	-
Total expenditures	299,262	20,508	1,861,201	-	806
Net change in fund balance	3,643	-	-	-	11,321
Fund balance, beginning of year	-	-	-	777	72,714
Fund balance, end of year	<u>\$ 3,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 777</u>	<u>\$ 84,035</u>

Special Revenue Funds									
Attorney Processing Fund	Sheriff's Ven US Marshall's Fund	2001 Colonia Construction Fund	Sheriff's Drug Seizure Fund	TDHCA Fund	Attorney General Dist. Clerk Fund	CJD-2322401 (ARRA) Law Comm Equip Fund	LEOSE Fund		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,226	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	9,196	-	194,695	40,487	34,977	-	-	-
-	-	-	15	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	133	-	-	-	-	-	-	-	-
4,226	133	9,196	15	194,695	40,487	34,977	-	-	-
 23	 -	 -	 -	 -	 40,487	 -	 -	 -	 -
-	10,799	-	7,634	-	-	-	-	3,670	
-	-	9,196	-	-	-	-	-	-	-
-	-	-	-	194,695	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	1,930	-	-	-	-	34,977	-	-	-
23	12,729	9,196	7,634	194,695	40,487	34,977	-	3,670	
4,203	(12,596)	-	(7,619)	-	-	-	-	(3,670)	
(536)	17,530	-	13,476	-	-	-	-	7,188	
\$ 3,667	\$ 4,934	\$ -	\$ 5,857	\$ -	\$ -	\$ -	\$ -	\$ 3,518	

Willacy County, Texas
NON MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CONTINUED
For the year ended September 30, 2012

	<u>Special Revenue Funds</u>				
	SB 770 Fund	FEMA Disaster Fund	CR-43 PRJ GRT #2603001 Fund	Lasara Fire & Community Fund	Reber Memorial Trust Fund
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and charges		21,152	-	-	-
Fines and forfeitures		-	-	-	-
Licenses and permits		-	-	-	-
Intergovernmental		-	-	2,541	-
Interest		-	-	-	-
Contributions & donation from private sources		-	-	-	21,315
Miscellaneous income		-	-	6,783	-
Total revenues		21,152	-	2,541	6,783
Expenditures					
Current					
General government	29,792	-	2,541	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	10,043
Debt service					
Principal	-	-	-	-	-
Interest and fees	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	29,792	-	2,541	-	10,043
Net change in fund balance		(8,640)	-	6,783	11,272
Fund balance, beginning of year	133,410	44,445	-	42,480	22,360
Fund balance, end of year	\$ 124,770	\$ 44,445	\$ -	\$ 49,263	\$ 33,632

Special Revenue Funds										
TJPC C Fund	TJPC S Fund	District Attorney Drug Seizure Fund	CJD-2106501 Domestic Violence Fund	CJD-2106401 Victims Assistance Fund	Pre-Trial Diversion Fund	Miscellaneous Grants Fund	CPS Grant Fund	DA Border Prosecutor Fund		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	21,002	-	-	-	-	-
-	-	85,558	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
11,528	12,630	-	44,828	30,089	-	351,836	11,215	112,622		
-	-	255	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
11,528	12,630	85,813	44,828	30,089	21,002	351,836	11,215	112,622		
-	-	-	-	-	-	103,535	-	-	-	-
-	-	-	-	-	208	1,436	-	105,828		
-	-	-	-	-	-	-	-	-	-	-
11,528	12,630	156,971	44,828	30,089	-	246,865	11,215	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	2,868	-	-	-	-	-	-	-	6,794
11,528	12,630	159,839	44,828	30,089	208	351,836	11,215	112,622		
-	-	(74,026)	-	-	20,794	-	-	-	-	-
-	-	266,492	-	-	43,129	-	-	-	-	-
\$ -	\$ -	\$ 192,466	\$ -	\$ -	\$ 63,923	\$ -	\$ -	\$ -	\$ -	\$ -

Willacy County, Texas
NON MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CONTINUED
For the year ended September 30, 2012

	Special Revenue Funds				
	CJD-171605	District	HIDTA	DA HIDTA	
	Juvenile Justice Alts Fund	Attorney State Fund	HIDTA Grant Fund	Fed Seiz Acct Fund	Road & Bridge #1 Fund
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 113,591
Fees and charges	-	-	-	-	-
Fines and forfeitures	-	-	-	60,719	-
Licenses and permits	-	-	-	-	150,168
Intergovernmental	37,748	34,334	69,886	-	-
Interest	-	-	-	-	416
Contributions & donation from private sources	-	-	-	-	-
Miscellaneous income	-	-	-	-	2,340
Total revenues	37,748	34,334	69,886	60,719	266,515
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	34,334	69,886	-	-
Public works	-	-	-	-	265,595
Health and welfare	37,748	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service					
Principal	-	-	-	-	13,168
Interest and fees	-	-	-	-	2,091
Capital outlay	-	-	-	-	-
Total expenditures	37,748	34,334	69,886	-	280,854
Net change in fund balance	-	-	-	60,719	(14,339)
Fund balance, beginning of year	-	-	-	-	257,197
Fund balance, end of year	\$ -	\$ -	\$ -	\$ 60,719	\$ 242,858

Special Revenue Funds

Road & Bridge #2 Fund	Road & Bridge #3 Fund	Road & Bridge #4 Fund	TJPC A Fund	TJPC E Fund
\$113,881	\$113,567	\$ 113,552	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
150,168	150,168	150,168	-	-
-	-	-	244,127	-
261	335	431	-	108
-	-	-	-	-
49	9,000	1,432	-	-
<u>264,359</u>	<u>273,070</u>	<u>265,583</u>	<u>244,127</u>	<u>108</u>
-	-	-	-	-
-	-	-	-	-
213,466	290,746	287,870	-	-
-	-	-	244,127	10,971
-	-	-	-	-
-	64,809	12,428	-	-
-	7,250	866	-	-
-	39,329	-	-	-
<u>213,466</u>	<u>402,134</u>	<u>301,164</u>	<u>244,127</u>	<u>10,971</u>
50,893	(129,064)	(35,581)	-	(10,863)
<u>167,705</u>	<u>257,023</u>	<u>279,721</u>	<u>-</u>	<u>109,218</u>
<u>\$218,598</u>	<u>\$127,959</u>	<u>\$ 244,140</u>	<u>\$ -</u>	<u>\$ 98,355</u>

Willacy County, Texas
NON MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CONTINUED
For the year ended September 30, 2012

	Special Revenue Funds	Capital Project
	NOAA Grant #NA17022189 Fund	State Jail Spaceport Fund
Revenues		
Property taxes	\$ -	\$ -
Fees and charges	-	-
Fines and forfeitures	-	-
Licenses and permits	-	-
Intergovernmental	211,621	-
Interest	-	1
Contributions & donation from private sources	-	-
Miscellaneous income	-	-
Total revenues	211,621	1
Expenditures		
Current		
General government	211,621	-
Public safety	-	-
Public works	-	-
Health and welfare	-	-
Culture and recreation	-	-
Debt service		
Principal	-	-
Interest and fees	-	-
Capital outlay	-	-
Total expenditures	211,621	-
Net change in fund balance	-	1
Fund balance, beginning of year	-	602
Fund balance, end of year	\$ -	\$ 603
	\$ 603	\$ 80,146

Total	Debt Service Fund	Non Major Governmental Funds	Total
\$ 454,591	\$ 9,847	\$ 464,438	
58,507	-	58,507	
146,277	-	146,277	
600,672	-	600,672	
3,618,297	-	3,618,297	
1,901	644	2,545	
21,315	-	21,315	
<u>40,414</u>	<u>-</u>	<u>40,414</u>	
4,941,974	10,491	4,952,465	
388,805	502	389,307	
338,080	-	338,080	
1,086,370	-	1,086,370	
1,001,993	-	1,001,993	
10,043	-	10,043	
90,405	-	90,405	
10,207	-	10,207	
<u>2,142,761</u>	<u>-</u>	<u>2,142,761</u>	
<u>5,068,664</u>	<u>502</u>	<u>5,069,166</u>	
(126,690)	9,989	(116,701)	
<u>1,814,998</u>	<u>651,123</u>	<u>2,466,121</u>	
<u>\$1,688,308</u>	<u>\$661,112</u>	<u>\$ 2,349,420</u>	

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**SUPPLEMENTARY
INDIVIDUAL
GOVERNMENTAL
FUND
FINANCIAL STATEMENTS
AND
SCHEDULES**

Willacy County, Texas
GENERAL FUND
COMPARATIVE BALANCE SHEETS

September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 4,125,074	\$ 4,351,812
Receivables (less allowances for uncollectible accounts)		
Property taxes	1,063,412	1,035,398
Intergovernmental	382,239	64,053
Other	410,322	426,320
Due from other funds	1,116,792	1,340,911
Prepaid items	<u>39,521</u>	<u>45,540</u>
 TOTAL ASSETS	 <u>\$ 7,137,360</u>	 <u>\$ 7,264,034</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 325,611	\$ 609,785
Accrued liabilities	144,933	158,515
Intergovernmental payable	326,076	473,930
Other Payables	293,173	281,800
Due to other funds	609,205	737,580
Deferred revenues	<u>1,063,360</u>	<u>1,049,197</u>
Total liabilities	2,762,358	3,310,807
 Fund balance		
Nonspendable	39,521	45,540
Unassigned	<u>4,335,481</u>	<u>3,907,687</u>
Total fund balance	<u>4,375,002</u>	<u>3,953,227</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 7,137,360</u>	 <u>\$ 7,264,034</u>

Willacy County, Texas
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Property taxes	\$4,258,319	\$4,622,409
Fees and charges	2,280,518	1,354,502
Fines and forfeitures	993	29,993
Licenses and permits	3,021	2,906
Interest	5,995	8,114
Miscellaneous income	<u>187,457</u>	<u>90,393</u>
Total revenues	6,736,303	6,108,317
Expenditures		
Current		
General government	2,678,988	2,723,833
Public safety	2,765,914	2,733,799
Health and welfare	732,841	797,989
Culture and recreation	204,561	214,414
Debt service		
Principal	5,550	5,152
Interest and fees	1,950	2,348
Capital outlay	<u>11,065</u>	<u>15,049</u>
Total expenditures	<u>6,400,869</u>	<u>6,492,584</u>
Excess (deficiency) of revenues over (under) expenditures	335,434	(384,267)
Other financing sources (uses)		
Transfers in	<u>86,341</u>	<u>127,950</u>
Net change in fund balance	421,775	(256,317)
Fund balance, beginning of year	<u>3,953,227</u>	<u>4,209,544</u>
Fund balance, end of year	<u>\$4,375,002</u>	<u>\$3,953,227</u>

Willacy County, Texas
CAPITAL PROJECTS FUND
CAPITAL PROJECT FUND
COMPARATIVE BALANCE SHEETS

September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$1,847,144	\$3,449,017
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	172,953	23,250
Other	-	10,000
Due from other funds	<u>149,039</u>	<u>87,896</u>
 TOTAL ASSETS	 <u>\$2,169,136</u>	 <u>\$3,570,163</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 22,267	\$ 188,135
Due to other funds	<u>21,001</u>	<u>479,963</u>
Total liabilities	43,268	668,098
 Fund balance		
Committed	<u>2,125,868</u>	<u>2,902,065</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$2,169,136</u>	 <u>\$3,570,163</u>

Willacy County, Texas
CAPITAL PROJECTS FUND
CAPITAL PROJECT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Fees and charges	\$ 646,061	\$ 287,092
Intergovernmental	1,136,615	-
Interest	516	6,928
Miscellaneous income	<u>89,802</u>	<u>4,254</u>
Total revenues	<u>1,872,994</u>	<u>298,274</u>
Expenditures		
Current		
General government	333,607	341,082
Public safety	-	19,104
Public works	843,236	660,506
Health and welfare	76,832	-
Debt service		
Principal	-	122,214
Interest and fees	-	1,787
Capital outlay	<u>1,309,175</u>	<u>825,425</u>
Total expenditures	<u>2,562,850</u>	<u>1,970,118</u>
Excess (deficiency) of revenues over (under) expenditures	(689,856)	(1,671,844)
Other financing sources (uses)		
Transfers out	<u>(86,341)</u>	<u>(127,950)</u>
Net change in fund balance	(776,197)	(1,799,794)
Fund balance, beginning of year	<u>2,902,065</u>	<u>4,701,859</u>
Fund balance, end of year	<u>\$2,125,868</u>	<u>\$2,902,065</u>

Willacy County, Texas
STONEGARDEN FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 8,557	\$ 11
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	372,325	195,744
Due from other funds	-	18,060
 TOTAL ASSETS	 <u>\$ 380,882</u>	 <u>\$ 213,815</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 169	\$ 15
Due to other funds	377,070	213,800
Total liabilities	377,239	213,815
 Fund balance		
Nonspendable	-	-
Restricted	3,643	-
Committed	-	-
Assigned	-	-
Unassigned	-	-
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 380,882</u>	 <u>\$ 213,815</u>

Willacy County, Texas
STONEGARDEN FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 282,228	\$ 147,145
Miscellaneous income	<u>20,677</u>	-
Total revenues	302,905	147,145
Expenditures		
Current		
Public safety	83,777	147,145
Capital outlay	<u>215,485</u>	-
Total expenditures	<u>299,262</u>	147,145
Net change in fund balance	3,643	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ 3,643</u>	<u>\$ -</u>

Willacy County, Texas
SERVICE CONTRACT FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS

September 30,

ASSETS

	2012	2011
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	<u>\$5,779,032</u>	<u>\$2,440,404</u>
TOTAL ASSETS	<u>\$5,779,032</u>	<u>\$2,440,404</u>

LIABILITIES AND FUND BALANCE

Liabilities	2012	2011
Accounts payable	\$5,037,133	\$2,707,666
Fund balance		
Restricted	741,899	-
Unassigned	-	<u>(267,262)</u>
Total fund balance	<u>741,899</u>	<u>(267,262)</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$5,779,032</u>	<u>\$2,440,404</u>

Willacy County, Texas
SERVICE CONTRACT FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Fees and charges	\$ 18,069,971	\$ 15,252,597
Expenditures		
Current		
Public safety	<u>17,060,810</u>	<u>15,815,395</u>
Net change in fund balance	1,009,161	(562,798)
Fund balance, beginning of year	<u>(267,262)</u>	<u>295,536</u>
Fund balance, end of year	<u>\$ 741,899</u>	<u>\$ (267,262)</u>

Willacy County, Texas
SHERIFF'S 2009 D1 BS 0141 FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	\$ 2,612	\$ 2,458
Due from other funds	<u>16,247</u>	<u>6,520</u>
 TOTAL ASSETS	 <u>\$ 18,859</u>	 <u>\$ 8,978</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ 18,859	\$ 8,978
Fund balance		
Unassigned	-	-
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 18,859</u>	 <u>\$ 8,978</u>

Willacy County, Texas
SHERIFF'S 2009 D1 BS 0141 FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 20,508	\$ 146,384
Expenditures		
Current		
Public safety	20,508	17,163
Capital outlay	-	129,221
Total expenditures	<u>20,508</u>	<u>146,384</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
TDRA GRANT CONTRACTS FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	\$ 110,502	\$ 90,522
Due from other funds	<u>3,449</u>	<u>59,750</u>
 TOTAL ASSETS	 <u>\$ 113,951</u>	 <u>\$ 150,272</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 51,122	\$ 20,439
Due to other funds	<u>62,829</u>	<u>129,833</u>
Total liabilities	113,951	150,272
 Fund balance		
Unassigned	-	-
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 113,951</u>	 <u>\$ 150,272</u>

Willacy County, Texas
TDRA GRANT CONTRACTS FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 1,861,201	\$ 278,021
Expenditures		
Current		
Public works	19,497	-
Health and welfare	326	13,777
Capital outlay	<u>1,841,378</u>	<u>264,244</u>
Total expenditures	<u>1,861,201</u>	<u>278,021</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ -	\$ -

Willacy County, Texas
REBER LIBRARY DONATION FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	<u>\$777</u>	<u>\$777</u>
TOTAL ASSETS	<u>\$ 777</u>	<u>\$ 777</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ -	\$ -
Fund balance		
Restricted	<u>777</u>	<u>777</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 777</u>	<u>\$ 777</u>

Willacy County, Texas
REBER LIBRARY DONATION FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Contributions & donation from private sources	\$ -	\$ 200
Expenditures		
Current		
Culture and recreation	- <u> </u>	<u>340</u>
Net change in fund balance	- <u> </u>	<u>(140)</u>
Fund balance, beginning of year	<u>777</u>	<u>917</u>
Fund balance, end of year	<u>\$ 777</u>	<u>\$ 777</u>

Willacy County, Texas
LAW LIBRARY FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	2012	2011
Cash and cash equivalents	\$37,062	\$37,368
Due from other funds	<u>48,823</u>	<u>37,196</u>
TOTAL ASSETS	<u>\$85,885</u>	<u>\$74,564</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ 1,850	\$ 1,850
Fund balance		
Restricted	<u>84,035</u>	<u>72,714</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$85,885</u>	<u>\$74,564</u>

Willacy County, Texas
LAW LIBRARY FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
 For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Fees and charges	\$ 12,127	\$ 11,002
Expenditures		
Current		
General government	<u>806</u>	<u>2,752</u>
Net change in fund balance	11,321	8,250
Fund balance, beginning of year	<u>72,714</u>	<u>64,464</u>
Fund balance, end of year	<u>\$ 84,035</u>	<u>\$ 72,714</u>

Willacy County, Texas
ATTORNEY PROCESSING FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 366	\$4,397
Receivables (less allowances for uncollectible accounts)		
Other	100	-
Due from other funds	<u>4,941</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 5,407</u>	 <u>\$ 4,397</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accrued liabilities	\$ 1,740	\$ 4,933
 Fund balance		
Nonspendable	-	-
Restricted	3,667	-
Committed	-	-
Assigned	-	-
Unassigned	-	<u>(536)</u>
Total fund balance	<u>3,667</u>	<u>(536)</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 5,407</u>	 <u>\$ 4,397</u>

Willacy County, Texas
ATTORNEY PROCESSING FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Fees and charges	\$ 4,226	\$ 551
Expenditures		
Current		
General government	<u>23</u>	<u>1,550</u>
Net change in fund balance	4,203	(999)
Fund balance, beginning of year	<u>(536)</u>	<u>463</u>
Fund balance, end of year	<u>\$ 3,667</u>	<u>\$ (536)</u>

Willacy County, Texas
LONE STAR GRANT FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	<u>\$ -</u>	<u>\$ 139</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 139</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ -	\$ 139
Fund balance		
Unassigned	-	-
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 139</u>

Willacy County, Texas
LONE STAR GRANT FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ -	\$ 5,158
Expenditures		
Current		
Culture and recreation	-	669
Capital outlay	-	4,489
Total expenditures	-	<u>5,158</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
SHERIFF'S VEN US MARSHALL'S FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	<u>\$ 4,934</u>	<u>\$ 27,061</u>
TOTAL ASSETS	<u>\$ 4,934</u>	<u>\$ 27,061</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ -	\$ 9,531
Fund balance		
Restricted	<u>4,934</u>	<u>17,530</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 4,934</u>	<u>\$ 27,061</u>

Willacy County, Texas
SHERIFF'S VEN US MARSHALL'S FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Miscellaneous income	\$ 133	\$ -
Expenditures		
Current		
Public safety	10,799	3,101
Capital outlay	<u>1,930</u>	<u>60,928</u>
Total expenditures	<u>12,729</u>	<u>64,029</u>
Net change in fund balance	(12,596)	(64,029)
Fund balance, beginning of year	<u>17,530</u>	<u>81,559</u>
Fund balance, end of year	<u>\$ 4,934</u>	<u>\$ 17,530</u>

Willacy County, Texas
2001 COLONIA CONSTRUCTION FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	<u>\$ -</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ -	\$ -
Fund balance		
Unassigned	- -	- -
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
2001 COLONIA CONSTRUCTION FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 9,196	\$ 150,900
Expenditures		
Current		
Public works	9,196	-
Capital outlay	-	150,900
Total expenditures	<u>9,196</u>	<u>150,900</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ -	\$ -

Willacy County, Texas
SHERIFF'S DRUG SEIZURE FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	2012	2011
Cash and cash equivalents	\$ 12,172	\$19,954
Due from other funds	-	1
TOTAL ASSETS	\$ 12,172	\$19,955

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 522	\$ 278
Claims and judgments payable	5,177	5,177
Due to other funds	616	1,024
Total liabilities	6,315	6,479
Fund balance		
Restricted	5,857	13,476
TOTAL LIABILITIES AND FUND BALANCE	\$ 12,172	\$19,955

Willacy County, Texas
SHERIFF'S DRUG SEIZURE FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Interest	\$ 15	\$ 46
Expenditures		
Current		
Public safety	7,634	13,171
Capital outlay	-	7,500
Total expenditures	<u>7,634</u>	<u>20,671</u>
Net change in fund balance	(7,619)	(20,625)
Fund balance, beginning of year	<u>13,476</u>	<u>34,101</u>
Fund balance, end of year	<u>\$ 5,857</u>	<u>\$13,476</u>

Willacy County, Texas
TDHCA FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	\$ 173,454	\$ 19,250
Prepaid items	<u>96</u>	-
 TOTAL ASSETS	 <u>\$ 173,550</u>	 <u>\$ 19,250</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ 173,550	\$ 19,250
 Fund balance		
Nonspendable	96	-
Unassigned	<u>(96)</u>	-
Total fund balance	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 173,550</u>	 <u>\$ 19,250</u>

Willacy County, Texas
TDHCA FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 194,695	\$ 19,250
Expenditures		
Current		
Health and welfare	<u>194,695</u>	<u>19,250</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
ATTORNEY GENERAL DISTRICT CLERK FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS

September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	\$ 11,138	\$ 39,303
Prepaid items	<u>96</u>	<u>206</u>
 TOTAL ASSETS	 <u>\$ 11,234</u>	 <u>\$ 39,509</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ 593	\$ 292
Deferred revenues	<u>10,641</u>	<u>39,217</u>
Total liabilities	11,234	39,509
 Fund balance		
Nonspendable	96	206
Unassigned	<u>(96)</u>	<u>(206)</u>
Total fund balance	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 11,234</u>	 <u>\$ 39,509</u>

Willacy County, Texas
ATTORNEY GENERAL DISTRICT CLERK FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 40,487	\$ 37,049
Expenditures		
Current		
General government	<u>40,487</u>	<u>37,049</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas

**CJD-2322401 (ARRA) - LAW ENFORCEMENT COMMUNICATION EQUIPMENT FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS**

September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	\$ 35,054	\$ 85,309
Due from other funds	- <u>760</u>	760
TOTAL ASSETS	\$ 35,054	\$ 86,069

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ 35,054	\$ 86,069
Fund balance		
Unassigned	- <u>-</u>	- <u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 35,054	\$ 86,069

Willacy County, Texas
CJD-2322401 (ARRA) - LAW ENFORCEMENT COMMUNICATION EQUIPMENT FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 34,977	\$ 85,309
Expenditures		
Capital outlay	<u>34,977</u>	<u>85,309</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
LEOSE FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
 September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	<u>\$ 3,518</u>	<u>\$ 12,095</u>
TOTAL ASSETS	<u>\$ 3,518</u>	<u>\$ 12,095</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ -	\$ 4,907
Fund balance		
Restricted	<u>3,518</u>	<u>7,188</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,518</u>	<u>\$ 12,095</u>

Willacy County, Texas
LEOSE FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
 For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ -	\$ -
Expenditures		
Current		
Public safety	<u>3,670</u>	<u>4,907</u>
Net change in fund balance	(3,670)	(4,907)
Fund balance, beginning of year	<u>7,188</u>	<u>12,095</u>
Fund balance, end of year	<u>\$ 3,518</u>	<u>\$ 7,188</u>

Willacy County, Texas
SB 770 FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	\$ 124,689	\$ 133,452
Prepaid items	102	218
TOTAL ASSETS	<u>\$ 124,791</u>	<u>\$ 133,670</u>

LIABILITIES AND FUND BALANCE

Liabilities			
Due to other funds	\$ 21	\$ 260	
Fund balance			
Nonspendable	102	218	
Restricted	124,668	133,192	
Total fund balance	<u>124,770</u>	<u>133,410</u>	
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 124,791</u>	<u>\$ 133,670</u>	

Willacy County, Texas
SB 770 FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Fees and charges	\$ 21,152	\$ 24,875
Expenditures		
Current		
General government	29,792	32,826
Capital outlay	-	2,932
Total expenditures	<u>29,792</u>	<u>35,758</u>
Net change in fund balance	(8,640)	(10,883)
Fund balance, beginning of year	<u>133,410</u>	<u>144,293</u>
Fund balance, end of year	<u>\$124,770</u>	<u>\$133,410</u>

Willacy County, Texas
FEMA DISASTER FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	\$ 24,308	\$ 24,308
Due from other funds	<u>114,240</u>	<u>116,496</u>
 TOTAL ASSETS	 <u>\$ 138,548</u>	 <u>\$ 140,804</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ 60,243	\$ 62,499
Deferred revenues	<u>33,860</u>	<u>33,860</u>
Total liabilities	94,103	96,359
 Fund balance		
Restricted	<u>44,445</u>	<u>44,445</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 138,548</u>	 <u>\$ 140,804</u>

Willacy County, Texas
FEMA DISASTER FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ -	<u>\$ 204,432</u>
Expenditures		
Current		
Public works	<u>-</u>	<u>204,432</u>
Net change in fund balance	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>44,445</u>	<u>44,445</u>
Fund balance, end of year	<u>\$ 44,445</u>	<u>\$ 44,445</u>

Willacy County, Texas
CR-43 PRJ-GRT#2603001 FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	<u>\$ 343</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 343</u>	<u>\$ -</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	343	-
Fund balance		
Restricted	-	-
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 343</u>	<u>\$ -</u>

Willacy County, Texas
CR-43 PRJ-GRT#2603001 FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
 For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 2,541	\$ -
Expenditures		
Current		
General government	2,541	-
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
LASARA FIRE & COMMUNITY FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	<u>\$ 49,263</u>	<u>\$ 42,480</u>
TOTAL ASSETS	<u>\$ 49,263</u>	<u>\$ 42,480</u>

LIABILITIES AND FUND BALANCE

Liabilities			
Accounts payable	\$ -	\$ -	
Fund balance			
Restricted	<u>49,263</u>	<u>42,480</u>	
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 49,263</u>	<u>\$ 42,480</u>	

Willacy County, Texas
LASARA FIRE & COMMUNITY FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Miscellaneous income	\$ 6,783	\$ 6,542
Expenditures		
Current		
Public safety	—	—
Net change in fund balance	6,783	6,542
Fund balance, beginning of year	<u>42,480</u>	<u>35,938</u>
Fund balance, end of year	<u>\$ 49,263</u>	<u>\$ 42,480</u>

Willacy County, Texas
REBER MEMORIAL TRUST FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS

September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	<u>\$ 35,898</u>	<u>\$ 24,227</u>
TOTAL ASSETS	<u>\$ 35,898</u>	<u>\$ 24,227</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 399	\$ -
Due to other funds	<u>1,867</u>	<u>1,867</u>
Total liabilities	2,266	1,867
 Fund balance		
Restricted	<u>33,632</u>	<u>22,360</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 35,898</u>	<u>\$ 24,227</u>

Willacy County, Texas
REBER MEMORIAL TRUST FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Contributions & donation from private sources	\$ 21,315	\$ 25,212
Expenditures		
Current		
Culture and recreation	<u>10,043</u>	<u>14,610</u>
Net change in fund balance	11,272	10,602
Fund balance, beginning of year	<u>22,360</u>	<u>11,758</u>
Fund balance, end of year	<u>\$ 33,632</u>	<u>\$ 22,360</u>

Willacy County, Texas
TJPC C FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	\$ -	\$ 454
Due from other funds	<u>2,396</u>	<u>8,347</u>
 TOTAL ASSETS	 <u>\$ 2,396</u>	 <u>\$ 8,801</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ -	\$ 8,801
Deferred revenues	<u>2,396</u>	<u>-</u>
Total liabilities	2,396	8,801
 Fund balance		
Unassigned	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 2,396</u>	 <u>\$ 8,801</u>

Willacy County, Texas
TJPC C FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
 For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 11,528	\$ 35,245
Expenditures		
Current		
Health and welfare	<u>11,528</u>	<u>35,245</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
TJPC S FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	<u>\$ 27,729</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 27,729</u>	<u>\$ -</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 2,055	\$ -
Due to other funds	4,911	-
Deferred revenues	<u>20,763</u>	<u>-</u>
Total liabilities	27,729	-
 Fund balance		
Unassigned	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 27,729</u>	<u>\$ -</u>

Willacy County, Texas
TJPC S FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
 For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 12,630	\$ 22,631
Expenditures		
Current		
Health and welfare	<u>12,630</u>	<u>22,631</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
DISTRICT ATTORNEY DRUG SEIZURE FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	2012	2011
Cash and cash equivalents	\$242,571	\$ 299,243
Receivables (less allowances for uncollectible accounts)		
Other	-	78
Due from other funds	7,138	39,949
Prepaid items	<u>140</u>	<u>308</u>
 TOTAL ASSETS	 <u>\$249,849</u>	 <u>\$ 339,578</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 1,152	\$ 1,054
Claims and judgments payable	5,500	33,664
Due to other funds	<u>50,731</u>	<u>38,368</u>
Total liabilities	<u>57,383</u>	<u>73,086</u>
 Fund balance		
Nonspendable	140	308
Restricted	<u>192,326</u>	<u>266,184</u>
Total fund balance	<u>192,466</u>	<u>266,492</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$249,849</u>	 <u>\$ 339,578</u>

Willacy County, Texas
DISTRICT ATTORNEY DRUG SEIZURE FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Fines and forfeitures	\$ 85,558	\$ 252,638
Interest	<u>255</u>	<u>516</u>
Total revenues	<u>85,813</u>	<u>253,154</u>
Expenditures		
Current		
Health and welfare	156,971	141,306
Capital outlay	<u>2,868</u>	<u>37,217</u>
Total expenditures	<u>159,839</u>	<u>178,523</u>
Net change in fund balance	(74,026)	74,631
Fund balance, beginning of year	<u>266,492</u>	<u>191,861</u>
Fund balance, end of year	<u>\$ 192,466</u>	<u>\$ 266,492</u>

Willacy County, Texas
CJD-2106501 - DOMESTIC VIOLENCE GRANT FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS

September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	\$ 5,246	\$ 14,604
Due from other funds	363	164
Prepaid items	<u>61</u>	<u>131</u>
 TOTAL ASSETS	 <u>\$ 5,670</u>	 <u>\$ 14,899</u>

Liabilities		
Due to other funds	\$ 5,670	\$ 14,899
 Fund balance		
Nonspendable	61	131
Unassigned	<u>(61)</u>	<u>(131)</u>
Total fund balance	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 5,670</u>	 <u>\$ 14,899</u>

Willacy County, Texas
CJD-2106501 - DOMESTIC VIOLENCE GRANT FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 44,828	\$ 44,941
Expenditures		
Current		
Health and welfare	<u>44,828</u>	<u>44,941</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
CJD-2106401 - VICTIMS ASSISTANCE GRANT FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS

September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	\$ 3,117	\$ 10,531
Due from other funds	-	2,491
Prepaid items	<u>72</u>	<u>154</u>
 TOTAL ASSETS	 <u>\$ 3,189</u>	 <u>\$ 13,176</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ 3,189	\$ 13,176
Fund balance		
Nonspendable	72	154
Unassigned	<u>(72)</u>	<u>(154)</u>
Total fund balance	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 3,189</u>	 <u>\$ 13,176</u>

Willacy County, Texas
CJD-2106401 - VICTIMS ASSISTANCE GRANT FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 30,089	\$ 31,087
Expenditures		
Current		
Health and welfare	<u>30,089</u>	<u>31,087</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
PRE-TRIAL DIVERSION FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	2012	2011
Cash and cash equivalents	\$ 34,415	\$16,550
Due from other funds	<u>32,094</u>	<u>31,005</u>
TOTAL ASSETS	<u>\$ 66,509</u>	<u>\$47,555</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 24	\$ 24
Due to other funds	<u>2,562</u>	<u>4,402</u>
Total liabilities	2,586	4,426
 Fund balance		
Restricted	<u>63,923</u>	<u>43,129</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 66,509</u>	<u>\$47,555</u>

Willacy County, Texas
PRE-TRIAL DIVERSION FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Fees and charges	\$ 21,002	\$ 19,857
Expenditures		
Current		
Public safety	<u>208</u>	<u>66</u>
Net change in fund balance	20,794	19,791
Fund balance, beginning of year	<u>43,129</u>	<u>23,338</u>
Fund balance, end of year	<u>\$ 63,923</u>	<u>\$ 43,129</u>

Willacy County, Texas
MISCELLANEOUS GRANTS FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	2012	2011
Cash and cash equivalents	\$ 269	\$ 271
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	49,061	50,985
Other	325	75
Due from other funds	<u>39,557</u>	<u>76,566</u>
 TOTAL ASSETS	 <u>\$ 89,212</u>	 <u>\$ 127,897</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 17,854	\$ 49,162
Due to other funds	65,706	73,333
Deferred revenues	<u>5,652</u>	<u>5,402</u>
Total liabilities	89,212	127,897
 Fund balance		
Unassigned	-	-
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 89,212</u>	 <u>\$ 127,897</u>

Willacy County, Texas
MISCELLANEOUS GRANTS FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 351,836	\$ 219,235
Expenditures		
Current		
General government	103,535	49,202
Public safety	1,436	4,385
Health and welfare	246,865	113,229
Capital outlay	-	52,419
Total expenditures	<u>351,836</u>	<u>219,235</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ -	\$ -

Willacy County, Texas
CPS GRANT FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
 September 30,

ASSETS

	2012	2011
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	\$ 3,079	\$12,554
Due from other funds	1,653	9,112
Prepaid items	45	97
 TOTAL ASSETS	<u>\$ 4,777</u>	<u>\$21,763</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ 4,777	\$21,763
 Fund balance		
Nonspendable	45	97
Unassigned	(45)	(97)
Total fund balance	-	-
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 4,777</u>	<u>\$21,763</u>

Willacy County, Texas
CPS GRANT FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 11,215	\$ 11,828
Expenditures		
Current		
Health and welfare	<u>11,215</u>	<u>11,828</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
DISTRICT ATTORNEY BORDER PROSECUTOR FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	\$ 12,275	\$ 43,801
Due from other funds	2,583	6,285
Prepaid items	<u>96</u>	<u>610</u>
 TOTAL ASSETS	 <u>\$ 14,954</u>	 <u>\$ 50,696</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 70	\$ 67
Due to other funds	<u>14,884</u>	<u>50,629</u>
Total liabilities	14,954	50,696
 Fund balance		
Nonspendable	96	610
Unassigned	<u>(96)</u>	<u>(610)</u>
Total fund balance	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 14,954</u>	 <u>\$ 50,696</u>

Willacy County, Texas
DISTRICT ATTORNEY BORDER PROSECUTOR FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 112,622	\$ 98,296
Expenditures		
Current		
Public safety	105,828	98,296
Capital outlay	<u>6,794</u>	<u>-</u>
Total expenditures	<u>112,622</u>	<u>98,296</u>
Net change in fund balance	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas

**CJD-171605 - JUVENILE JUSTICE ALTS FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS**

September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	\$ 3,385	\$ 5,637
Due from other funds	-	4,210
 TOTAL ASSETS	 <u>\$ 3,385</u>	 <u>\$ 9,847</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ -	\$5,637
Due to other funds	<u>3,385</u>	<u>4,210</u>
Total liabilities	3,385	9,847
 Fund balance		
Unassigned	-	-
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 3,385</u>	 <u>\$ 9,847</u>

Willacy County, Texas
CJD-171605 - JUVENILE JUSTICE ALTS FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 37,748	\$ 41,377
Expenditures		
Current		
Health and welfare	<u>37,748</u>	<u>41,377</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
DISTRICT ATTORNEY STATE FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	<u>\$ 10,745</u>	<u>\$ 27,210</u>
TOTAL ASSETS	<u>\$ 10,745</u>	<u>\$ 27,210</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ 1,493	\$ 11,123
Deferred revenues	<u>9,252</u>	<u>16,087</u>
Total liabilities	10,745	27,210
Fund balance		
Unassigned	-	-
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 10,745</u>	<u>\$ 27,210</u>

Willacy County, Texas
DISTRICT ATTORNEY STATE FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 34,334	\$ 34,143
Expenditures		
Current		
Public safety	<u>34,334</u>	<u>34,143</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
HIDTA GRANT FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	\$ 13,613	\$ 24,724
Due from other funds	121	-
Prepaid items	<u>96</u>	<u>206</u>
 TOTAL ASSETS	 <u>\$ 13,830</u>	 <u>\$ 24,930</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 447	\$ -
Due to other funds	<u>13,383</u>	<u>24,930</u>
Total liabilities	13,830	24,930
 Fund balance		
Nonspendable	96	206
Unassigned	<u>(96)</u>	<u>(206)</u>
Total fund balance	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 13,830</u>	 <u>\$ 24,930</u>

Willacy County, Texas
HIDTA GRANT FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 69,886	\$ 39,496
Expenditures		
Current		
Public safety	<u>69,886</u>	<u>39,496</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
DA HIDTA FED SEIZ ACCT FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	<u>\$60,719</u>	\$ -
TOTAL ASSETS	<u>\$ 60,719</u>	\$ -

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ -	\$ -
Fund balance		
Restricted	<u>60,719</u>	- -
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 60,719</u>	\$ -

Willacy County, Texas
DA HIDTA FED SEIZ ACCT FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Fines and forfeitures	\$ 60,719	\$ -
Expenditures		
Current		
Public safety	-	-
Net change in fund balance	60,719	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ 60,719</u>	<u>\$ -</u>

Willacy County, Texas
ROAD & BRIDGE #1 FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	2012	2011
Cash and cash equivalents	\$234,514	\$227,307
Receivables (less allowances for uncollectible accounts)		
Property taxes	28,308	29,040
Other	884	558
Due from other funds	23,704	53,448
Prepaid items	408	876
 TOTAL ASSETS	 <u>\$287,818</u>	 <u>\$311,229</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 3,459	\$ 512
Due to other funds	18,085	25,688
Deferred revenues	<u>23,416</u>	<u>27,832</u>
Total liabilities	44,960	54,032
 Fund balance		
Nonspendable	408	876
Restricted	<u>242,450</u>	<u>256,321</u>
Total fund balance	<u>242,858</u>	<u>257,197</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$287,818</u>	 <u>\$311,229</u>

Willacy County, Texas
ROAD & BRIDGE #1 FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Property taxes	\$113,591	\$128,190
Licenses and permits	150,168	154,747
Interest	416	398
Miscellaneous income	<u>2,340</u>	<u>7,586</u>
Total revenues	<u>266,515</u>	<u>290,921</u>
Expenditures		
Current		
Public works	265,595	283,505
Debt service		
Principal	13,168	10,241
Interest and fees	2,091	1,050
Capital outlay	<u>-</u>	<u>74,786</u>
Total expenditures	<u>280,854</u>	<u>369,582</u>
Excess (deficiency) of revenues over (under) expenditures	(14,339)	(78,661)
Other financing sources (uses)		
Capital lease proceeds	<u>-</u>	<u>70,000</u>
Net change in fund balance	(14,339)	(8,661)
Fund balance, beginning of year	<u>257,197</u>	<u>265,858</u>
Fund balance, end of year	<u>\$242,858</u>	<u>\$257,197</u>

Willacy County, Texas
ROAD & BRIDGE #2 FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS

September 30,

ASSETS

	2012	2011
Cash and cash equivalents	\$217,532	\$171,988
Receivables (less allowances for uncollectible accounts)		
Property taxes	28,308	21,499
Other	2,331	1,529
Due from other funds	17,012	5,284
Prepaid items	408	670
 TOTAL ASSETS	 <u>\$ 265,591</u>	 <u>\$ 200,970</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 303	\$ 9,709
Due to other funds	4,914	2,951
Deferred revenues	<u>41,776</u>	<u>20,605</u>
Total liabilities	46,993	33,265
 Fund balance		
Nonspendable	408	670
Restricted	<u>218,190</u>	<u>167,035</u>
Total fund balance	<u>218,598</u>	<u>167,705</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 265,591</u>	 <u>\$ 200,970</u>

Willacy County, Texas
ROAD & BRIDGE #2 FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Property taxes	\$113,881	\$ 94,902
Licenses and permits	150,168	114,560
Interest	261	270
Miscellaneous income	<u>49</u>	<u>247</u>
Total revenues	264,359	209,979
 Expenditures		
Current		
Public works	213,466	206,003
Debt service		
Principal	-	4,861
Interest and fees	-	863
Capital outlay	<u>-</u>	<u>1,319</u>
Total expenditures	<u>213,466</u>	<u>213,046</u>
 Net change in fund balance	50,893	(3,067)
 Fund balance, beginning of year	<u>167,705</u>	<u>170,772</u>
 Fund balance, end of year	<u>\$ 218,598</u>	<u>\$ 167,705</u>

Willacy County, Texas
ROAD & BRIDGE #3 FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS

September 30,

ASSETS

	2012	2011
Cash and cash equivalents	\$133,568	\$198,037
Receivables (less allowances for uncollectible accounts)		
Property taxes	28,308	29,668
Other	3,561	3,275
Due from other funds	23,871	62,178
Prepaid items	408	2,452
 TOTAL ASSETS	 <u>\$ 189,716</u>	 <u>\$ 295,610</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ -	\$ 234
Due to other funds	39,871	9,919
Deferred revenues	21,886	28,434
Total liabilities	61,757	38,587
 Fund balance		
Nonspendable	408	2,452
Restricted	127,551	254,571
Total fund balance	<u>127,959</u>	<u>257,023</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 189,716</u>	 <u>\$ 295,610</u>

Willacy County, Texas
ROAD & BRIDGE #3 FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Property taxes	\$113,567	\$130,964
Licenses and permits	150,168	158,095
Interest	335	424
Miscellaneous income	<u>9,000</u>	<u>15,410</u>
Total revenues	273,070	304,893
 Expenditures		
Current		
Public works	290,746	303,169
Debt service		
Principal	64,809	62,552
Interest and fees	7,250	9,507
Capital outlay	<u>39,329</u>	-
Total expenditures	<u>402,134</u>	<u>375,228</u>
 Net change in fund balance	(129,064)	(70,335)
 Fund balance, beginning of year	<u>257,023</u>	<u>327,358</u>
 Fund balance, end of year	<u>\$ 127,959</u>	<u>\$ 257,023</u>

Willacy County, Texas
ROAD & BRIDGE #4 FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS

September 30,

ASSETS

	2012	2011
Cash and cash equivalents	\$261,685	\$284,513
Receivables (less allowances for uncollectible accounts)		
Property taxes	28,308	30,043
Other	5,135	4,873
Due from other funds	990	4,441
Prepaid items	<u>312</u>	<u>670</u>
 TOTAL ASSETS	 <u>\$296,430</u>	 <u>\$324,540</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 82	\$ 962
Due to other funds	31,234	15,063
Deferred revenues	<u>20,974</u>	<u>28,794</u>
Total liabilities	<u>52,290</u>	<u>44,819</u>
 Fund balance		
Nonspendable	312	670
Restricted	<u>243,828</u>	<u>279,051</u>
Total fund balance	<u>244,140</u>	<u>279,721</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$296,430</u>	 <u>\$324,540</u>

Willacy County, Texas
ROAD & BRIDGE #4 FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Property taxes	\$113,552	\$132,619
Licenses and permits	150,168	160,095
Interest	431	445
Miscellaneous income	<u>1,432</u>	<u>39</u>
Total revenues	265,583	293,198
Expenditures		
Current		
Public works	287,870	228,607
Debt service		
Principal	12,428	11,990
Interest and fees	<u>866</u>	<u>1,305</u>
Total expenditures	<u>301,164</u>	<u>241,902</u>
Net change in fund balance	(35,581)	51,296
Fund balance, beginning of year	<u>279,721</u>	<u>228,425</u>
Fund balance, end of year	<u>\$ 244,140</u>	<u>\$ 279,721</u>

Willacy County, Texas
TJPC A FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Receivables (less allowances for uncollectible accounts)		
Other	\$ 175	\$ -
Due from other funds	<u>31,105</u>	<u>33,829</u>
 TOTAL ASSETS	 <u>\$ 31,280</u>	 <u>\$ 33,829</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 2,203	\$ 1,137
Due to other funds	10,910	11,627
Deferred revenues	<u>18,167</u>	<u>21,065</u>
Total liabilities	31,280	33,829
 Fund balance		
Unassigned	-	-
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 31,280</u>	 <u>\$ 33,829</u>

Willacy County, Texas
TJPC A FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
 For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 244,127	\$ 73,985
Expenditures		
Current		
Health and welfare	244,127	73,985
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
TJPC Y FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	<u>\$ -</u>	<u>\$ 6,550</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 6,550</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ -	\$ 6,550
Fund balance		
Unassigned	-	-
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 6,550</u>

Willacy County, Texas
TJPC Y FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
 For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ -	\$ 65,890
Expenditures		
Current		
Health and welfare	- _____	65,890 _____
Net change in fund balance	- _____	- _____
Fund balance, beginning of year	- _____	- _____
Fund balance, end of year	\$ - _____	\$ - _____

Willacy County, Texas
TJPC G FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	<u>\$ -</u>	<u>\$ 806</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 806</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ -	\$ 806
Fund balance		
Unassigned	-	-
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 806</u>

Willacy County, Texas
TJPC G FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ -	\$ 12,500
Expenditures		
Current		
Health and welfare	- -	12,500
Net change in fund balance	- -	- -
Fund balance, beginning of year	- -	- -
Fund balance, end of year	\$ - \$ -	\$ - \$ -

Willacy County, Texas
TJPC Z FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	<u>\$ -</u>	<u>\$ 74</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 74</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ -	\$ 74
Fund balance		
Unassigned	- - -	- - -
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 74</u>

Willacy County, Texas
TJPC Z FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
 For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ -	\$ 10,090
Expenditures		
Current		
Health and welfare	-	10,090
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
TJPC F FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	<u>\$ -</u>	<u>\$ 395</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 395</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to other funds	\$ -	\$ 395
Fund balance		
Unassigned	-	-
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 395</u>

Willacy County, Texas
TJPC F FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ -	<u>\$ 44,039</u>
Expenditures		
Current		
Health and welfare	- _____	<u>44,039</u>
Net change in fund balance	- _____	- _____
Fund balance, beginning of year	- _____	- _____
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
TJPC E FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	2012	2011
Cash and cash equivalents	\$157,187	\$162,947
Due from other funds	<u>2,886</u>	<u>4,765</u>
TOTAL ASSETS	<u>\$160,073</u>	<u>\$167,712</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ -	\$ 85
Due to other funds	61,707	58,398
Deferred revenues	<u>11</u>	<u>11</u>
Total liabilities	61,718	58,494
Fund balance		
Restricted	<u>98,355</u>	<u>109,218</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$160,073</u>	<u>\$167,712</u>

Willacy County, Texas
TJPC E FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ -	\$ 9,534
Interest	<u>108</u>	<u>184</u>
Total revenues	<u>108</u>	<u>9,718</u>
Expenditures		
Current		
Health and welfare	<u>10,971</u>	<u>28,737</u>
Net change in fund balance	(10,863)	(19,019)
Fund balance, beginning of year	<u>109,218</u>	<u>128,237</u>
Fund balance, end of year	<u>\$ 98,355</u>	<u>\$ 109,218</u>

Willacy County, Texas
TJPC X FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Due from other funds	<u>\$ -</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ -	\$ -
Fund balance		
Unassigned	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
TJPC X FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ -	\$ 11,540
Expenditures		
Current		
Health and welfare	-	<u>11,540</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
NOAA GRANT #NA17022189 FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	2012	2011
Cash and cash equivalents	\$ 4,124	\$ 7,845
Receivables (less allowances for uncollectible accounts)		
Intergovernmental	213,128	142,443
Due from other	3,721	-
TOTAL ASSETS	\$ 220,973	\$ 150,288

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 2,940	\$ 6,358
Due to other funds	210,188	136,085
Deferred revenues	7,845	7,845
Total liabilities	220,973	150,288
Fund balance		
Unassigned	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 220,973	\$ 150,288

Willacy County, Texas
NOAA GRANT #NA17022189 FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Intergovernmental	\$ 211,621	\$ 41,859
Expenditures		
Current		
General government	<u>211,621</u>	<u>41,859</u>
Net change in fund balance	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Willacy County, Texas
SPACEPORT FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	<u>\$ 603</u>	<u>\$ 602</u>
TOTAL ASSETS	<u>\$ 603</u>	<u>\$ 602</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ -	\$ -
Fund balance		
Restricted	<u>603</u>	<u>602</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 603</u>	<u>\$ 602</u>

Willacy County, Texas
SPACEPORT FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Interest	\$ 1	\$ 1
Expenditures		
Current		
General government	-	-
Net change in fund balance	1	1
Fund balance, beginning of year	<u>602</u>	<u>601</u>
Fund balance, end of year	<u>\$ 603</u>	<u>\$ 602</u>

Willacy County, Texas
STATE JAIL CONSTRUCTION FUND
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	2012	2011
Cash and cash equivalents	<u>\$80,146</u>	<u>\$80,067</u>
TOTAL ASSETS	<u>\$80,146</u>	<u>\$80,067</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ -	\$ -
Fund balance		
Restricted	<u>80,146</u>	<u>80,067</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$80,146</u>	<u>\$80,067</u>

Willacy County, Texas
STATE JAIL CONSTRUCTION FUND
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Interest	\$ 79	\$ 122
Expenditures		
Current		
General government	-	-
Net change in fund balance	79	122
Fund balance, beginning of year	<u>80,067</u>	<u>79,945</u>
Fund balance, end of year	<u>\$ 80,146</u>	<u>\$ 80,067</u>

Willacy County, Texas
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
September 30,

ASSETS

	2012	2011
Cash and cash equivalents	\$659,295	\$649,077
Receivables (less allowances for uncollectible accounts)		
Property taxes	42,554	46,888
Other	384	405
Due from other funds	<u>62</u>	<u>42</u>
 TOTAL ASSETS	 <u>\$ 702,295</u>	 <u>\$ 696,412</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Deferred revenues	\$ 41,183	\$ 45,289
Fund balance		
Restricted	<u>661,112</u>	<u>651,123</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 702,295</u>	 <u>\$ 696,412</u>

Willacy County, Texas
DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Property taxes	\$ 9,847	\$ 7,890
Interest	644	981
Total revenues	<u>10,491</u>	<u>8,871</u>
Expenditures		
Current		
General government	<u>502</u>	<u>386</u>
Net change in fund balance	9,989	8,485
Fund balance, beginning of year	<u>651,123</u>	<u>642,638</u>
Fund balance, end of year	<u>\$661,112</u>	<u>\$651,123</u>

Willacy County, Texas
SELF-FUNDED INSURANCE FUND
INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
September 30,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and cash equivalents	\$ 615,844	\$ 534,409
Accounts receivable	33,642	44,614
Due from other funds	-	1,200
 TOTAL ASSETS	 <u>\$ 649,486</u>	 <u>\$ 580,223</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 4,788	\$ 14,710
Due to other funds	-	33,666
Total liabilities	4,788	48,376
 Net assets		
Unrestricted	<u>644,698</u>	<u>531,847</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 649,486</u>	 <u>\$ 580,223</u>

Willacy County, Texas
SELF-FUNDED INSURANCE FUND
INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Operating revenues		
Charges for services	\$ 170,218	\$ 235,617
Refunds	33,642	44,614
Total operating revenues	<u>203,860</u>	<u>280,231</u>
Operating expenses		
Claims payments	<u>91,575</u>	<u>66,254</u>
Operating income	112,285	213,977
Nonoperating revenues		
Interest revenue	<u>566</u>	<u>605</u>
Net income	112,851	214,582
Net assets, beginning of year	<u>531,847</u>	<u>317,265</u>
Net assets, end of year	<u>\$ 644,698</u>	<u>\$ 531,847</u>

Willacy County, Texas
SELF-FUNDED INSURANCE FUND
INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended September 30,

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Premiums received	\$ 181,190	\$ 235,617
Refunds received	33,642	-
Payments for insurance claims	<u>(101,497)</u>	<u>(66,905)</u>
Net cash provided by operations	113,335	168,712
Cash flows from non-capital financing activities		
(Increase) decrease in due from other funds	1,200	7,283
Increase (decrease) in due to other funds	<u>(33,666)</u>	<u>32,466</u>
Net cash provided (used) by noncapital financing activities	(32,466)	39,749
Cash flows from capital and related financing activities	-	-
Cash flows from investing activities		
Interest received	<u>566</u>	<u>605</u>
Net cash provided by investing activities	<u>566</u>	<u>605</u>
Net increase in cash and cash equivalents	81,435	209,066
Cash and cash equivalents, beginning of year	<u>534,409</u>	<u>325,343</u>
Cash and cash equivalents, end of year	<u>\$ 615,844</u>	<u>\$ 534,409</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 112,285	\$ 213,977
Adjustments to reconcile net income from operations to net cash from operating activities		
(Increase) decrease in accounts receivable	10,972	(44,614)
Increase (decrease) in accounts payable	<u>(9,922)</u>	<u>(651)</u>
Total adjustments	<u>1,050</u>	<u>(45,265)</u>
Net cash provided (used) by operations	<u>\$ 113,335</u>	<u>\$ 168,712</u>

Willacy County, Texas
COUNTY CLERK FEE FUND
FIDUCIARY FUNDS
COMPARATIVE STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
September 30,

	ASSETS	2012	2011
Cash and cash equivalents	\$ 276,169	\$ 182,316	
Investments	<u>40,975</u>	<u>26,910</u>	
TOTAL ASSETS	\$ 317,144	\$ 209,226	
	LIABILITIES		
Due to others	\$ 317,144	\$ 209,226	
TOTAL LIABILITIES	\$ 317,144	\$ 209,226	

Willacy County, Texas
DISTRICT CLERK TRUST FUND
FIDUCIARY FUNDS
COMPARATIVE STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
September 30,

	ASSETS	
	2012	2011
Cash and cash equivalents	\$ 72,217	\$ 130,477
Investments	487,206	465,573
Receivables	1,396	-
TOTAL ASSETS	\$ 560,819	\$ 596,050

	LIABILITIES	
	2012	2011
Due to others	\$ 560,819	\$ 596,050
TOTAL LIABILITIES	\$ 560,819	\$ 596,050

Willacy County, Texas
DISTRICT CLERK FEE FUND
FIDUCIARY FUNDS
COMPARATIVE STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
September 30,

	ASSETS	
	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	<u>\$ 1,398</u>	<u>\$ 1,396</u>
TOTAL ASSETS	<u>\$ 1,398</u>	<u>\$ 1,396</u>
LIABILITIES		
Due to others	<u>\$ 1,398</u>	<u>\$ 1,396</u>
TOTAL LIABILITIES	<u>\$ 1,398</u>	<u>\$ 1,396</u>

Willacy County, Texas
SHERIFF'S TRUST FUND
FIDUCIARY FUNDS
COMPARATIVE STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
September 30,

	ASSETS	<u>2012</u>	<u>2011</u>
Cash and cash equivalents		<u>\$ 150</u>	<u>\$ 350</u>
TOTAL ASSETS		<u>\$ 150</u>	<u>\$ 350</u>
	LIABILITIES		
Due to others		<u>\$ 150</u>	<u>\$ 350</u>
TOTAL LIABILITIES		<u>\$ 150</u>	<u>\$ 350</u>

Willacy County, Texas
JUSTICE OF THE PEACE AGENCY FUND
FIDUCIARY FUNDS
COMPARATIVE STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
September 30,

ASSETS		
	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ -	<u>\$ 39,563</u>
TOTAL ASSETS	\$ -	<u>\$ 39,563</u>
LIABILITIES		
Due to others	\$ -	<u>\$ 39,563</u>
TOTAL LIABILITIES	\$ -	<u>\$ 39,563</u>

Willacy County, Texas
TAX OFFICE AGENCY FUND
FIDUCIARY FUNDS
COMPARATIVE STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
September 30,

	ASSETS	
	2012	2011
Cash and cash equivalents	\$ 125,426	\$ 167,995
Receivables	<u>14,954</u>	<u>6,427</u>
TOTAL ASSETS	\$ 140,380	\$ 174,422
	LIABILITIES	
Due to others	\$ 140,380	\$ 174,422
TOTAL LIABILITIES	\$ 140,380	\$ 174,422

Willacy County, Texas
OTHER TAX ENTITIES FUND
FIDUCIARY FUNDS
COMPARATIVE STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
September 30,

	ASSETS	<u>2012</u>	<u>2011</u>
Receivables		<u>\$27,444</u>	<u>\$27,709</u>
TOTAL ASSETS		<u>\$27,444</u>	<u>\$27,709</u>
	LIABILITIES		
Due to others		<u>\$27,444</u>	<u>\$27,709</u>
TOTAL LIABILITIES		<u>\$27,444</u>	<u>\$27,709</u>

Willacy County, Texas
DELINQUENT TAX ATTORNEY FUND
FIDUCIARY FUNDS
COMPARATIVE STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
September 30,

	ASSETS	
	<u>2012</u>	<u>2011</u>
Receivables	<u>\$ 12,647</u>	<u>\$ 14,852</u>
TOTAL ASSETS	<u>\$ 12,647</u>	<u>\$ 14,852</u>
LIABILITIES		
Due to others	<u>\$ 12,647</u>	<u>\$ 14,852</u>
TOTAL LIABILITIES	<u>\$ 12,647</u>	<u>\$ 14,852</u>

STATISTICAL SECTION

WILLACY COUNTY, TEXAS
Government-Wide Revenues*
For the last nine fiscal years

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Government Activities - Revenues									
Charges for Services:									
General Government	\$ 349,596	\$ 311,538	\$ 289,150	\$ 343,983	\$ 551,173	\$ 575,546	\$ 574,913	\$ 505,187	\$ 453,973
Public Safety	-	476,482	587,880	1,748,593	1,708,143	1,734,431	1,757,566	1,477,417	2,680,416
Public Works	-	613,030	620,370	602,733	621,531	574,544	557,251	587,497	600,972
Health & Welfare	-	6,862	-	5,000	-	-	-	-	-
Culture & Recreation	-	602	439	833	767	600	867	814	988
Operating Grants and Contributions	645,012	804,266	452,587	371,917	1,183,211	801,721	3,154,211	1,233,593	1,518,503
Capital Grants and Contributions	477,933	562,923	721,180	198,432	245,980	634,211	700,200	687,742	3,236,469
TOTAL REVENUES	\$ 1,871,641	\$ 2,775,723	\$ 2,671,606	\$ 3,271,491	\$ 4,310,805	\$ 4,321,053	\$ 6,745,008	\$ 4,492,250	\$ 8,499,961

Government-Wide Expenses by Function*

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Government Activities - Expenses									
General Government	\$ 2,630,418	\$ 2,520,736	\$ 2,713,907	\$ 2,630,667	\$ 2,525,979	\$ 2,786,668	\$ 3,000,088	\$ 3,296,341	\$ 3,517,055
Public Safety	1,474,018	1,371,901	1,318,473	1,675,591	1,705,524	18,617,313	19,837,191	19,083,721	20,373,945
Public Works	764,677	908,783	607,297	799,457	1,051,562	1,221,405	2,029,054	2,036,124	2,033,077
Health & Welfare	190,757	416,333	413,457	543,790	1,319,465	698,917	1,208,441	1,522,156	1,823,582
Culture & Recreation	127,394	107,523	105,400	112,373	174,573	252,465	216,087	229,787	224,582
Interest on Long-term Debt	60,305	35,470	22,466	21,039	13,992	11,186	18,695	16,860	12,023
TOTAL EXPENSES	\$ 5,247,569	\$ 5,360,746	\$ 5,201,000	\$ 5,208,2917	\$ 22,140,785	\$ 23,587,954	\$ 25,735,023	\$ 26,177,919	\$ 27,986,853
General Revenues									
Taxes:									
Taxes Levied for General Purposes	\$ 2,970,468	\$ 3,334,193	\$ 3,745,076	\$ 4,195,341	\$ 4,166,692	\$ 4,573,754	\$ 4,616,594	\$ 5,185,862	\$ 4,735,200
Taxes Levied for Debt Service	150,846	549,235	126,909	107,441	39,759	13,404	8,792	-	-
Taxes Levied for Roads & Bridges	-	292,521	299,143	323,543	469,167	514,856	481,200	-	-
Project Revenues	-	-	-	14,940,803	14,804,562	16,151,564	16,953,849	15,252,597	18,069,971
Miscellaneous	-	-	-	265,273	192,681	313,010	155,494	130,336	219,361
Unrestricted Investment Income	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	-
TOTAL GENERAL REVENUES	\$ 4,216,257	\$ 4,451,821	\$ 4,540,485	\$ 5,004,669	\$ 19,841,689	\$ 12,3551	\$ 23,758,177	\$ 20,602,718	\$ 23,120,591
Total net (expense) revenue									
Net assets - beginning	\$ 840,329	\$ 1,866,808	\$ 2,011,091	\$ 2,470,043	\$ 2,011,709	\$ 2,646,787	\$ 3,768,162	\$ 1,082,951	\$ 3,624,699
Prior period adjustment	1,521,104	2,377,044	3,961,300	5,972,191	4,503,721	10,625,721	13,050,571	16,818,733	15,735,782
Net assets - ending	\$ 2,377,044	\$ 3,961,300	\$ 5,972,391	\$ 4,503,013	\$ 10,625,721	\$ 13,919,221	\$ 18,050,571	\$ 16,818,733	\$ 15,735,782

* Ninth year - coupling data for table

WILLACY COUNTY, TEXAS

Net Assets by Component*

For the last nine fiscal years

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year				
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities								
Invested in capital assets, net of related debt	\$ 1,961,213	\$ 1,643,858	\$ 2,226,269	\$ 2,235,989	\$ 2,245,070	\$ 3,027,368	\$ 3,680,958	\$ 5,028,671
Restricted	-	-	-	-	-	-	-	2,461,463
Unrestricted	415,831	2,317,442	3,746,122	2,267,024	8,380,651	10,245,140	13,137,775	8,245,648
Total governmental activities net assets	<u>\$ 2,377,044</u>	<u>\$ 3,361,300</u>	<u>\$ 5,972,391</u>	<u>\$ 4,503,013</u>	<u>\$ 10,625,721</u>	<u>\$ 13,272,508</u>	<u>\$ 16,818,733</u>	<u>\$ 15,735,782</u>
								<u>\$ 19,360,481</u>

* Ninth year compiling data for table

WILLACY COUNTY, TEXAS
LAST TEN FISCAL YEARS*

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Taxes	\$ 4,722,737	\$ 5,116,974	\$ 5,063,314	\$ 5,082,689	\$ 4,633,380	\$ 4,537,301	\$ 4,153,985	\$ 4,097,660	\$ 3,127,545	\$ 3,086,396
Charges for Services	21,055,057	16,950,476	19,022,744	18,571,219	17,056,522	16,928,616	848,704	538,907	850,814	313,671
Fines & Forfeitures	147,270	282,631	261,662	187,551	6,306	108,718	26,995	254,631	112,161	113,309
Licenses & Permits	603,693	590,403	560,039	577,916	623,347	604,591	622,140	614,996	612,490	58,940
Intergovernmental	4,754,912	1,921,337	3,854,412	1,435,931	1,429,192	562,325	1,165,187	1,367,189	1,122,045	1,588,557
Miscellaneous	348,044	168,312	155,302	362,130	361,232	447,306	374,835	275,882	370,292	262,701
TOTALS	\$ 31,631,733	\$ 25,030,133	\$ 26,917,473	\$ 26,217,436	\$ 24,109,979	\$ 23,188,877	\$ 7,192,046	\$ 7,149,265	\$ 6,225,347	\$ 6,244,474

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government	\$ 3,401,902	\$ 3,230,539	\$ 2,978,782	\$ 2,712,290	\$ 2,441,783	\$ 2,484,266	\$ 2,611,717	\$ 1,999,905	\$ 2,446,021	\$ 2,604,304
Public Safety	20,164,804	18,930,171	19,781,623	18,509,657	17,015,604	16,688,717	1,296,403	1,313,850	1,370,858	1,445,906
Public Works	1,929,606	1,866,222	1,308,457	1,098,467	930,203	688,556	658,522	714,131	694,799	1,602,128
Health & Welfare	1,811,666	1,519,414	1,217,149	691,009	1,317,271	523,136	392,627	409,077	177,407	433,591
Culture & Recreation	211,464	230,033	221,612	249,687	174,981	116,276	104,924	103,267	118,478	535,943
Debt Service - Principal	95,955	217,010	120,497	188,278	70,424	138,504	97,309	81,843	703,277	135,000
Debt Service - Interest	12,157	16,860	18,695	11,186	13,992	21,039	22,466	35,470	60,305	51,541
Capital outlay	3,465,901	1,711,738	1,436,722	1,265,942	460,935	204,027	606,669	866,940	481,093	-
TOTALS	\$ 31,093,695	\$ 27,741,267	\$ 27,083,537	\$ 24,716,216	\$ 22,252,193	\$ 20,864,921	\$ 5,780,577	\$ 5,524,483	\$ 6,032,238	\$ 6,808,713

GENERAL GOVERNMENT OTHER FINANCING SOURCES (USES)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Capital lease financing	\$ -	\$ 70,000	\$ 448,399	\$ 340,563	\$ 24,100	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance recoveries	\$ -	\$ -	\$ 543,734	\$ 340,563	\$ 24,100	\$ -	\$ -	\$ -	\$ -	\$ -
Totals	\$ -	\$ 70,000	\$ 902,133	\$ -						

OTHER CHANGES IN FUND BALANCE

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net change in fund balances	\$ 518,038	\$ (2,661,854)	\$ 2,826,069	\$ 1,841,483	\$ 1,708,896	\$ 2,334,256	\$ 1,411,469	\$ 1,624,782	\$ 173,109	\$ (56,239)

PRIV. PERIOD ADJUSTMENTS

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
	0.39%	0.91%	0.55%	0.86%	0.39%	0.78%	2.37%	2.58%	15.88%	-1.82%

* Reclassifications for comparative purposes have been implemented

WILLACY COUNTY, TEXAS
FUND BALANCES: GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Pre GASB 54										
Unreserved										
Total General Fund	\$ 4,158,816	\$ 4,158,816	\$ 3,833,043	\$ 3,833,043	\$ 2,962,387	\$ 1,573,996	\$ 834,655	\$ (26,178)	\$ (1,238,574)	\$ (1,548,053)
Post GASB 54										
Nonspendable										
Unassigned	\$ 39,521	\$ 45,540								
Total Post GASB 54	\$ 4,315,481	\$ 3,907,687	\$ 3,933,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds										
Pre GASB 54										
Reserved, debt service	\$ -	\$ -	\$ -	\$ 642,638	\$ 633,190	\$ 782,091	\$ 761,254	\$ 737,580	\$ 615,184	\$ 181,912
Reserved, prepaid items				\$ 55,245						\$ 116,779
Unreserved, designated capital projects				\$ 4,701,859	\$ 2,032,838	\$ 1,789,271	\$ 1,376,201	\$ 74,465	\$ 71,893	\$ 70,488
Unreserved, reported in:										
Special revenue fund										
Capital projects funds										
Total all pre GASB 54	\$ -	\$ -	\$ -	\$ 7,537,189	\$ 5,258,832	\$ 4,388,005	\$ 3,726,629	\$ 1,992,350	\$ 1,676,713	\$ 962,006
Post GASB 54										
Nonspendable	\$ 2,240	\$ 6,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	\$ 3,089,541	\$ 2,461,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	\$ 2,125,868	\$ 2,902,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	\$ (562)	\$ (269,202)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total post GASB 54	\$ 5,217,187	\$ 5,100,924	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Reserved, WC PFC Operations was not accounted for the following years (2003-2006)

WILLACY COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

FISCAL YEAR ENDING	(1)TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENTAGE OF CURRENT TAXES COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENTAGE OF TOTAL TAX COLLECTIONS TO TOTAL TAX LEVY	PERCENTAGE OF DELINQUENT TAXES TO TOTAL TAX LEVY	
							\$	
2012	\$ 4,556,845	\$ 4,244,869	93.15%	\$ 268,468	\$ 4,513,337	99.05%	\$ 1,139,169	25.00%
2011	\$ 5,089,015	\$ 4,741,713	93.18%	\$ 232,843	\$ 4,974,556	97.75%	\$ 1,440,609	28.31%
2010	\$ 5,012,917	\$ 4,679,384	93.35%	\$ 209,912	\$ 4,889,296	97.53%	\$ 1,242,873	24.79%
2009	\$ 4,955,236	\$ 4,730,167	95.46%	\$ 208,732	\$ 4,938,899	99.67%	\$ 1,356,836	27.38%
2008	\$ 4,557,684	\$ 4,279,752	93.90%	\$ 192,887	\$ 4,472,638	98.13%	\$ 1,311,977	28.79%
2007	\$ 4,495,608	\$ 4,219,337	93.85%	\$ 185,778	\$ 4,405,115	97.99%	\$ 1,245,032	27.69%
2006	\$ 4,149,792	\$ 3,803,896	91.66%	\$ 206,189	\$ 4,010,085	96.63%	\$ 1,198,003	28.87%
2005	\$ 4,077,219	\$ 3,763,398	92.30%	\$ 195,157	\$ 3,958,555	97.09%	\$ 1,143,258	28.04%
2004	\$ 3,173,350	\$ 2,902,560	91.47%	\$ 195,923	\$ 3,098,483	97.64%	\$ 1,091,949	34.41%
2003	\$ 3,052,525	\$ 2,811,342	92.10%	\$ 166,286	\$ 2,977,628	97.55%	\$ 1,044,584	34.22%

(1) Total Levy includes Willacy County and Road & Bridge as per certification.

WILLACY COUNTY, TEXAS
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

FISCAL YEAR	*REAL PROPERTY		*PERSONAL PROPERTY		TOTAL		TOTAL ACTUAL DIRECT TAX RATE
	ASSESSED VALUE	ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
2003	\$ 305,182,795	\$ 544,363,414	\$ 205,477,756	\$ 205,611,294	\$ 510,660,551	\$ 749,974,708	0.597760
2004	309,831,545	552,217,364	160,712,665	160,851,498	470,544,210	713,068,862	0.674400
2005	313,052,896	556,579,124	220,126,026	220,259,560	533,178,922	776,838,684	0.764700
2006	335,570,509	585,580,063	268,474,885	268,613,622	604,045,394	854,193,685	0.687000
2007	351,196,286	626,548,190	327,898,557	328,021,387	679,094,843	954,569,577	0.662000
2008	358,618,352	690,143,189	303,066,363	303,189,831	661,684,715	993,333,020	0.688800
2009	371,965,835	710,519,983	423,672,565	423,762,767	795,638,400	1,134,282,750	0.622800
2010	380,331,453	734,138,721	347,443,423	347,548,568	727,774,876	1,081,687,289	0.688800
2011	397,631,635	887,186,800	346,287,635	346,391,305	743,919,270	1,233,578,105	0.683680
2012	402,671,870	914,607,315	273,862,560	273,992,753	676,534,430	1,188,600,068	0.673680

*Information was obtain from the Willacy County Tax Assessor-Collector.

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

TAX ROLL YEAR	(1) POPULATION	ASSESSED VALUE	GROSS BONDED DEBT	LESS DEBT SERVICE FUND	NET BONDED DEBT	BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA (\$)
2003	20,500	\$ 510,660,551	\$ 530,000	\$ 116,779	\$ 413,221	0.08%	20.16
2004	20,500	470,544,210	105,000	181,912	-76,912	-0.02%	-3.75
2005	20,500	533,178,922	105,000	615,184	-510,184	-0.10%	-24.89
2006	20,500	604,045,394	105,000	737,580	-632,580	-0.10%	-30.86
2007	20,500	679,094,843	105,000	761,254	-656,254	-0.10%	-32.01
2008	20,500	661,684,715	105,000	782,091	-677,091	-0.10%	-33.03
2009	20,500	795,638,400	-	633,390	-633,390	-0.08%	-30.90
2010	20,500	727,774,876	-	642,638	-642,638	-0.09%	-31.35
2011	22,095	743,919,270	-	651,123	-651,123	-0.09%	-29.47
2012	22,058	676,534,430	-	661,112	-661,112	-0.10%	-29.97

(1) Last official Federal census

WILLACY COUNTY, TEXAS
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (I)
 LAST TEN FISCAL YEARS

NAMES OF GOVERNMENTAL UNITS	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Willacy County	0.60844	0.61844	0.62316	0.55920	0.61880	0.60200	0.63440	0.71210	0.62180	0.54518
Willacy County Hospital District	0.03831	0.03456	0.03472	0.03118	0.03678	0.03529	0.03627	0.04000	0.04000	0.04000
Willacy County Navigation District	0.07729	0.06678	0.66437	0.59575	0.07000	0.07000	0.07000	0.07000	0.07000	0.07400
Road and Bridge	0.06524	0.06524	0.06564	0.06360	0.07000	0.06000	0.05260	0.05260	0.05260	0.05258
City of Lyford	1.13700	1.37000	1.13700	1.09630	1.11920	1.10030	1.11730	0.94000	0.87600	0.80750
City of Raymondville	0.65996	0.76615	0.72190	0.69140	0.69140	0.67690	0.65260	0.67610	0.69720	0.70600
City of San Perlita	0.56327	0.56327	0.56327	0.52189	0.51894	0.48861	0.48861	0.48550	0.48550	0.49890
Lasara ISD	1.42000	1.39000	1.39000	1.38000	1.27000	1.58000	1.63000	1.63000	1.59000	1.57000
Lyford CISD	1.33000	1.33000	1.20000	1.20000	1.27000	1.45000	1.58000	1.58000	1.58000	1.58000
Raymondville ISD	1.31990	1.32079	1.35837	1.28920	1.20000	1.35990	1.54200	1.54000	1.54200	1.54200
San Perlita ISD	1.32000	1.29000	1.34000	1.30000	1.26003	1.44143	1.57143	1.57143	1.57143	1.52943
South Texas ISD	0.04920	0.04920	0.04920	0.04920	0.04920	0.03920	0.03920	0.03920	0.03920	0.03920
Drainage District #1	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.24726	0.24690
Drainage District #2	0.06937	0.06535	0.06311	0.06128	0.06128	0.05775	0.05678	0.05778	0.05918	0.05768
Delta Lake Irrigation District	0.56000	0.51000	0.51000	0.48000	0.52000	0.54000	0.55000	0.55000	0.56000	0.54000
Port Mansfield	0.08710	0.08710	0.08710	0.08710	0.08710	0.08710	0.08710	0.08710	0.08710	0.08710
Willacy County Emergency Service District	0.03520	0.03169	0.03184	0.02860	0.03380	0.03240	0.03340	0.03680	0.03880	0.03880

(I) All property tax rates are per \$100 assessed valuation. Tax Rate information was obtain from the Willacy County Appraisal District.

WILLACY COUNTY, TEXAS
COMPUTATION OF LEGAL DEBT
MARGIN
SEPTEMBER 30, 2012

Actual value of real property	<u>\$ 914,607,315</u>
Debt limit - 25% of assessed value of real property (Article 3, Section 52, Constitution State of Texas)	228,651,829
Amount of debt applicable to debt limit:	
Total Bonded Debt	\$ -
Less: Unlimited Tax Bonds	-
Less: Debt Service Funds' assets	661,112
LEGAL DEBT MARGIN	<u>\$229,312,941</u>

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES

FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	TOTAL DEBT EXPENDITURES	TOTAL GENERAL EXPENDITURES	RATIO OF DEBT TO TOTAL GENERAL EXPENDITURES
2003	186,541	6,808,713	2.74%
2004	763,582	6,052,238	12.62%
2005	117,313	5,524,483	2.12%
2006	119,775	5,780,577	2.07%
2007	159,543	20,864,621	0.76%
2008	84,416	22,425,193	0.38%
2009	199,464	24,716,516	0.81%
2010	139,192	27,083,537	0.51%
2011	233,870	27,741,987	0.84%
2012	108,112	31,093,695	0.35%

(1) Includes General, Special Revenue and Debt Service Funds

WILLACY COUNTY, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

FISCAL YEAR	GOVERNMENT ACTIVITIES			TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	\$ PER CAPITA
	CERTIFICATES OF OBLIGATION	NOTES	CAPITAL LEASES			
2003	530,000	1,045,421	-	1,575,421	0.53%	79.34
2004	105,000	773,613	13,875	892,488	0.26%	44.56
2005	105,000	513,735	7,775	626,510	0.18%	30.84
2006	105,000	260,791	-	365,791	0.10%	17.95
2007	105,000	122,287	-	227,287	0.06%	11.17
2008	105,000	55,170	20,793	180,963	0.04%	8.88
2009	-	-	333,248	333,248	0.07%	16.34
2010	-	-	483,864	483,864	0.10%	23.72
2011	-	-	336,854	336,854	0.07%	15.25
2012	-	-	240,815	240,815	0.04%	10.92

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL BONDED DEBT OUTSTANDING			Percentage of Actual Taxable Value of Property	\$ Per Capita
	CERTIFICATES OF OBLIGATION	GENERAL OBLIGATION	TOTAL		
2003	530,000	-	530,000	0.00071	26.69
2004	105,000	-	105,000	0.00015	5.24
2005	105,000	-	105,000	0.00014	5.17
2006	105,000	-	105,000	0.00012	5.15
2007	105,000	-	105,000	0.00011	5.16
2008	105,000	-	105,000	0.00011	5.15
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-

WILLACY COUNTY, TEXAS
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	(1) POPULATION	(2) PER CAPITA INCOME	(1) MEDIAN AGE	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT RATE	(4) PERSONAL INCOME
2003	19,857	15,025	28.6	4,750	11.9%	297,771,000
2004	20,030	17,167	28.9	4,599	11.4%	340,677,000
2005	20,316	17,187	28.9	4,714	9.4%	343,891,000
2006	20,378	18,328	30.1	4,617	9.1%	371,830,000
2007	20,347	18,714	30.6	4,474	8.2%	382,095,000
2008	20,382	20,765	31.1	4,497	9.1%	424,379,000
2009	20,395	23,087	31.4	4,484	12.3%	470,566,000
2010	20,395	23,584	29.8	4,503	12.9%	480,987,000
2011	22,095	23,584	32.1	4,549	12.7%	480,987,000
2012	22,058	22,236	30.0	4,500	14.6%	584,680,000

- (1) U.S. Census Bureau, Population Estimates
 (2) U.S. Department of Commerce - Bureau of Economic Analysis
 (3) Texas Education Agency
 (4) www.tracer2.com/cgi/databrowsing/localAreaProfile

CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUE
LAST TEN FISCAL YEARS

FISCAL YEAR	(5) VALUE OF CONSTRUCTION	(6) BANK DEPOSITS IN (\$000)	(7) TAXABLE PROPERTY VALUE
2003	1,545,456	86,676	510,660,551
2004	504,415	83,357	470,544,210
2005	5,056,854	93,165	533,178,922
2006	10,606,601	99,503	604,045,394
2007	24,623,608	101,684	679,094,843
2008	8,241,618	109,611	661,684,715
2009	9,284,275	76,590	795,638,400
2010	10,054,465	68,354	727,774,876
2011	5,483,689	75,046	743,919,270
2012	5,483,689	72,264	676,534,430

(5) Information provided by the Willacy County Appraisal District. Construction values include mineral values, net taxable.

(6) Information was obtain from <http://www.fdic.gov> as of June 30 of the fiscal year.

(7) Net Taxable Value after deducting for productivity loss, homestead cap, and total exemptions. Information provided by Willacy County Appraisal District.

WILLACY COUNTY, TEXAS
 Full-time Equivalent County Government Employees by Function
 Last Ten Years

Category	FY 11-12	FY 10-11	FY 09-10	FY 08-09	FY 07-08	FY 06-07	FY 05-06	FY 04-05	FY 03-04	FY 02-03
COUNTY GOVERNMENT	149.00	135.50	129.00	136.00	142.00	148.00	162.00	148.00	152.00	149.00
General Government	60.50	58.00	52.50	67.00	85.00	63.00	80.00	66.00	79.00	79.00
General administration	38.50	38.50	35.50	49.00	67.00	44.00	63.00	50.00	63.00	62.00
Financial Administration	7.00	7.00	5.00	7.00	6.00	7.00	5.00	5.00	5.00	5.00
Tax Administration	6.00	5.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00
Facilities Management	7.00	5.50	4.00	3.00	3.00	3.00	3.00	2.00	2.00	3.00
Election Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Justice System	21.00	19.00	17.00	14.00	15.00	15.00	15.00	15.00	15.00	15.00
Criminal Justice	8.00	7.00	6.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Civil Justice	8.00	7.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Juvenile Services	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Public Safety	49.00	42.00	44.00	39.00	25.00	54.00	53.00	53.00	43.00	34.00
Law Enforcement	49.00	42.00	44.00	39.00	25.00	54.00	53.00	53.00	43.00	34.00
Infrastructure & Environmental Services	18.50	16.50	15.50	16.00	17.00	16.00	14.00	14.00	15.00	21.00
Roads & Bridges	18.50	14.50	12.00	14.00	14.00	13.00	11.00	11.00	12.00	18.00
Sanitation	0.00	2.00	3.50	2.00	3.00	3.00	3.00	3.00	3.00	3.00

* The County Clerk's Department was split into two parts for FY 2000 and thereon.

The County Clerk's Department has a component of judicial function and general government function relating to its record keeping and vital statistics duties.

Willacy County, Texas
PRINCIPAL TAXPAYERS
Fiscal Year 2012

Name	Type of Property	Assessed Value	Percentage of Total Assessed Valuation
WAGNER OIL COMPANY	Mineral	\$54,716,120	8.088%
PINNELL TRUST	Farming/Agricultural	42,324,663	6.256%
CITATION 2002 INVESTMENT LTD	Mineral	39,783,090	5.880%
EXXON MOBIL CORPORATION	Mineral	17,642,300	2.608%
SUEMAUR EXPLORATION & PRODUCTION	Mineral	12,430,350	1.837%
STONE BROTHERS		12,101,792	1.789%
AEP TEXAS CENTRAL COMPANY	Utilities	11,600,700	1.715%
WAL-MART STORES TEXAS LLP #883	Real	10,062,503	1.487%
UNION PACIFIC RR CO	Transportation	9,066,426	1.340%
VALLEY TELEPHONE COOP	Utilities	6,944,305	1.026%
WILLACY CO-OP		6,574,338	0.972%
MAGIC VALLEY ELEC COOP	Utilities	5,419,400	0.801%
APACHE CORPORATION	Mineral	5,290,140	0.782%
CIMAREX ENERGY CO OF COLORADO	Utilities	4,500,490	0.665%
CONOCOPHILLIPS COMPANY	Mineral	<u>3,265,600</u>	<u>0.483%</u>
		<u>\$ 241,722,217</u>	<u>35.729%</u>

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COMPLIANCE SECTION

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**INDEPENDENT AUDITORS' 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***

The Honorable County Judge and
Commissioners' Court
Willacy County, Texas

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Willacy County, Texas as of and for the year ended September 30, 2012, which collectively comprise Willacy County, Texas' basic financial statements and have issued our report thereon dated June 24, 2013 . We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Willacy County, Texas is responsible for maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Willacy County, Texas' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Willacy County, Texas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Willacy County, Texas' internal control over financial reporting.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies 12-1 and 12-2 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency 12-3 described in the accompany schedule of findings and questioned costs to be a significant deficiency.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Willacy County, Texas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 12-3.

We noted certain other matters that we reported to management of Willacy County, Texas in a separate letter dated June 24, 2013.

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

This report is intended solely for the information and use of management, the 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.



LONG CHILTON, LLP
Certified Public Accountants

Harlingen, Texas
June 24, 2013

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**INDEPENDENT AUDITORS' 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**

The Honorable County Judge and
Commissioners' Court
Willacy County, Texas

We have audited Willacy County Texas' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Willacy County Texas' major federal programs for the year ended September 30, 2012. Willacy County Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Willacy County Texas' management. Our responsibility is to express an opinion on Willacy County Texas' compliance based on our audit.

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

In our opinion, Willacy County Texas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 12-4.

Internal Control Over Compliance

Management of Willacy 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 Willacy County Texas' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Willacy County Texas' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 12-4. 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.

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

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of the Willacy County, Texas' major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on the Willacy County, Texas' compliance but not to provide an opinion on the effectiveness of the Willacy County, Texas' internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Willacy County, Texas' compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.



LONG CHILTON, LLP
Certified Public Accountants

Harlingen, Texas
June 24, 2013

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Willacy County, Texas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2012

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
* Material weakness(es) identified?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
* Significant deficiencies identified that are not considered to be material weaknesses?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal control over major programs:		
* Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
* Significant deficiencies identified that are not considered to be material weakness(es)?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Type of auditors' report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Willacy County, Texas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
Year Ended September 30, 2012

Section I - Summary of Auditors' Results - Continued

Identification of major programs:

Federal

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
14.228	Department of Housing and Urban Development – Disaster Recovery
Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

Willacy County, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

September 30, 2012

Section II – Findings Relating to the Financial Statement Audit as Required to Be Reported in Accordance with Generally Accepted Government Auditing Standards

<u>PROGRAM</u>	<u>DESCRIPTION</u>
Reference Number 12-1	District Clerk Accounting Records
Criteria:	Accurate accounting records are necessary to keep track of money held by the District Clerk on behalf of other individuals.
Condition Found:	The accounting records at the District Clerk's office associated with funds held in trust for others were incomplete. There were several thousand dollars that could not be attributed to their rightful owner. The controls appeared to be weak as to how this money was required to be maintained, invested and disbursed. There appeared to be no mechanism for identifying and disbursing funds to newly eligible individuals.
Context:	The District Clerk maintains over \$400,000 dollars on behalf of minor children.
Effect:	Individuals eligible to receive funds may not be identified and given the money that is due to them. Funds are not being invested prudently.
Cause:	Accounting records are incomplete. No research is being performed to find and correct errors in a timely fashion.
Questioned Cost:	N/A
Recommendation:	We recommend that a research endeavor take place to identify all individuals that the County owes money to. We further recommend that the District Clerk's office implement new accounting controls to ensure these problems do not happen in the future.

Willacy County, Texas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
September 30, 2012

**Section II – Findings Relating to the Financial Statement Audit as Required to Be
Reported in Accordance with Generally Accepted Government Auditing Standards**

<u>PROGRAM</u>	<u>DESCRIPTION</u>
Reference Number 12-2	Component Unit Oversight
Criteria:	The component units of the County should be monitored by County personnel. Supporting documentation for component unit transactions should be properly maintained and all component unit transactions should be properly recorded.
Condition Found:	Supporting documentation for LGC transactions could not be located by personnel and important information was not transmitted to the consultant who maintains the accounting records. The consultant is only recording transactions based on the items that clear the bank statement. Transactions are not reconciled to supporting documentation by County or Corporation personnel. Also, the minutes for the corporations were not kept concurrently with the board meetings and were not available for review.
Context:	Accounting records for the County are being managed solely by a consultant who is not being provided the appropriate information to maintain complete accounting records. Board minutes cannot be located.
Effect:	Accounting records are incomplete and supporting documentation is not available for transactions that are recorded. Board minutes are not available for review.
Cause:	There is a lack of oversight by the County of the component units. Supporting documentation is not being properly maintained for transactions or being provided to the consultant.
Questioned Cost:	N/A
Recommendation:	We recommend that someone at the County or a representative of the Corporations take responsibility for oversight of the component units. Reconciliations should be done in a timely manner and all discrepancies should be investigated.

Willacy County, Texas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
September 30, 2012

**Section II – Findings Relating to the Financial Statement Audit as Required to Be
Reported in Accordance with Generally Accepted Government Auditing Standards**

<u>PROGRAM</u>	<u>DESCRIPTION</u>
Reference Number 12-3	Proper Bidding Procedures
Criteria:	State statutes require the County to go out for competitive bids for expenditures in any category that are greater than \$50,000.
Condition Found:	We noted instances where the County either did not bid out purchases or did not retain supporting documents to substantiate compliance with the Competitive Procurement Process.
Context:	Population of expenditures over \$50,000.
Effect:	The County will be non-compliant with State statutes when it does not go out for bids when expenditures from any one vendor are greater than \$50,000.
Cause:	Improper purchasing procedures regarding transactions greater than \$50,000.
Questioned Cost:	N/A
Recommendation:	We recommend that the County review their purchasing procedures and ensure that all items be bid out that are required to be by State statutes.

Willacy County, Texas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
September 30, 2012

Section III – Federal Award Findings

<u>PROGRAM</u>	<u>DESCRIPTION</u>
Reference Number 12-4	Cash Management
CFDA 14.228	
Disaster Recovery	
Criteria:	The County is required to minimize the time elapsing between drawdown of federal funds and disbursement of those monies.
Condition Found:	The County failed to issue the corresponding disbursements within three days of receiving the funds.
Context:	Four instances out of a population of twelve payments noted were more than three days after receipt of federal funds.
Effect:	The County is not in compliance with federal grant provisions requiring prudent cash management and disbursement of federal funds within three days of drawdown.
Questioned Cost:	N/A
Cause:	Improper monitoring of grant provisions regarding cash management.
Recommendation:	We recommend the County reemphasize the importance of complying with grant provisions regarding cash management, and reevaluate its monitoring procedures to ensure compliance.

Willacy County, Texas

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
CORRECTIVE ACTION PLAN**
September 30, 2012

PROGRAM

CORRECTIVE ACTION PLAN

Schedule Reference Number: (12-1)

Corrective Action Plan:

District Clerk Accounting Records

Management will review the accounting procedures at the District Clerk's office and ensure that funds held on behalf of others will be properly recorded and invested.

Schedule Reference Number: (12-2)

Corrective Action Plan:

Component Unit Oversight

The County will work to ensure that more oversight is placed over the component units and supporting documentation for transactions is properly maintained and available.

Schedule Reference Number: (12-3)

Corrective Action Plan:

Proper Bidding Procedures

The County will review their purchasing procedures to ensure that all items be bid out that are required to be by State statutes.

Schedule Reference Number: (12-4)

Corrective Action Plan:

Cash Management

The County will ensure that disbursements are disbursed within the required timelines.

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Willacy County, Texas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEAR FINDINGS
Fiscal Year Ended September 30, 2012

Reference Number: 11-1, District Clerk Accounting Records

Finding: Accurate accounting records at the District Clerk's office were not maintained.

Current Status: Finding unresolved. See current year finding 12-1.

Reference Number: 11-2, Cash Collection Procedures

Finding: Weak controls over cash collection procedures throughout the County.

Current Status: No issues noted during the year.

Reference Number: 11-3, Collateralization of Deposits

Finding: The County was under-collateralized for three months during the fiscal year.

Current Status: County funds were not under-collateralized during the audit year.

Willacy County, Texas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2012

(01) Federal Grantor/ Pass/Through Grantor/ Program Title	(02) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(03) Expenditures
FEDERAL FINANCIAL ASSISTANCE			
<u>U. S. Department of Homeland Security</u>			
Homeland Security Grant Program	97.074	2008-GE-T6-0068	\$ 282,229
<u>U. S. Department of Justice</u>			
Passed through the Office of the Governor Criminal Justice Division:			
CJD Juvenile Services	16.540	JA-07-J20-17169-08	37,748
Operation Border Star	16.738	1991801	34,977
Passed through the LRGVDC and the Governors' Criminal Justice Division			
Bureau of Justice	16.803		1,331
Domestic Violence	16.588	210652	44,828
Texas Border Sheriff Coalition	16.753	2009-DA-BX-0141	20,507
Victims of Crime	16.575	2106402	30,089
Total U. S. Department of Justice			169,480
<u>U. S. Department of Interior</u>			
Coastal Impact Assistance Program	15.426		211,621
<u>U. S. Department of Housing and Urban Development</u>			
Passed through the Texas Department of Housing and Community Affairs			
Community Development Block Grant	14.228		246,865
Passed through the Texas General Land Office			
Community Development Block Grant	14.228	DRS010204	1,547,711
Passed through the Texas Department of Agriculture			
Community Development Block Grant	14.228	710741	313,489
Passed through the Texas Department of Housing and Community Affairs			
Home Investment Partnership Program	14.239	1001231	194,694
Total U. S. Department of Housing and Urban Development			2,302,759
<u>U. S. Department of Health and Human Services</u>			
Passed through the Texas Department of Human Health and Services Commission			
Foster Care - Title IV-E	93.658		11,215
TX AG Grant	93.667		105
Child Support Enforcement	93.563		40,487
Total U. S. Department of Health and Human Services			51,807

Willacy County, Texas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
For the Year Ended September 30, 2012

(01) Federal Grantor/ Pass/Through Grantor/ Program Title	(02) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(03) Expenditures
<u>U.S. Department of Energy</u>			
Energy Efficiency and Conservation Block Grant Program	81.128		73,591
<u>Executive Office of the President</u>			
High Intensity Drug Trafficking Areas Program	95.001	G10SS0003A	69,886
Total Federal Awards			<u>\$ 3,161,373</u>

Willacy County, Texas
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
For the Year Ended September 30, 2012

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Willacy County, Texas, for the year ended September 30, 2012. The reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Financial accountability exists if a primary government appoints a voting majority of an organization's governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations with a separately elected governing Board, a governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the primary government.

In accordance with Governmental Accounting Standards Board requirements, the County has reviewed other entities and activities for possible inclusion in the reporting entity and determined that there are none; however, federal financial assistance passed through other governmental agencies is included on the schedule.

2. Measurement Focus and Basis of Accounting

The federal grant funds were accounted for in the Governmental Funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. With the Governmental Fund type measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.