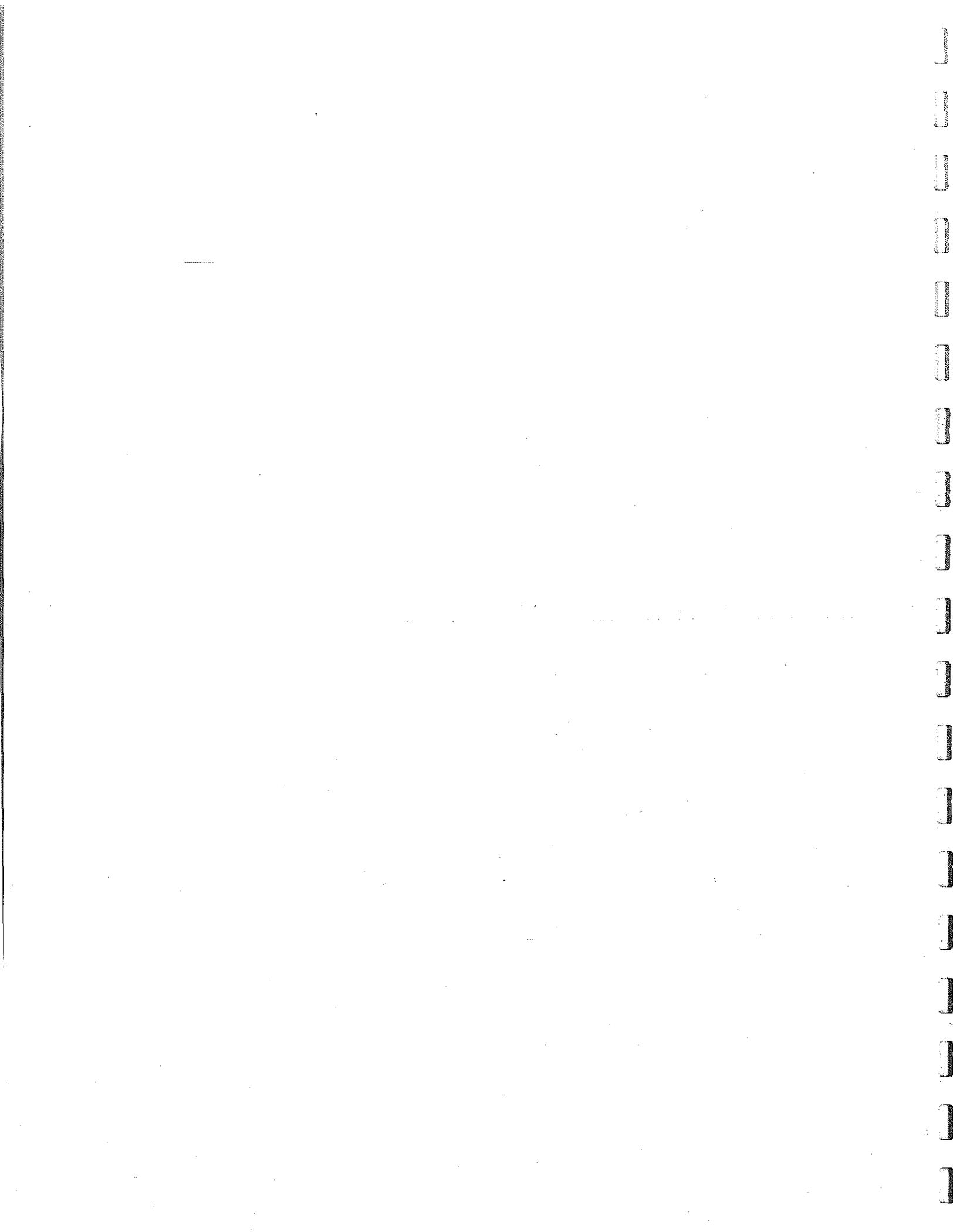


**STARR COUNTY, TEXAS**

**Annual Financial Report**

**For the Year Ended  
September 30, 2015**



STARR COUNTY, TEXAS  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

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**FINANCIAL SECTION**

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**PATTILLO, BROWN & HILL, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT**

To the Honorable County Judge  
and County Commissioners  
Starr County, Texas

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Starr County, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise of Starr County, Texas' basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

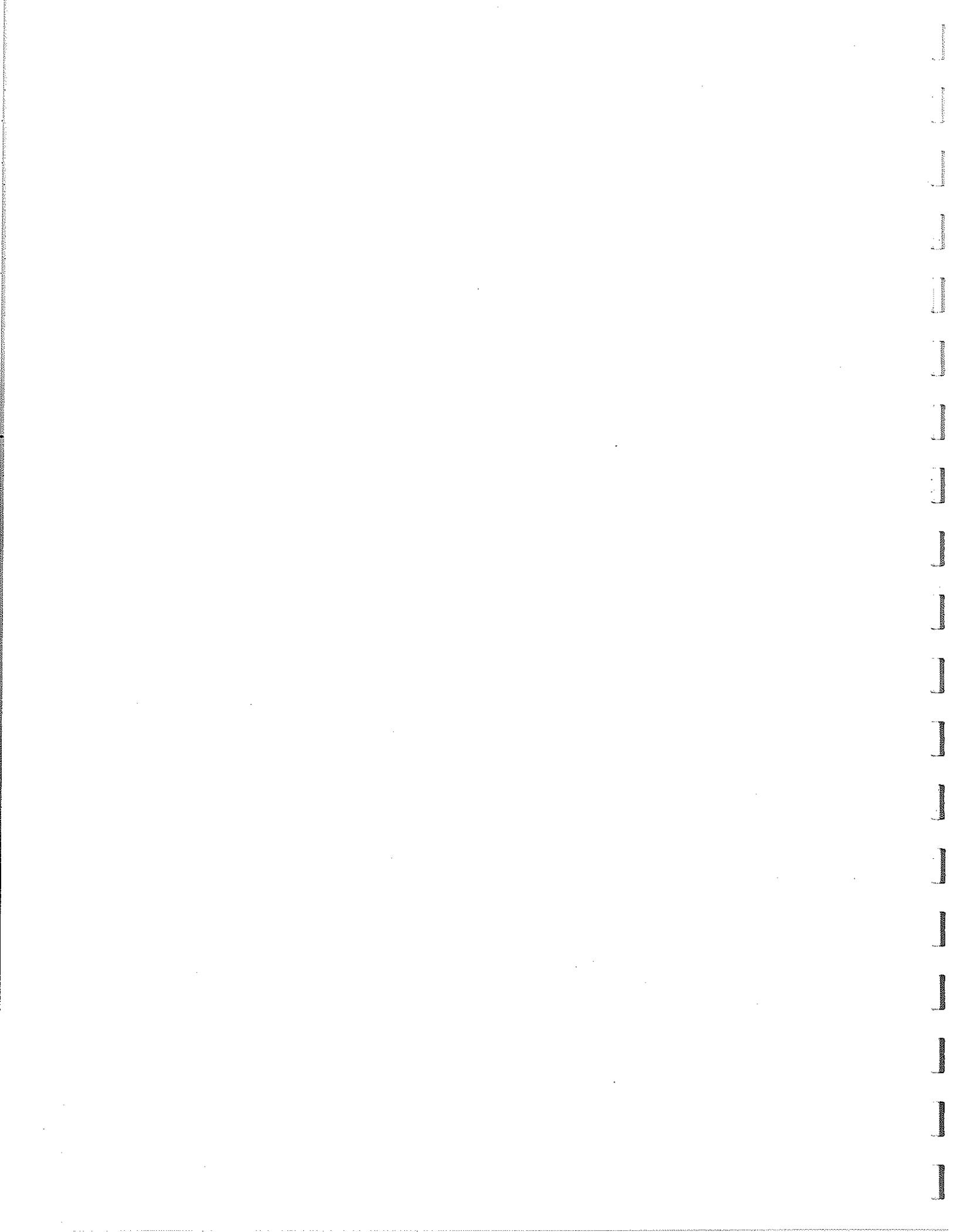
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Governmental Audit  
Quality Center



## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Starr County, Texas, as of September 30, 2015, 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.

## *Other Matters*

### *Required Supplementary Information*

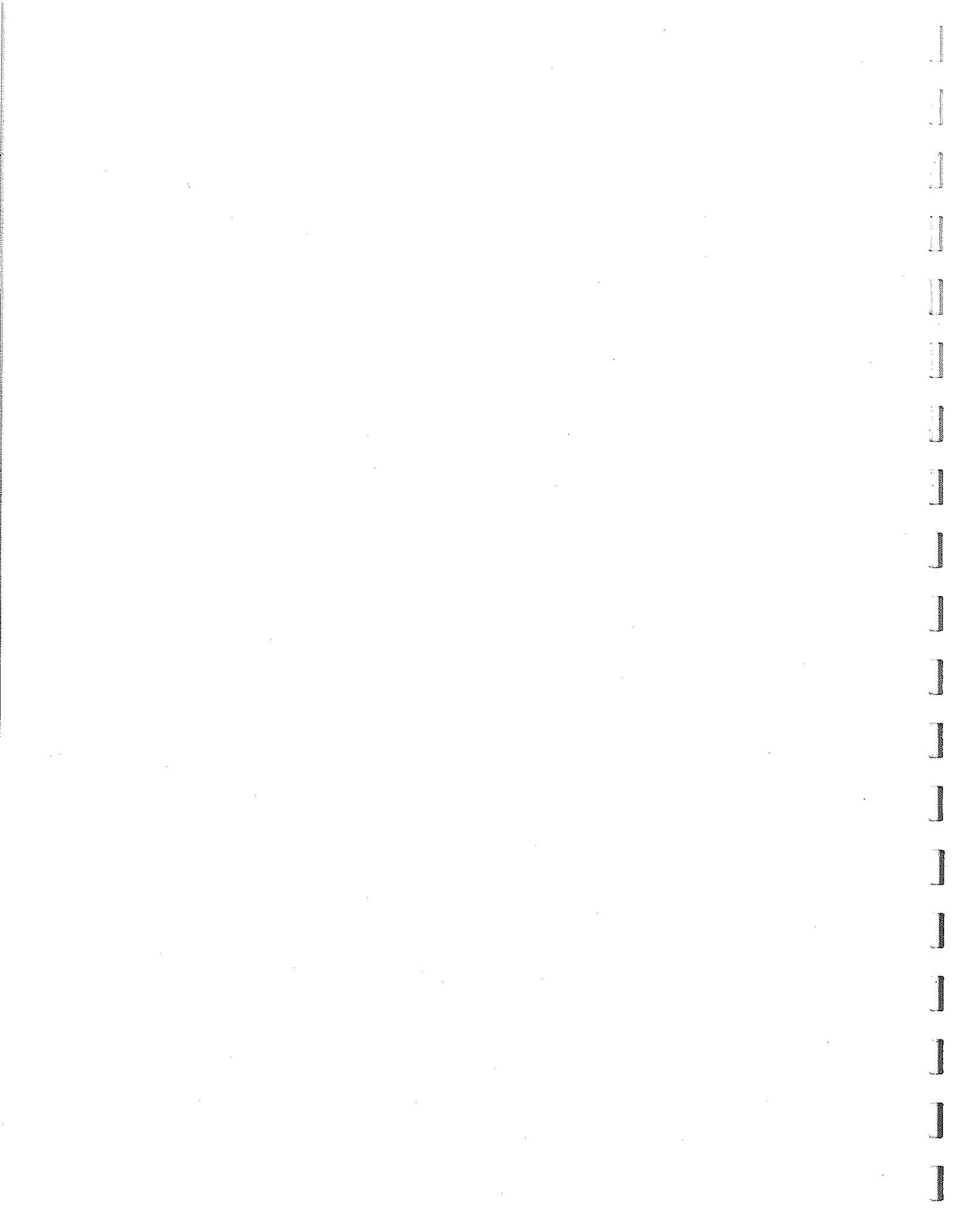
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and 39 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Starr County, Texas' financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, Non-Profit Organizations*, and the *State of Texas Single Audit Circular*, and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal and state 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. Such information has 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.



**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2016, on our consideration of Starr County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Starr County, Texas' internal control over financial reporting and compliance.

*Patullo, Brown & Hill, C.P.A.*

Brownsville, Texas  
June 27, 2016

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Starr County (County) annual financial report presents our discussion and analysis as an overview of the County's financial performance during the fiscal year ended September 30, 2015. Please read it in conjunction with the County's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The County's assets and deferred outflow of resources exceed its liabilities by \$89,008,079 (net position). Total assets and deferred outflow of resources were \$98,533,360 and total liabilities were \$9,525,281.
- The County's change in net position increased by \$1,998,276 from current operations. This increase is primarily related to the increase in program revenues. As a result of adopting new accounting guidance for pensions, Governmental Accounting Standards (GASB) Statement No. 68, the County's beginning net position decreased by \$2,161,113.
- The general fund reported a fund balance this year of \$4,530,000 of which \$3,936,106 is unassigned, an increase in the unassigned fund balance of \$2,785,491 from the prior year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates like businesses, such as the gas operating system, the international bridge, and the transfer station.
- *Fiduciary fund* statements provide information about the financial relationships in which the County's acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Figure A-1 summarizes the major features of the County's financial statements, including the portion of the County's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Figure A-1. Major Features of the County's Government-wide and Fund Financial Statements**

<i>Type of Statements</i>	<b>Government-wide</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<i>Scope</i>	Entire County government (except fiduciary funds)	The activities of the county that are not proprietary or fiduciary	Activities the county operates similar to private businesses: International Bridge, Gas System, & Transfer Station	Instances in which the County is the trustee or agent for someone else's resources
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures &amp; changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net positions</li> <li>• Statement of revenues, expenses and changes in fund net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net positions</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the County's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**Government-wide Statements**

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net position and how they have changed. Net position—the difference between the County's assets and liabilities—is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional non-financial factors such as changes in the County's tax base.

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general administration, judicial, legal, financial administration, public facilities, public safety, health and welfare, culture and recreation, conservation agriculture and highways and streets. Taxes, charges for services, and grants finance most of these activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the County's most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law.

- The Commissioners' Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain grants and local sources.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- *Fiduciary funds*—The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

#### FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position: The County's combined net position was \$89,008,079 at September 30, 2015, a decrease of \$203,722 or .23% less combined net position of \$89,211,801 at September 30, 2014. This decrease is mostly due to the adjustment for net pension liability. (See Table A-1)

Table A-1 Governmental Activities

	2015	2014	Increase (Decrease)
<b>Assets:</b>			
Current and other assets	\$23,422,639	\$21,378,089	\$2,044,550
Capital assets (net of depreciation)	73,959,749	74,179,584	(219,835)
Total Assets	<u>97,382,388</u>	<u>95,557,673</u>	<u>1,824,715</u>
Deferred outflows of resources	<u>1,150,972</u>	<u>-</u>	<u>1,150,972</u>
<b>Liabilities:</b>			
Current and noncurrent liabilities	2,481,645	3,318,872	(837,227)
Long-term liabilities	7,043,636	3,027,000	4,016,636
Total Liabilities	<u>9,525,281</u>	<u>6,345,872</u>	<u>3,179,409</u>
<b>Net Position:</b>			
Invested in capital assets, net of related debt	69,978,510	71,152,584	(1,174,074)
Restricted for capital projects	572,013	585,590	(13,577)
Restricted for debt service	2,890,031	3,205,708	(315,677)
Restricted for landfill post closure costs	601,510	593,894	7,616
Unrestricted	14,966,015	13,674,025	1,291,990
Total Net Position	<u>\$89,008,079</u>	<u>\$89,211,801</u>	<u>(\$ 203,722)</u>

**Changes in net position:**

The County's total revenues were \$26,576,715. (See Table A-2). The total cost of all programs and services was \$24,578,439 of which 35.5% or \$8,718,450 of these costs are for public safety.

**Governmental Activities**

- Property tax revenues decreased by 5.2%. Tax revenues for the year ended September 30, 2015, decreased to \$13,979,649 from \$14,748,195 the previous year, a decrease of \$768,546.

*Table A-2 Governmental Activities*

	2015	2014	Increase (Decrease)
<b>Revenues:</b>			
<b>Program Revenues:</b>			
Charges for Services	\$ 7,108,077	\$ 5,238,445	\$ 1,869,632
Operating Grants and Contributions	4,236,288	4,968,428	(732,140)
<b>General revenues:</b>			
Property Taxes	13,979,649	14,748,195	(768,546)
Interest	288,515	19,424	9,091
Transfers	950,000	997,886	(47,886)
Contributed Capital	-	-	-
Miscellaneous	274,186	440,343	(166,157)
<b>Total Revenues</b>	<u>26,576,715</u>	<u>26,412,721</u>	<u>163,994</u>
<b>Expenses:</b>			
Public safety	8,718,450	8,351,576	366,874
Judicial	2,032,265	2,336,631	(304,366)
Highways and streets	5,559,755	5,052,794	506,961
Public facilities	366,357	379,469	(13,112)
Financial administration	965,955	1,050,370	(84,415)
Legal	900,589	904,533	(3,944)
Health and welfare	1,155,973	1,612,754	(456,781)
Conservation and agriculture	128,203	140,847	(12,644)
General government	4,631,605	5,231,548	(599,943)
Culture and recreation	-	-	-
Debt service-interest on debt	119,287	121,555	(2,268)
Debt service-Bond issuance costs	-	-	-
<b>Total Expenses</b>	<u>24,578,439</u>	<u>25,182,077</u>	<u>(603,638)</u>
Increase in Net Position	1,998,276	1,230,644	767,632
Net Position – Beginning	89,211,801	87,991,812	1,219,989
Prior period adjustment	(2,201,998)	(10,655)	(2,191,343)
Net Position – Ending	<u>\$ 89,008,079</u>	<u>\$ 89,211,801</u>	<u>(\$ 203,722)</u>

Table A-3 presents the cost of each of the County's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local revenues.

- The cost of all *governmental* activities this year was \$24,578,439, a decrease of \$603,637 or 2.4% decrease compared to \$25,182,077 for the prior year.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$13,979,649.
- Some of the cost was paid by those who directly benefited from the programs and totaled \$7,108,077. This is an increase of \$1,869,632 or 35.7% from last year's revenues, which were \$5,238,445.

- Grants and contributions this year amounted to \$4,236,288, a decrease of \$732,140, or 14.7% under last year's grants and contributions which totaled \$4,968,428.

*Table A-3 Governmental*

	<u>Total Expense</u>	<u>Program Revenues</u>	<u>Net Expense</u>
Public safety	\$ 8,718,450	\$ 3,451,664	\$ 5,266,786
Highways and streets	5,559,755	1,279,156	4,280,599
General government	4,631,605	6,613,545	(1,981,940)

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues from governmental fund types totaled \$25,252,073 for the year ended September 30, 2015, an increase of \$540,422, or 2.2% over the preceding year's total governmental revenues of \$24,711,651. The increase in revenues is mainly from increase in charges for services.

#### General Fund Budgetary Highlights

Over the course of the year, the County revised its general fund budget 118 times. Actual general fund expenditures were \$15,804,320, which was \$507,086 under the final budget amounts.

On the other hand, actual general fund resources available were \$16,268,297, which was over the final budgeted amount by \$538,473.

#### CAPITAL ASSETS

At the end of 2015, the County had invested \$73,959,749 in a broad range of capital assets, including land, buildings, improvements, machinery, equipment, vehicles, and infrastructure. (See Table A-4.) This amount represents a decrease of \$219,835, a 3% decrease from FY 2014. The decrease is attributed mainly to depreciation.

*Table A-4 Governmental*

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
Land	\$ 1,268,680	\$ 1,268,680	\$ -
Construction in progress	-	-	-
Buildings and improvements	17,758,153	17,638,429	119,724
Furniture and equipment	10,735,293	10,108,179	627,114
Infrastructure	<u>59,065,929</u>	<u>58,870,755</u>	<u>195,174</u>
Totals at historical cost	88,838,055	87,886,043	952,012
Less:			
Accumulated depreciation	<u>14,878,306</u>	<u>13,706,459</u>	<u>1,171,847</u>
Net Capital Assets	<u>\$73,959,749</u>	<u>\$74,179,584</u>	<u>(\$ 219,835)</u>

#### LONG TERM DEBT

At year end the County has \$3,981,239 in long-term debt outstanding as shown in Table A-5. More detailed information about the County's debt is presented in the notes to the financial statements.

*Table A-5 Governmental*

	<u>Balance 9/30/14</u>	<u>Principal Issued</u>	<u>Adjustments</u>	<u>Principal Retired</u>	<u>Balance 9/30/15</u>
Certificates of Obligation	\$ 2,485,000	\$ -	\$ -	\$ (460,000)	\$ 2,025,000
Note Payable Series, 2011A	42,000	-	-	(21,000)	21,000
Tax Note, Series 2014A	500,000	-	-	(64,761)	435,239
Note, Series 2014B	-	1,500,000	-	-	1,500,000
<b>Totals</b>	<b><u>\$ 3,027,000</u></b>	<b><u>\$ 1,500,000</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (545,761)</u></b>	<b><u>\$ 3,981,239</u></b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Appraised values used for the 2016 budget preparation increased by approximately \$281,767,910.
- The property tax rates will decrease by \$0.0007 per \$100.00 of assessed valuation.
- Employees' group health insurance continues to increase.
- There will be a 4% salary increase for FY2016.

These indicators were taken into account when adopting the general fund budget for 2016. Amounts available for appropriation in the general fund budget are \$17,259,277, an increase of \$379,453, or 2.3% over the final 2015 budget of \$16,879,824. Property taxes will increase due to the increased appraised values.

General fund expenditures are budgeted to increase in 2015 to \$17,259,276, an increase of \$947,870, or 2.3% over the final 2015 budgeted expenditures of \$16,311,406.

If these estimates are realized, the County's budgetary general fund balance is not expected to change appreciably by the close of FY 2016.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning information provided in this report should be addressed to:

Starr County Auditor  
 Starr County Courthouse Annex  
 100 N. FM 3167, Suite 217  
 Rio Grande City, TX 78582  
 Telephone: (956) 716-4800

**STARR COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,110,103	\$ 371,447	\$ 3,481,550
Investments	4,347,670	104,715	4,452,385
Receivables (net of allowances for uncollectibles)			
Taxes	11,833,776	-	11,833,776
Accounts	9,348	135,872	145,220
Other	1,381	-	1,381
Due from agencies	826,159	-	826,159
Internal balances	1,150,642	(1,150,642)	-
Due from other governments	1,542,050	-	1,542,050
Other assets	601,510	-	601,510
Supplies inventory	-	56,293	56,293
Prepaid insurance	-	80,743	80,743
Capital assets (net of accumulated depreciation)			
Land	1,278,680	1,406,530	2,685,210
Landfill closure costs	-	21,000	21,000
Buildings and improvements	9,833,058	2,718,207	12,551,265
Furniture and equipment	3,782,082	287,593	4,069,675
Capital lease	-	853,503	853,503
Infrastructure	59,065,929	-	59,065,929
Total assets	<u>97,382,388</u>	<u>4,885,261</u>	<u>102,267,649</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to TCDRS	<u>1,150,972</u>	<u>-</u>	<u>1,150,972</u>
<b>LIABILITIES</b>			
Accounts payable	558,311	133,731	692,042
Accrued liabilities	325,829	-	325,829
Other liabilities	1,963	112,587	114,550
Due to agencies	689,041	-	689,041
Due to other governments	337,529	883,266	1,220,795
Unearned revenue	568,972	-	568,972
Non-current liabilities			
Due within one year	2,027,002	251,616	2,278,618
Due in more than one year	1,954,237	1,201,227	3,155,464
Net pension liability	3,062,397	-	3,062,397
Total liabilities	<u>9,525,281</u>	<u>2,582,427</u>	<u>12,107,708</u>
<b>NET POSITION</b>			
Net investment in capital assets	69,978,510	3,833,990	73,812,500
Restricted for			
Capital projects	572,013	-	572,013
Debt service	2,890,031	-	2,890,031
Landfill post closure cost	601,510	-	601,510
Unrestricted	<u>14,966,015</u>	<u>(1,531,156)</u>	<u>13,434,859</u>
Total net position	<u>\$ 89,008,079</u>	<u>\$ 2,302,834</u>	<u>\$ 91,310,913</u>

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

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## EXHIBIT B-1

## STARR COUNTY, TEXAS

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>						
General government	\$ 4,631,605	\$ 6,165,192	\$ 448,353	\$ 1,981,940	\$ -	\$ 1,981,940
Public safety	8,718,450	258,553	3,193,111	(5,266,786)	-	(5,266,786)
Judicial	2,032,265	-	-	(2,032,265)	-	(2,032,265)
Highways and streets	5,559,755	684,332	594,824	(4,280,599)	-	(4,280,599)
Public facilities	366,357	-	-	(366,357)	-	(366,357)
Financial administration	965,956	-	-	(965,956)	-	(965,956)
Legal	900,589	-	-	(900,589)	-	(900,589)
Health and welfare	1,155,973	-	-	(1,155,973)	-	(1,155,973)
Conservation and agriculture	128,203	-	-	(128,203)	-	(128,203)
Debt service - interest on debt	119,287	-	-	(119,287)	-	(119,287)
Total governmental activities	<u>24,578,439</u>	<u>7,108,077</u>	<u>4,236,288</u>	<u>(13,234,074)</u>	<u>-</u>	<u>(13,234,074)</u>
<b>Business-type activities:</b>						
International Bridge	1,485,216	2,234,812	-	-	749,596	749,596
Gas System	469,792	424,792	-	-	(45,000)	(45,000)
Transfer Station	1,075,182	919,663	-	-	(155,519)	(155,519)
Total business-type activities	<u>3,030,190</u>	<u>3,579,267</u>	<u>-</u>	<u>-</u>	<u>549,077</u>	<u>549,077</u>
Total primary government	<u>\$ 25,955,443</u>	<u>\$ 10,687,344</u>	<u>\$ 4,236,288</u>	<u>(13,234,074)</u>	<u>549,077</u>	<u>(12,684,997)</u>
<b>General revenues:</b>						
<b>Taxes:</b>						
Property taxes - general purposes				9,795,513	-	9,795,513
Property taxes - road & bridge				3,822,389	-	3,822,389
Property taxes - debt service				178,841	-	178,841
Property taxes - drainage district				182,906	-	182,906
Investment earnings (loss)				28,515	(25,986)	2,529
Transfers				950,000	(950,000)	-
Miscellaneous				274,186	-	274,186
Total general revenues				<u>15,232,350</u>	<u>(975,986)</u>	<u>14,256,364</u>
Change in net position				1,998,276	(426,909)	1,571,367
Net position, beginning				89,211,801	2,729,743	91,941,544
Prior period adjustment				(2,201,998)	-	(2,201,998)
Net position, ending				<u>\$ 89,008,079</u>	<u>\$ 2,302,834</u>	<u>\$ 91,310,913</u>

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

**STARR COUNTY, TEXAS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2015

	General	Road & Bridge	Debt Service
<b>ASSETS</b>			
Cash	\$ 1,352,590	\$ 1,921	\$ 151,343
Investments	-	-	2,686,956
Taxes receivables (net of allowance)	7,918,623	3,198,565	579,155
Accounts receivable	9,052	-	-
Accrued receivables	-	-	1,381
Due from other funds	2,965,663	81,344	40,243
Due from other governments	233,578	-	-
Other assets	601,510	-	-
Total assets	<u>\$ 13,081,016</u>	<u>\$ 3,281,830</u>	<u>\$ 3,459,078</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 105,392	\$ 153,177	\$ -
Other liabilities	1,963	-	-
Accrued liabilities	260,647	-	-
Due to other funds	185,776	898,584	45
Due to other governments	164,329	-	-
Unearned revenue	65,425	16,276	-
Total liabilities	<u>783,532</u>	<u>1,068,037</u>	<u>45</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues - property taxes	7,767,484	3,136,877	569,002
Total deferred inflows of resources	<u>7,767,484</u>	<u>3,136,877</u>	<u>569,002</u>
<b>FUND BALANCE</b>			
Restricted	601,510	-	-
Committed	-	-	2,890,031
Assigned	-	-	-
Unassigned	3,928,490	(923,084)	-
Total fund balances	<u>4,530,000</u>	<u>(923,084)</u>	<u>2,890,031</u>
Total liabilities deferred inflows of resources and fund balance	<u>\$ 13,081,016</u>	<u>\$ 3,281,830</u>	<u>\$ 3,459,078</u>

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Other long term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Long term liabilities, including notes payable and net pension liabilities, are not due and payable in the current period and therefore are not reported in the funds.

Net position of governmental activities

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

EXHIBIT C-1

Other Governmental Funds	Total Governmental Funds
\$ 1,604,249	\$ 3,110,103
1,660,714	4,347,670
137,433	11,833,776
296	9,348
-	1,381
404,691	3,491,941
1,308,472	1,542,050
-	601,510
<u>\$ 5,115,855</u>	<u>\$ 24,937,779</u>
\$ 299,742	\$ 558,311
-	1,963
65,182	325,829
1,119,776	2,204,181
173,200	337,529
582,889	664,590
<u>2,240,789</u>	<u>4,092,403</u>
-	11,473,363
-	<u>11,473,363</u>
-	601,510
2,303,053	5,193,084
572,013	572,013
-	3,005,406
<u>2,875,066</u>	<u>9,372,013</u>
<u>\$ 5,115,855</u>	
	73,959,749
	11,568,981
	<u>(5,892,664)</u>
	<u>\$ 89,008,079</u>

**STARR COUNTY, TEXAS**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	General	Road & Bridge	Debt Service
<b>REVENUES</b>			
Taxes	\$ 9,466,427	\$ 3,723,398	\$ 236,068
Intergovernmental	448,353	594,824	-
Charges for services	5,990,349	116,503	-
Fines and forfeits	174,843	567,829	-
Interest	13,724	797	8,858
Miscellaneous	174,601	1,570	-
Total revenues	<u>16,268,297</u>	<u>5,004,921</u>	<u>244,926</u>
<b>EXPENDITURES</b>			
General administration	4,619,668	-	-
Judicial	2,024,826	-	-
Legal	897,250	-	-
Financial administration	962,401	-	-
Public facilities	246,424	-	-
Public safety	6,018,369	-	-
Health and welfare	907,718	-	-
Conservation agriculture	127,664	-	-
Highways and streets	-	5,203,307	-
Debt service:			
Principal retirements	-	-	545,761
Interest and fiscal charges	-	-	119,287
Total expenditures	<u>15,804,320</u>	<u>5,203,307</u>	<u>665,048</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>463,977</u>	<u>(198,386)</u>	<u>(420,122)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	1,150,000	-	104,445
Operating transfers out	(328,486)	-	-
Tax note proceeds	1,500,000	-	-
Total other financing sources (uses)	<u>2,321,514</u>	<u>-</u>	<u>104,445</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,785,491	(198,386)	(315,677)
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	1,744,509	(689,198)	3,205,708
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>(35,500)</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 4,530,000</u>	<u>\$ (923,084)</u>	<u>\$ 2,890,031</u>

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

EXHIBIT C-2

Other Governmental Funds	Total Governmental Funds
\$ 179,114	\$ 13,605,007
3,193,111	4,236,288
-	6,106,852
258,553	1,001,225
5,136	28,515
98,015	274,186
<u>3,733,929</u>	<u>25,252,073</u>
-	4,619,668
-	2,024,826
-	897,250
-	962,401
120,223	366,647
2,705,418	8,723,787
247,416	1,155,134
-	127,664
413,706	5,617,013
-	545,761
-	119,287
<u>3,486,763</u>	<u>25,159,438</u>
<u>247,166</u>	<u>92,635</u>
24,041	1,278,486
-	(328,486)
-	1,500,000
<u>24,041</u>	<u>2,450,000</u>
271,207	2,542,635
2,603,859	6,864,878
-	(35,500)
<u>\$ 2,875,066</u>	<u>\$ 9,372,013</u>

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## STARR COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Amounts reported for governmental activities in the statement of activities (page 11)  
are different because:

Net change in fund balances --- total governmental funds (page 13) \$ 2,542,635

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 which capital outlays exceeded depreciation in the current period. (214,450)

Governmental funds report long term debt principal payments as expenditures. However, in the statement of activities these payments are reductions in the long term liabilities in the statement of net position. 545,761

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the note proceeds and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to (decrease) net position. (1,125,358)

The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resources outflows. These contributions made after the measurement date of 9/30/2014 caused the change in the ending net position to decrease in the amount of \$(1,911,425). Contributions made before the measurement but during the 2015 FY were also de-expended and recorded as a reduction in the net pension liability for the County. The County's proportionate share of TCDRS pension expense on the plan as a whole had to be recorded as an expense. The net pension expense increase in the change in net position of \$249,688. 249,688

Change in net position of governmental activities (page 11) \$ 1,998,276

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

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## STARR COUNTY, TEXAS

## BUDGETARY COMPARISON SCHEDULE

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 9,965,771	\$ 9,965,771	\$ 9,466,427	\$ (499,344)
Intergovernmental	711,700	711,700	448,353	(263,347)
Charges for services	4,584,200	4,596,976	5,990,349	1,393,373
Fines and forfeits	330,000	332,124	174,843	(157,281)
Interest	-	-	13,724	13,724
Miscellaneous	107,000	123,253	174,601	51,348
Total revenues	<u>15,698,671</u>	<u>15,729,824</u>	<u>16,268,297</u>	<u>538,473</u>
<b>EXPENDITURES</b>				
General administration	5,578,639	5,582,951	4,619,668	963,283
Judicial	1,966,827	1,966,827	2,024,826	(57,999)
Legal	769,840	769,840	897,250	(127,410)
Financial administration	1,006,806	1,006,811	962,401	44,410
Public facilities	252,521	252,521	246,424	6,097
Public safety	5,673,193	5,648,430	6,018,369	(369,939)
Health and welfare	902,106	953,705	907,718	45,987
Conservation agriculture	130,321	130,321	127,664	2,657
Total expenditures	<u>16,280,253</u>	<u>16,311,406</u>	<u>15,804,320</u>	<u>507,086</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES</b>				
	<u>(581,582)</u>	<u>(581,582)</u>	<u>463,977</u>	<u>31,387</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	1,150,000	1,150,000	1,150,000	-
Operating transfers out	(568,418)	(568,418)	(328,486)	(239,932)
Tax note proceeds	-	-	1,500,000	(1,500,000)
Total other financing sources (uses)	<u>581,582</u>	<u>581,582</u>	<u>2,321,514</u>	<u>(1,739,932)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES</b>				
	-	-	2,785,491	(1,708,545)
<b>FUND BALANCE, BEGINNING OF YEAR</b>				
	<u>1,744,509</u>	<u>1,744,509</u>	<u>1,744,509</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>				
	<u>\$ 1,744,509</u>	<u>\$ 1,744,509</u>	<u>\$ 4,530,000</u>	<u>\$ (1,708,545)</u>

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

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## STARR COUNTY, TEXAS

## STATEMENT OF NET POSITION

## PROPRIETARY FUNDS

SEPTEMBER 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			Totals
	International Bridge	Gas System	Transfer Station	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash on hand	\$ 7,766	\$ 300	\$ -	\$ 8,066
Cash on deposit	241,633	3,307	118,441	363,381
Investments - unrestricted	-	104,715	-	104,715
Accounts receivable	-	64,184	52,648	116,832
Accounts receivable - disconnects	-	56,493	-	56,493
Allowance for uncollectibles	-	(37,521)	-	(37,521)
Accrued interest receivable	-	68	-	68
Supplies inventory	-	56,293	-	56,293
Prepaid insurance	74,156	6,587	-	80,743
Total current assets	323,555	254,426	171,089	749,070
<b>NON-CURRENT ASSETS</b>				
Land	1,396,530	10,000	-	1,406,530
Buildings	5,345,988	20,390	1,645,942	7,012,320
Landfill closure cost	-	-	21,000	21,000
Original purchase - distribution system	-	550,000	-	550,000
Gas distribution system	-	34,943	-	34,943
Office furniture and equipment	818,712	39,324	-	858,036
Transportation equipment	-	20,026	-	20,026
Machinery and equipment	-	74,300	344,839	419,139
Capital lease	853,503	-	-	853,503
Accumulated depreciation	(4,656,290)	(700,126)	(532,248)	(5,888,664)
Total non-current assets	3,758,443	48,857	1,479,533	5,286,833
Total assets	4,081,998	303,283	1,650,622	6,035,903

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

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**STARR COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			Totals
	International Bridge	Gas System	Transfer Station	
<b>CURRENT LIABILITIES</b>				
Accounts payable	10,894	48,743	74,094	133,731
Customer deposits payable	-	110,426	-	110,426
Sales tax payable	-	2,161	-	2,161
Due to other funds	-	746,699	403,943	1,150,642
Due to other governments	883,266	-	-	883,266
Current maturities of notes payable	<u>181,175</u>	<u>-</u>	<u>70,441</u>	<u>251,616</u>
Total current liabilities	<u>1,075,335</u>	<u>908,029</u>	<u>548,478</u>	<u>2,531,842</u>
<b>LONG-TERM LIABILITIES</b>				
Note payable - net of current portion	<u>442,258</u>	<u>-</u>	<u>758,969</u>	<u>1,201,227</u>
Total long-term liabilities	<u>442,258</u>	<u>-</u>	<u>758,969</u>	<u>1,201,227</u>
Total liabilities	<u>1,517,593</u>	<u>908,029</u>	<u>1,307,447</u>	<u>3,733,069</u>
<b>NET POSITION</b>				
Net investment in capital assets	3,135,010	48,857	650,123	3,833,990
Unrestricted	<u>(570,605)</u>	<u>(653,603)</u>	<u>(306,948)</u>	<u>(1,531,156)</u>
Total net position	<u>\$ 2,564,405</u>	<u>\$ (604,746)</u>	<u>\$ 343,175</u>	<u>\$ 2,302,834</u>

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

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## STARR COUNTY, TEXAS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

## PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUSINESS-TYPE ACTIVITIES -			Totals
	ENTERPRISE FUNDS			
	International Bridge	Gas System	Transfer Station	
<b>OPERATING REVENUES</b>				
Natural gas sales	\$ -	\$ 736,877	\$ -	\$ 736,877
Charge for services	2,174,992	-	914,899	3,089,891
Penalties	-	8,920	-	8,920
Connect fees	-	8,567	-	8,567
Rentals	57,380	-	-	57,380
Excess on peso exchange	2,440	-	-	2,440
Miscellaneous	-	-	4,764	4,764
Total operating revenues	<u>2,234,812</u>	<u>754,364</u>	<u>919,663</u>	<u>3,908,839</u>
<b>COST OF REVENUE PRODUCING ITEMS</b>				
Natural gas purchases	-	332,172	-	332,172
Total cost of revenue producing items	<u>-</u>	<u>332,172</u>	<u>-</u>	<u>332,172</u>
Gross profit	<u>2,234,812</u>	<u>422,192</u>	<u>919,663</u>	<u>3,576,667</u>
<b>OPERATING EXPENSES</b>				
Gas loss	-	42,732	-	42,732
Bad debt expense	-	(2,055)	-	(2,055)
Equipment lease	-	-	5,549	5,549
Depreciation	145,435	4,682	113,403	263,520
Group insurance	58,496	44,470	18,930	121,896
Insurance	118,704	-	-	118,704
Worker's compensation	5,972	2,027	1,788	9,787
Legal and professional	24,000	-	-	24,000
Office and building supplies	-	4,038	-	4,038
Payroll tax expense	34,546	16,920	11,304	62,770
Postage and freight	-	5,979	-	5,979
Repairs and maintenance	44,064	2,350	38,605	85,019
Retirement	36,557	17,094	11,478	65,129
Salaries and wages	471,374	233,260	151,066	855,700
Supplies	12,421	30,572	1,273	44,266
Telephone	2,992	7,383	-	10,375
Travel and seminars	-	-	1,682	1,682

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

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## STARR COUNTY, TEXAS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

## PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			Totals
	International Bridge	Gas System	Transfer Station	
<b>OPERATING EXPENSES</b>				
Truck repairs, maintenance and supplies	603	7,334	-	7,937
Truck fuel	-	16,390	11,563	27,953
Hauling costs	-	-	663,279	663,279
Uniforms	12,030	5,867	5,276	23,173
Utilities	17,777	4,993	1,448	24,218
Regulatory fees	-	2,334	440	2,774
Tire recycling fees	-	-	28,101	28,101
Capital outlay	-	1,712	7,365	9,077
Bank fees	-	3,882	-	3,882
Miscellaneous expenses	364	17,828	2,632	20,824
Total operating expenses	<u>985,335</u>	<u>469,792</u>	<u>1,075,182</u>	<u>2,530,309</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,249,477</u>	<u>(47,600)</u>	<u>(155,519)</u>	<u>1,046,358</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Interest revenue (expense)	482	387	(26,855)	(25,986)
Gain (loss) on sale of assets	-	2,600	-	2,600
Participation costs - City of Roma (expense)	(473,777)	-	-	(473,777)
Bond interest expense and agent fees	(26,104)	-	-	(26,104)
Total non-operating revenue (expenses)	<u>(499,399)</u>	<u>2,987</u>	<u>(26,855)</u>	<u>(523,267)</u>
Income (loss) before other financing sources	<u>750,078</u>	<u>(44,613)</u>	<u>(182,374)</u>	<u>523,091</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer in	-	-	200,000	200,000
Operating transfer out	(1,150,000)	-	-	(1,150,000)
Total other financing sources (uses)	<u>(1,150,000)</u>	<u>-</u>	<u>200,000</u>	<u>(950,000)</u>
<b>CHANGES IN NET POSITION</b>	<u>(399,922)</u>	<u>(44,613)</u>	<u>17,626</u>	<u>(426,909)</u>
<b>TOTAL NET POSITION, BEGINNING</b>	<u>2,964,327</u>	<u>(560,133)</u>	<u>325,549</u>	<u>2,729,743</u>
<b>TOTAL NET POSITION, ENDING</b>	<u>\$ 2,564,405</u>	<u>\$ (604,746)</u>	<u>\$ 343,175</u>	<u>\$ 2,302,834</u>

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

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STARR COUNTY, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	International Bridge	Gas System	Transfer Station	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 1,249,477	\$ (47,600)	\$ (155,519)	\$ 1,046,358
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	145,435	4,682	113,403	263,520
(Increase) decrease in accounts receivable	-	(9,039)	(52,648)	(61,687)
(Increase) decrease in accounts receivable - disconnects	-	(1,325)	-	(1,325)
(Increase) decrease in allowance for uncollectible disconnects	-	(2,053)	-	(2,053)
(Increase) decrease in accrued interest receivable	-	1	-	1
(Increase) decrease in supplies inventory	-	(1,214)	-	(1,214)
(Increase) decrease in prepaid insurance	318	7,180	-	7,498
(Increase) decrease in due from other governments	400,819	-	-	400,819
Increase (decrease) in accounts payable	7,742	(33,104)	74,094	48,732
Increase (decrease) in sales tax payable	-	357	-	357
Increase (decrease) in customer deposit payable	-	500	-	500
Increase (decrease) in due to other funds	273,777	68,201	98,222	440,200
Net cash provided (used) by operating activities	<u>2,077,568</u>	<u>(13,414)</u>	<u>77,552</u>	<u>2,141,706</u>
<b>CASH FLOWS FROM (TO) NONCAPITAL FINANCING ACTIVITIES</b>				
City of Roma participation	(473,777)	-	-	(473,777)
Operating transfers in (out)	<u>(1,150,000)</u>	<u>-</u>	<u>200,000</u>	<u>(950,000)</u>
Net cash provided (used) by noncapital financing activities	<u>(1,623,777)</u>	<u>-</u>	<u>200,000</u>	<u>(1,423,777)</u>
<b>CASH FLOWS FROM (TO) CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Bond principal payment	623,433	-	(70,441)	552,992
Acquisition of capital lease equipment	(853,503)	-	-	(853,503)
Disposal of property and equipment	-	-	(61,863)	(61,863)
Proceeds from sale of capital assets	-	2,600	-	2,600
Interest and fees paid	(26,104)	-	-	(26,104)
Net cash provided (used) by financing activities	<u>(256,174)</u>	<u>2,600</u>	<u>(132,304)</u>	<u>(385,878)</u>
<b>CASH FLOWS FROM (USED) INVESTING ACTIVITIES</b>				
Interest received	482	387	-	869
Interest expense	-	-	(26,855)	(26,855)
Net cash provided (used) by investing activities	<u>482</u>	<u>387</u>	<u>(26,855)</u>	<u>(25,986)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	198,099	(10,427)	118,393	306,065
<b>CASH BALANCES, BEGINNING OF YEAR</b>	<u>51,300</u>	<u>118,749</u>	<u>48</u>	<u>170,097</u>
<b>CASH BALANCES, END OF YEAR</b>	<u>\$ 249,399</u>	<u>\$ 108,322</u>	<u>\$ 118,441</u>	<u>\$ 476,162</u>
<b>RECONCILIATION OF CASH BALANCES</b>				
Cash on hand	\$ 7,766	\$ 300	\$ -	\$ 8,066
Cash on deposit	241,633	3,307	118,441	363,381
Investments - unrestricted	-	104,715	-	104,715
Cash balances	<u>\$ 249,399</u>	<u>\$ 108,322</u>	<u>\$ 118,441</u>	<u>\$ 476,162</u>

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

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## STARR COUNTY, TEXAS

## STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

SEPTEMBER 30, 2015

**ASSETS**

Cash	\$	5,354,245
Investments		2,169,870
Accounts receivable		79,379
Due from other funds		689,041
Other assets		<u>282,224</u>
Total assets	\$	<u>8,574,759</u>

**LIABILITIES**

Accounts payable	\$	6,712
Due to other funds		826,159
Due to other governments		971,056
Funds held in escrow		4,030,952
Other liabilities		<u>2,739,880</u>
Total liabilities	\$	<u>8,574,759</u>

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

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**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**1. DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Starr County, Texas (the County) was organized in 1848. It is a public corporation and a political subdivision of the State of Texas. A Commissioners' Court composed of four (4) elected Commissioners and one elected County Judge governs the County under the statutes and the Constitution of the State of Texas. The County provides various services to advance the welfare, health, morals, comfort, safety and convenience of the County and its inhabitants.

The financial statements of the County have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to County governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

**A. Reporting Entity**

In evaluating how to define the government 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 GAAP. The basic-but not the only criterion for including a potential component unit with 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 financial accountability include, but not limited to, the selection of a voting majority of the organization's governing body, the ability to remove appointed members of the organization's governing board at will, the ability to modify or approve the budget of the organization, and the designation of management. 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, or 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.

For financial reporting purposes, Starr County includes all funds and the account group that are controlled by, or dependent on, the County. Control by or dependence on the County was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the County to finance any deficits that may occur, or receipt of significant subsidies from the County, and the ability to significantly influence operation. Based upon the application of the above criteria, the following is a brief review of each potential component unit addressed in defining the government's entity.

STARR COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

1. DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Excluded from the reporting entity:

Certain significant governmental entities providing services within the County are administered by separate boards or commissions, are not subject to oversight by the Commissioners' Court, and are responsible for their own fiscal matters. Consequently, financial information for the following entities is not included within the scope of these financial statements.

Starr County Appraisal District  
Starr County Water Control and Improvement District No.2  
Starr County Memorial Hospital District  
All school districts in Starr County

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate fund financial statements are provided for the governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The general fund is the only major fund and is reported in a separate column in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows including claims and judgments reported in the County's internal service fund (proprietary fund). Property taxes are recognized as revenues in the year for which they are levied. Fees and fines are considered as earned when paid.

STARR COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

1. DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Measurement focus, basis of accounting, and financial statement presentation

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. For this purpose, the County considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due.

Intergovernmental revenues, rents, commissions, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County, which includes delinquent property taxes, licenses, fees and fines. For grants, like the government-wide financial statements, the revenue is recognized when all the eligibility requirements have been met.

The County reports three major governmental funds:

The ***General Fund*** is the County's primary operating fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

The ***Road and Bridge Fund*** is used by the County to build, repair and maintain all the roads and bridges within the County.

The ***Debt Service Fund*** is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

All other governmental funds are combined and reported as nonmajor. Nonmajor funds include Special Revenue funds and Capital Project funds.

***Capital Projects Funds*** are used to account, on a project basis, for projects financed by the proceeds from bond issues or other financing sources. The capital funds utilize the modified accrual basis of accounting.

***Proprietary funds*** are accounted for on a flow of economic resources measurement focus. All assets and liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund measurement focus is upon determination of net income and changes in retained earnings. The County reports the following major proprietary funds:

STARR COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

1. DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Measurement focus, basis of accounting, and financial statement presentation

The International Toll Bridge, Gas System and Landfill, and Solid Waste Transfer Station Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenue earned, expense incurred, and/or net income, is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Additionally, the County reports the following fund type:

Fiduciary Funds - Agency funds are used to account for the assets that are held for the benefit of others or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

D. Budgets

Budgets are adopted on a basis other than generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund and the Road and Bridge Fund (a special revenue fund).

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized in the governmental funds of Starr County. Expenditures are recognized when services have been performed or goods have been received.

E. Cash and Investments

Cash includes amounts in demand deposits. Investments (invested cash) consist of short-term certificates of deposit and are stated at cost. Interest income pertaining to the certificates of deposit is recorded in the fiscal year end on an accrual basis.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**1. DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**E. Cash and Investments**

In accordance with the State of Texas Statutes, county funds not immediately required to pay obligations may be invested in direct debt securities of the United States, fully collateralized security repurchase agreements purchased under a master contractual agreement that specifies the rights and obligations for which the principal and interest are guaranteed by the County depository, obligations for which the principal and interest are guaranteed by the United States and direct obligations of or participation certificates guaranteed by the Federal Intermediate Credit Banks, Federal Land Banks, Federal National Mortgage Association, Federal Home Loan Banks, or Banks for Cooperatives.

**F. Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

**G. Prepaid Items**

Payments made to vendors for service that will benefit periods beyond the end of the fiscal year are recorded as prepaid expense assets in proprietary fund types and as expenditures in the governmental fund types.

**H. Inventories**

Inventories of proprietary fund types are valued and recorded at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased.

**I. Compensated Absences**

Vacation and sick leave benefits are accrued by County employees according to guidelines established in the County's personnel policies. Said policies allow for the accumulation of sick leave of 12 days per year, but do not provide for payment of sick leave accruals (i.e., sick leave not taken in any given year is lost and cannot be carried over to the next year). Accordingly, since such accumulated amounts are non-vesting, unused sick leave at September 30, 2015 has not been accrued in the accompanying financial statements. The County's policy for vacation leave allows for 10 working days of vacation after an employee has worked for the County for 6 months.

Vacation leave does not accumulate if not used within the year (i.e., vacation leave taken cannot be carried over to the following year). However, any unused vacation leave is paid to an employee upon separation from service. No accruals of vacation leave have been provided for in the accompanying financial statements, as these amounts are considered immaterial.

The County has essentially no provision for compensatory ("comp") time off nor is any employee typically allowed to work more than 40 hours per week except Sheriff Department deputies.

**STARR COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**1. DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**J. Interfund Transactions**

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursement to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**K. Restricted Assets**

Enterprise fund revenue bonds, as well as certain resources set aside for repayment, are classified as non-current assets on the balance sheet because their use is limited by applicable bond covenants.

**L. Capital Assets**

Capital assets, which include land, buildings and improvements and equipment, are reported in the government wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimate useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. Property, plant and equipment of the primary government is depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Life in Years</u>
Buildings	50
Improvements	20
Furniture & Equipment	10
Automotive	8
Computer Equipment	5

GASB Statement No. 34 requires the County to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the County. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first required for the fiscal year ending in 2007. The County has implemented the general and retroactive provisions of GASB Statement No. 34 in the fiscal year ended September 30, 2007.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**1. DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**M. Fund Equity**

Contributed capital is recorded in proprietary funds that have received capital grants from specific grantor agencies. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

**N. Fund Balance Classifications**

The County uses the following criteria when classifying fund balances amounts:

Nonspendable – amounts not in spendable from or that are legally or contractually earmarked for a specific use. Examples include inventories and endowment principal.

Restricted – amounts that have been legally separated for a specific purpose by law or external funding source. Examples include grants, capital acquisitions, and long-term debt.

Committed – amounts that require Commission action to be used for a specific purpose. Examples include capital expenditures, self-insurance, and campus activity funds. Formal action to commit funds must occur prior to fiscal year end and can only be modified or removed by the same action.

Assigned – amounts that do not require Commission approval but are intended to be used for a specific purpose, as determined by the Superintendent or his designee. These amounts do not meet the criteria to be classified as restricted or committed.

Unassigned – residual amount in the general fund that is available to finance operating expenditures. In other funds, this classification is used only to report a deficit balance resulting from over-spending for specific purposes for which amounts had been restricted, committed, or assigned, as applicable.

**O. Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the related debt. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges.

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

**STARR COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**1. DESCRIPTION OF COUNTY OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**P. Bond Discounts and Bond Issuance Costs**

In governmental fund types, bond discounts and bond issuance costs are recognized in the current period when the bonds are issued. Bond discounts and bond issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the straight-line method. Unamortized bond discounts are shown on the balance sheet as a reduction of the face amount of bonds payable whereas unamortized bond issuance costs are recorded as deferred charges (assets).

**Q. Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**R. Prior Period Adjustment**

The GASB has issued Statement No. 68. "*Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27,*" which became effective for fiscal year 2015. This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of pension benefits earned to date.

The implementation of Statement No. 68 resulted restatement of beginning net position for the recording of the beginning net pension liability and the beginning deferred outflow for contributions made after the measurement date. Prospectively applying these changes results in the adjustments below.

**S. Excess of Expenditures over Appropriations**

For the year ended September 31, 2015, expenditures exceeded the budget in the following line items

<u>General Fund Function</u>	<u>Amount</u>
Judicial	\$ 57,999
Legal	127,410
Public Safety	369,938

**STARR COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and government-wide statement of activities.**

The governmental fund statement of revenue, expenditures, and change in fund balance includes reconciliation between *net changes in fund balance – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

One element of that reconciliation indicates, “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”. The detail of this \$214,450 is as follows:

Capital outlay - additions	\$ 1,015,386
Depreciation expense	<u>(1,229,836)</u>
Net adjustment to (decrease) <i>net changes in fund balance -- total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i> (Exhibit C-3)	<u>\$ (214,450)</u>

Another element of the reconciliation states that, “The net effect of various transactions involving debt principal payment to increase net position.” The detail of this \$545,761 is as follows:

Debt principal payment	<u>\$ 545,761</u>
Net adjustment to increase <i>net changes in fund balance -- total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i> (Exhibit C-3)	<u>\$ 545,761</u>

The last element of the reconciliation states that, “Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting.” The detail of this \$(1,125,358) is as follows:

Various reclassifications	<u>\$ (1,125,358)</u>
Net adjustment to (decrease) <i>net changes in fund balance -- total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i> (Exhibit C-3)	<u>\$ (1,125,358)</u>

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**3. LEGAL COMPLIANCE – BUDGETS**

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

The Commissioners' Court holds a public hearing on the budget and department heads may appear. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Expenditure amounts finally budgeted may not exceed the estimate of budgeted revenues and available fund balance.

When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. Level of control is on a line-item basis.

The following individual funds had adopted budgets for the fiscal year ended September 30, 2015:

- (a) General Fund
- (b) Road and Bridge Fund
- (c) Debt Service Fund

**4. AUTHORIZED INVESTMENTS**

The District is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

**5. DEPOSITS AND INVESTMENTS**

At September 30, 2015, the carrying amount of the County's deposits was \$3,228,542 and total bank balances equaled \$3,445,441. Bank balances of \$250,000 are covered by federal depository insurance and the remaining \$3,195,441 were covered by collateral pledged in the County's name.

During the year ended September 30, 2015, the County had entered into an agreement with Lone Star National Bank for a letter of credit, through the bank of New York Mellon, to cover deposits in excess of FDIC coverage. The letter of credit, however, does not constitute collateral pledged in the County's name.

**STARR COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**5. DEPOSITS AND INVESTMENTS**

The fair values of investments at September 30, 2015 are summarized as follows:

	<u>Rate</u>	<u>Maturity</u>	<u>Fair Value</u>
<u>Special Revenue</u>			
Certificate of Deposit	0.10%	12/4/2015	\$ 501,240
Certificate of Deposit	0.10%	12/4/2015	501,240
Certificate of Deposit	0.10%	10/26/2015	400,395
			<u>1,402,875</u>
<u>Capital Projects</u>			
Certificate of Deposit	0.40%	4/9/2016	257,839
			<u>257,839</u>
<u>Debt Service</u>			
Certificate of Deposit	0.40%	2/2/2016	119,618
Certificate of Deposit	0.40%	2/2/2016	632,997
Certificate of Deposit	0.40%	3/25/2016	361,577
Certificate of Deposit	0.40%	3/18/2016	677,258
Certificate of Deposit	0.40%	4/1/2016	379,827
Certificate of Deposit	0.40%	4/9/2016	515,679
			<u>2,686,956</u>
<u>Enterprise Funds</u>			
Certificate of Deposit	0.40%	2/2/2016	104,715
			<u>104,715</u>
Total CD's			<u>\$ 4,452,385</u>

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures. The County has the following risks related to deposits and investments:

***Interest Rate Risk*** -- In accordance with state law, the County does not purchase any investments with maturities greater than 10 years.

***Credit Risk*** -- In accordance with state law, investments in mutual funds and investment pools must be rated at least AAA, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A. All U.S. Government Securities and Tex Pool investments of the County are rated AAA.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**5. DEPOSITS AND INVESTMENTS**

*Concentration of Credit Risk* – The County does not place a limit on the amount the County may invest in any one issuer. More than 5% of the County's investments are in Lonestar National Bank (100%), exclusively in Certificates of Deposit.

During the year ended September 30, 2015, the County realized no gain or loss from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

**6. PROPERTY TAXES**

Ad valorem taxes attach an enforceable lien on property as of January 1. The taxes are levied each October 1, based on the assessed value listed as of the date the enforceable lien attaches. Appraised values are established by the Starr County Appraisal District, assessed at 100% of appraised value and certified by the Appraisal Review Board. The Starr County Tax Assessor/Collector bills and collects taxes for the County. The 2015 fiscal year tax rate was .5417 per \$100 for the general fund, .0100 per \$100 for the debt service fund, .2174 per \$100 for the FM and Lateral Road tax, and .0100 per \$100 for the Drainage District, for a total of .7791 per \$100 assessed valuation.

The County's taxes on real property are a lien against such property until paid. The County may foreclose on real property upon which it has a lien for unpaid taxes. The exception is homestead property belonging to persons 65 years of age or older.

While the County makes an effort to collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title of the property not otherwise collected are generally paid when there is a sale or transfer of the title of the property. Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes become delinquent. Unlike real property, the sale or transfer of most personal property does not require any evidence that taxes thereon are paid.

Taxes are due October 1. Taxes become delinquent on February 1, of the following year, at which time penalty and interest charges are applicable. Property tax revenues are recorded as revenues when they become measurable and attainable. At September 30, property tax receivables are fully deferred.

**7. LONG-TERM DEBT**

**Notes Payable**

On October 6, 2014 the County issued \$1,500,000 of Notes payable, Series 2014B, to be used by the County to pay the costs of contractual obligations, to pay operating and current expenses. The Note, Series 2014B interest rate varies and the final maturity is on October 6, 2015. Interest on this Note is payable annually, beginning October 6, 2015 until maturity of this Note.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**7. LONG-TERM DEBT**

**Notes Payable**

On September 2, 2014, the County issued \$500,000 of Tax Note, Series 2014A, to be used by the County to pay contractual obligations for the construction of public work. The County will reimburse itself for expenditures paid no earlier than May 1, 2014 and to pay costs of issuance. The Tax Note, Series 2014A interest rate is 3.250% and the final maturity is on September 15, 2021. Debt service payments are schedule on September 15 of each year beginning September 15, 2015.

On March 28, 2011 the County issued \$105,000 of Notes payable, Series 2011A, to be used by the County to pay part of the costs of contractual obligations for the construction of a community center. The Note, Series 2011A interest rate varies and the final maturity is on March 28, 2016. Interest on this Note is payable annually, beginning March 28, 2012 until maturity of this Note.

On January 24, 2011 the County issued \$1,429,412 of Notes payable, Series 2011, to be used by the County to pay for the cost of construction and installation of the County's Solid Waste Disposal Transfer Station. The Note, Series 2011 interest rate varies and the final maturity is on January 24, 2016. Interest on this Note is payable on the 24<sup>th</sup> day of each month, beginning February 24, 2011 until maturity of this Note.

The following is a summary of Long-Term Debt and Revenue Bonds payable as of September 30, 2015 recorded under governmental activities and business-type activities.

<b>Governmental Activities</b>	<u>Balance</u> <u>10/1/2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>9/30/2015</u>
Tax Notes Series-2014B	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000
Tax Notes Series-2014A	500,000	-	(64,761)	435,239
Note Payable, Series-2011A	42,000	-	(21,000)	21,000
Certificates of Obligation, Series-2004	<u>2,485,000</u>	<u>-</u>	<u>(460,000)</u>	<u>2,025,000</u>
<b>Total Governmental-Type Activities</b>				
<b>Long Term Liabilities</b>	<u>\$ 3,027,000</u>	<u>\$ 1,500,000</u>	<u>\$ (545,761)</u>	<u>\$ 3,981,239</u>
 <b>Business-Type Activities</b>				
Capital Lease Revenue Market System Loan	\$ -	\$ 753,503	\$ (130,070)	\$ 623,433
Note Payable, Series-2011	<u>899,851</u>	<u>-</u>	<u>(70,441)</u>	<u>829,410</u>
<b>Total Business-Type Activities</b>				
<b>Long Term Liabilities</b>	<u>\$ 899,851</u>	<u>\$ 753,503</u>	<u>\$ (200,511)</u>	<u>\$ 1,452,843</u>

**STARR COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**7. LONG-TERM DEBT**

**Notes Payable**

The annual requirements to repay the governmental activities outstanding debt, as of September 30, 2015, are as follows:

Year Ended <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,067,866	\$ 169,313	\$ 2,237,179
2017	569,039	74,428	643,467
2018	591,283	52,184	643,467
2019	598,599	29,068	627,667
2020	75,991	5,021	81,012
2021	78,461	2,550	81,011
Total	<u>\$ 3,981,239</u>	<u>\$ 332,564</u>	<u>\$ 4,313,803</u>

The annual requirements to repay business-type activities outstanding debt, as of September 30, 2015, are as follows:

Year Ended <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,010,585	\$ 38,020	\$ 1,048,605
2017	190,444	17,788	208,232
2018	200,187	8,044	208,231
2019	51,627	431	52,058
Total	<u>\$ 1,452,843</u>	<u>\$ 64,283</u>	<u>\$ 1,517,126</u>

**STARR COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**8. CAPITAL ASSETS**

Capital asset activity for the County for the year ended September 30, 2015, under governmental activities was as follows:

	Primary Government			
	Balance	Changes During Year		Balance
	<u>10/1/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>9/30/2015</u>
Land	\$ 1,268,680	\$ 10,000	\$ -	\$ 1,278,680
Buildings and improvements	17,638,429	119,724	-	17,758,153
Furniture and equipment	10,108,179	690,488	(63,374)	10,735,293
Infrastructure	58,870,755	195,174	-	59,065,929
Total at historic cost	<u>87,886,043</u>	<u>1,015,386</u>	<u>(63,374)</u>	<u>88,838,055</u>
Less accumulated depreciation:				
Buildings and improvements	(7,550,751)	(374,344)	-	(7,925,095)
Furniture and equipment	(6,155,708)	(855,492)	57,989	(6,953,211)
Total accumulated depreciation	<u>(13,706,459)</u>	<u>(1,229,836)</u>	<u>57,989</u>	<u>(14,878,306)</u>
Governmental activities				
Capital assets, net	<u>\$ 74,179,584</u>	<u>\$ (214,450)</u>	<u>\$ (5,385)</u>	<u>\$ 73,959,749</u>

Depreciation expense for FY 2015 was charged to functions/programs of the County as follows:

General administration	\$ 359,481
Judicial	157,542
Legal	69,855
Financial administration	74,897
Public facilities	19,185
Public safety	468,321
Health and welfare	70,593
Conservation agriculture	9,962
Totals	<u>\$ 1,229,836</u>

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**9. SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The County maintains three Enterprise Funds, which provide international boundary crossings, natural gas and solid wastetransfer station. Segment information for the year ended September 30, 2015 was as follows:

	International <u>Toll Bridge</u>	Gas <u>System</u>	Transfer <u>Station</u>	<u>Total</u>
Operating revenues	\$ 2,234,812	\$ 754,364	\$ 919,663	\$ 3,908,839
Depreciation expense	(145,435)	(4,682)	(113,403)	(263,520)
Operating income (loss)	1,249,477	(47,600)	(155,519)	1,046,358
Operating transfers in (out)	(1,150,000)	-	200,000	(950,000)
Change in net position	(399,922)	(44,613)	17,626	(426,909)
Invested in capital assets, net	3,135,010	48,857	650,123	3,833,990
Unrestricted net assets	(570,605)	(653,603)	(306,948)	(1,531,156)
Notes payable - net of current	442,258	-	758,969	1,201,227

**10. CAPITAL ASSETS OF PROPRIETARY FUNDS**

Capital assets of Proprietary Funds (Enterprise Funds) at September 30, 2015 consisted of the following:

	International <u>Bridge</u>	Gas <u>System</u>	Transfer <u>Station</u>	<u>Total</u>
Land	\$ 1,396,530	\$ 10,000	\$ -	\$ 1,406,530
Landfill closure costs	-	-	21,000	21,000
Capital lease	853,503	-	-	853,503
Buildings and improvements	5,345,988	20,390	1,645,942	7,012,320
Gas distribution system	-	584,943	-	584,943
Vehicles	-	20,026	-	20,026
Machinery, furniture and equipment	818,712	113,624	344,839	1,277,175
Total at historic cost	<u>8,414,733</u>	<u>748,983</u>	<u>2,011,781</u>	<u>11,175,497</u>
Less:				
Accumulated depreciation	<u>(4,656,290)</u>	<u>(700,126)</u>	<u>(532,248)</u>	<u>(5,888,664)</u>
Capital assets, net of accumulated depreciation	<u>\$ 3,758,443</u>	<u>\$ 48,857</u>	<u>\$ 1,479,533</u>	<u>\$ 5,286,833</u>

**11. CONTINGENT LIABILITIES**

The County is a party to various litigations under which it may be required to pay certain monies upon decision of the courts. The County's Attorneys report various possible contingent liabilities based on the amount of damages alleged in various cases. However, it is the opinion of the County's Attorney that the County's liability in these cases that are not covered by liability insurance will be a far lesser amount than that demanded. In the opinion of the County's management, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and, accordingly, no provisions or losses have been recorded.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**12. BUDGET RESULTS RECONCILED TO RESULTS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**

The budgetary process is based upon accounting for certain transactions on a basis other than generally accepted accounting principles (GAAP basis). The results of operations as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual, are in accordance with budgetary process to provide a meaningful comparison with the budget.

The major differences between the budgetary basis "actual" and the GAAP basis are as follows:

- A. Basis differences – revenues and expenditures are budgeted on a cash basis while accounts shown in the combined Statement of Revenues, Expenditures and Changes in Fund Balance – All governmental fund types are presented under the modified accrual basis of accounting.
- B. Entity difference – budgets were not legally adopted for capital projects fund and the federal and state grants. As previously stated in Note 1 part D to the combined financial statements, the federal and state grants have already been excluded from the budgetary and actual figures shown on the Statement of Revenues, Expenditures and Changes in Fund Balances under Special Revenue Funds. Consequently, the amounts shown on said statement represent those of the Road and Bridge Fund only.

**13. COMMITMENTS AND CONTINGENCIES**

**Federal and State Funds**

The County has received federal and state funds as grants and other financial assistance. These funds must be spent only as allowed by the grant and other federal or state requirements. Also, the County must follow various laws and regulations when they receive these funds. If the County does not abide by these laws and regulations or does not spend the monies, as allowed under the grant agreements, the County may be required to return the grant monies, or a portion thereof, to the granting agencies. The contingent liability, if any, that may be due to the federal and state agencies, cannot be readily determined.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**14. INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances, at September 30, 2015, consisted of the following individual fund receivables and payables:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General fund:		
Special revenue funds	\$ 1,532,967	\$ 5,656
Debt service fund	-	34,219
Capital projects fund	-	-
Enterprise funds	858,721	-
Trust and agency funds	<u>573,975</u>	<u>145,901</u>
Total general fund	<u>2,965,663</u>	<u>185,776</u>
Special revenue funds:		
General fund	5,656	1,532,967
Special revenue funds	55,086	55,086
Trust and agency funds	<u>133,372</u>	<u>430,307</u>
Total special revenue funds	<u>194,114</u>	<u>2,018,360</u>
Debt service fund:		
General fund	34,219	-
Trust and agency funds	<u>6,024</u>	<u>45</u>
Total debt service fund	<u>40,243</u>	<u>45</u>
Capital projects fund:		
Enterprise funds	<u>291,921</u>	<u>-</u>
Total capital project fund	<u>291,921</u>	<u>-</u>
Enterprise funds:		
General fund	-	858,721
Capital projects fund	<u>-</u>	<u>291,921</u>
Total enterprise funds	<u>-</u>	<u>1,150,642</u>
Trust and agency funds:		
General fund	145,901	573,975
Special revenue funds	430,307	133,373
Debt service fund	45	6,024
Trust and agency funds	<u>112,788</u>	<u>112,787</u>
Total trust and agency funds	<u>689,041</u>	<u>826,159</u>
Totals	<u>\$ 4,180,982</u>	<u>\$ 4,180,982</u>

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided and/or reimbursement expenditures occur, 2) payments between funds are made. Balances also result from interfund payroll transactions and end of year reclassifications made between funds.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**15. RISK MANAGEMENT**

Starr County is exposed to various risks of loss relating to general liability, the accidental risk of loss of real and personal property, damage to County assets, errors and omissions, and personal risks which relate to workers' compensation. The County implements a number of risk strategies, such as purchasing commercial insurance and self-insurance with specific and full self-insurance to manage those listed risks. Amounts of coverage for these types of risk have not been subjected to a significant reduction in the current year.

**16. PENSION PLAN**

**Plan Description**

The County provides pension, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 624 cash balance-like defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS. Members can retire at ages 60 and above with 8 or more years of service or with 20 years regardless of age or when the sum of their age and years equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the County conditioned by the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

**Employees covered by benefit terms**

At December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	14
Active employees	14
	<hr/> 28

**STARR COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**16. PENSION PLAN**

**Contributions**

The employer has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually.

Employees for the County were required to contribute 5% of their annual gross earnings during the fiscal year. The contributions rates for the County was 7.75% in the calendar year 2015. The County's contributions to TCDRS for the year ended December 31, 2015, were \$1,851,283 and were equal to the required contributions.

**Net Pension Liability**

The County's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**Actuarial assumptions**

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Real rate of return	5%
Inflation	3%
Long-term investment return	8%

Depositing members  
and non-depositing members

The RP - 2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA with a one-year set-forward for males and no age

Disabled retirees

RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**16. PENSION PLAN**

**Actuarial assumptions**

The long-term investment return of 8.00% is net after investment expenses and is expected to enable the system to credit interest at the nominal annual rates shown below to the following major funds:

Subdivision Accumulation Fund	9%
Employees Saving Fund	7%
Current Service Annuity Reserve Fund	7%

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2015 information for a 7-10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation</u>	<u>Geometric Real Rate of Return (Expected minus Inflation)</u>
US Equities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
Global Equities	MCSCI World (net) Index		
	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index	11.00%	5.35%
International Equities - Developed			
International Equities - Emerging	MSCI EM 100% Hedged to USD (net) Index	9.00%	6.35%
Investment - Grade Bonds	Barclays Capital Aggregated Bond Index	3.00%	55.00%
High - Yield Bonds	Citigroup High - Yield Cash - Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High - Yield Cash - Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High - Yield Cash - Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High - Yield Cash - Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	-0.20%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

**STARR COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**16. PENSION PLAN**

**Discount Rate**

The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

**Depletion of Plan Assets/GASB Discount Rate**

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**16. PENSION PLAN**

**Depletion of Plan Assets/GASB Discount Rate**

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below:

Discount rate	8.10%	8.10%
Long - term expected rate of return, net of investment expense	8.10%	8.10%

**Changes in the Net Position Liability**

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u> (a)	<u>Plan Fiduciary Net Position</u> (b)	<u>Net Pension Liability</u> (a) - (b)
Balance as of December 31, 2013	\$ 31,662,213	\$ 28,647,545	\$ 3,014,668
Changes for the year:			
Service cost	1,233,646	-	1,233,646
Interest on total pension liability	2,558,600	-	2,558,600
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	21,362	-	21,362
Refund of contributions	(276,990)	(276,990)	-
Benefit payments	(1,108,734)	(1,108,734)	-
Administrative expenses	-	(23,013)	23,013
Member contributions	-	687,176	(687,176)
Net investment income	-	1,929,958	(1,929,958)
Employer contributions	-	1,133,421	(1,133,421)
Other	-	38,336	(38,336)
Balance at December 31, 2014	<u>\$ 34,090,097</u>	<u>\$ 31,027,700</u>	<u>\$ 3,062,397</u>

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**16. PENSION PLAN**

**Sensitivity Analysis**

The following presents the net pension liability of the county/district calculated using the discount rate of 8.10%, as well as what the Starr County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1 % Decrease 7.10%	Current Discount 8.10%	1 % Increase 9.10%
Total pension liability	\$ 38,678,392	\$ 34,090,097	\$ 30,351,388
Fiduciary net position	31,027,700	31,027,700	31,027,700
Net pension liability/(asset)	<u>\$ 7,650,692</u>	<u>\$ 3,062,397</u>	<u>\$ (676,312)</u>

**Pension Plan Fiduciary Net Position**

Pension Expense/(Income)	<u>December 31, 2014</u>
Service cost	\$ 1,233,646
Interest on total pension liability	2,558,600
Effect of plan changes	-
Administrative expenses	23,013
Member contributions	(687,176)
Expected investment return net of investment expenses	(2,361,342)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	7,121
Recognition of assumption changes or inputs	-
Recognition of investment gains or losses	86,277
Other	(38,336)
Pension expense/(income)	<u>\$ 821,803</u>

**STARR COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**16. PENSION PLAN**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

As of December 31, 2014, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 14,241
Changes in assumptions	-	-
Net difference between projected and actual earnings	-	345,108
Contributions made subsequent to measurement date	-	-
Total	\$ -	\$ 359,349

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31:	
2015	\$ 93,398
2016	93,398
2017	86,277
2018	86,277
2019	-
Thereafter	-

**17. CONTINGENCIES**

The County is a party to various litigations under which it may be required to pay certain monies upon decision of the courts. The County's attorney reports various possible contingent liabilities based on the amount of damages alleged in various cases. However, it is the opinion of the County's attorney that these cases are covered by liability insurances. In the opinion of the County's management, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and, accordingly, no provisions or losses have been recorded.

**STARR COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**18. PRIOR PERIOD ADJUSTMENT**

Adjustments to the fund balance and net position during the 2014-2015 consisted of the following:

Description	Road & Bridge Fund	Total
Adjustments for expenses incurred in prior year	\$ (35,500)	\$ (35,500)
Total per exhibit C-2	<u>\$ (35,500)</u>	<u>(35,500)</u>
Adjustment to capital assets		(5,385)
To record net pension liability		<u>(2,161,113)</u>
Total per exhibit B-1		<u>\$ (2,201,998)</u>

**BUDGETARY COMPARISON  
REPORTING**

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## STARR COUNTY, TEXAS

## SCHEDULE OF REVENUES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Revenues	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Current ad valorem	\$ 8,682,771	\$ 8,682,771	\$ 8,049,104	\$ (633,667)
Delinquent ad valorem	1,200,000	1,200,000	1,290,139	90,139
Late rendition penalty	-	-	36,520	36,520
Alcoholic beverage licenses	18,000	18,000	14,569	(3,431)
Subdivision fees	20,000	20,000	27,118	7,118
Federal payment in lieu of taxes	20,000	20,000	48,977	28,977
HDM Grant-U.S. Dept. of Agriculture	25,000	25,000	32,070	7,070
Election Expense Reimbursements	-	-	1,029	1,029
Nutrition program grant	245,000	245,000	251,925	6,925
Dept. of Family & Protective Serv-Co Atty	-	-	27,570	27,570
Texas task force on indigent defense grant	-	-	47,838	47,838
TEAM redevelopment training	-	1,783	1,783	-
State offender transport reimbursement	-	10,993	10,993	-
Contribution - juvenile detention	242,270	242,270	37,961	(204,309)
Juvenile detention grant	152,848	152,848	-	(152,848)
Contribution - county attorney's office	-	-	31,982	31,982
State jury fund reimbursements	-	-	3,026	3,026
911 addressing grant	46,582	46,582	47,963	1,381
Fees of office	2,000,000	2,000,000	1,999,393	(607)
Detention center	1,460,000	1,460,000	1,862,976	402,976
Detention center - cities	12,000	12,000	21,334	9,334
Juvenile detention center	10,000	10,000	3,520	(6,480)
El Cenizo adult day care rents	7,200	7,200	7,800	600
Wind farm in lieu of taxes	295,000	295,000	-	(295,000)
Library fines	-	-	4,253	4,253
Rentals	10,000	10,000	6,906	(3,094)
State salary supplement	120,000	122,124	159,773	37,649
Amusement machine - revenue	800,000	800,000	2,039,000	1,239,000
Amusement machine - penalties	-	-	24,550	24,550
Amusement machine - la grulla	-	-	19,000	19,000
Hotel taxes	25,000	25,000	-	(25,000)
Food permit inspection	-	-	30,635	30,635
Interest	-	-	13,724	13,724
Donations	-	15,758	15,997	239
Sale of cemetery plots	5,000	5,000	-	(5,000)
Roma county cemetery revenue	50,000	50,000	52,750	2,750
Miscellaneous (sheriff)	1,000	1,000	-	(1,000)
Miscellaneous (auction)	1,000	1,495	495	(1,000)
Miscellaneous	50,000	50,000	33,713	(16,287)
Tow truck registration fees	-	-	4,908	4,908
Fines and forfeitures	200,000	200,000	3,911	(196,089)
Elderly transportation	-	-	3,092	3,092
Total revenues	<u>\$ 15,698,671</u>	<u>\$ 15,729,824</u>	<u>\$ 16,268,297</u>	<u>\$ 538,473</u>

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General administration:				
County judge:				
Salary of official	\$ 72,037	\$ 72,037	\$ 72,037	\$ -
Supplemental salary of official	15,000	17,124	17,135	(11)
Salary of administrative assistant	82,676	77,176	77,248	(72)
Salary of public information director	41,338	41,338	41,351	(13)
Salary of secretary	32,267	32,267	32,267	-
Salary of clerk	27,358	27,358	27,358	-
Salary of courthouse security	91,972	103,972	127,263	(23,291)
Veteran's service clerk	28,663	28,663	28,663	-
Automation coordinator	75,092	75,092	70,046	5,046
Annex receptionist	44,100	44,100	43,700	400
Payroll taxes	39,053	39,053	39,939	(886)
Employee retirement	42,474	42,474	41,789	685
Office supplies	6,500	5,000	4,351	649
Auto expense	20,000	20,000	12,833	7,167
Telephone	9,000	10,000	12,075	(2,075)
Travel and seminar	8,000	4,900	3,383	1,517
Bonds and insurance	300	400	350	50
Dues and subscriptions	1,000	1,000	200	800
Capital outlay-equipment	5,000	500	-	500
Miscellaneous	4,000	3,325	1,297	2,028
Contingencies	7,100	9,600	8,838	762
Total county judge	652,930	655,379	662,123	(6,744)
County clerk:				
Salary of official	52,271	52,271	52,271	-
Salary of chief clerk	28,060	28,060	28,060	-
Salary of clerk	27,436	27,436	28,655	(1,219)
Salaries of deputies	87,500	87,500	86,024	1,476
Payroll taxes	14,938	14,938	13,882	1,056
Employee retirement	16,246	16,246	15,306	940
Office supplies	8,800	8,880	8,689	191
Telephone	50	50	402	(352)
Travel and seminars	2,000	2,329	2,329	-
Binding expense	4,000	3,671	3,177	494
Bonds and insurance	700	700	250	450
Operational system fee	-	-	4,200	(4,200)
Total county clerk	242,001	242,081	243,245	(1,164)

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General administration:				
Personnel department:				
Salary of supervisor	32,644	32,644	27,700	4,944
Salary of secretary/manager	23,502	23,502	28,000	(4,498)
Salary of benefits clerk	23,796	23,796	23,350	446
Salary of loss control clerk	24,026	24,026	17,377	6,649
Salary of director	45,000	45,000	60,755	(15,755)
Payroll taxes	11,396	11,396	11,793	(397)
Employee retirement	12,394	12,394	12,428	(34)
Office supplies	2,000	1,800	1,542	258
Travel and seminars	1,500	1,700	451	1,249
Rental - copier	1,000	1,000	2,225	(1,225)
Total personnel department	<u>177,258</u>	<u>177,258</u>	<u>185,621</u>	<u>(8,363)</u>
Planning department:				
Salary of subdivision regulation inspector	33,780	33,780	35,000	(1,220)
Salary of food inspector	90,780	90,780	78,126	12,654
Payroll taxes	9,529	9,529	8,155	1,374
Employee retirement	10,363	10,363	7,146	3,217
Office supplies	2,000	1,000	877	123
Travel and seminars	800	2,300	2,016	284
Auto expense	3,000	2,500	1,978	522
Dues & subscriptions	100	100	-	100
Total planning department	<u>150,352</u>	<u>150,352</u>	<u>133,298</u>	<u>17,054</u>
Elections administrator:				
Salary of clerk	68,872	68,872	71,464	(2,592)
Payroll taxes	5,269	5,269	5,920	(651)
Employee retirement	5,730	5,730	5,457	273
Office supplies	6,250	4,850	4,398	452
Telephone	1,500	2,100	1,800	300
Travel and seminars	2,000	5,883	5,919	(36)
Public notices	1,000	-	-	-
Bonds and insurance	500	500	-	500
Election expense	-	-	584	(584)
Miscellaneous	500	200	165	35
Capital outlay	500	500	-	500
Total elections administrator	<u>92,121</u>	<u>93,904</u>	<u>95,707</u>	<u>(1,803)</u>
General fund county wide:				
Salary - visiting judges	5,000	5,000	8,167	(3,167)
Salary - election workers	-	-	19,492	(19,492)
Payroll taxes	-	-	2,116	(2,116)
Group insurance	1,900,000	1,859,000	1,735,020	123,980
Texas workforce commission	69,000	62,000	8,637	53,363
Workers compensation	100,000	90,000	58,131	31,869

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General administration:				
General fund county wide:				
Postage	120,000	120,000	110,365	9,635
Legal fees and settlements	50,000	78,500	69,285	9,215
Audit services	60,000	60,000	32,000	28,000
Payroll report processing	10,000	10,000	7,576	2,424
Appraisal district fees	400,000	419,200	419,134	66
Contractual services	90,000	95,000	75,985	19,015
Drug testing fees	8,000	8,000	3,500	4,500
Autopsies	40,000	29,000	28,850	150
Bidding & notices	17,000	11,000	10,553	447
Telephone-DPS license department	150	150	-	150
Building rent-DPS license department	100	100	-	100
Equipment rental-copiers	55,000	48,000	21,346	26,654
Computer payments	25,000	32,000	27,364	4,636
Insurance	160,000	177,300	167,765	9,535
Texas department of human services	10,000	10,000	2,883	7,117
Historical commission	3,000	3,000	-	3,000
Industrial development	110,000	110,000	100,000	10,000
Errors and omissions-insurance	65,000	73,200	5,000	68,200
Rural fire calls	100	100	-	100
Computer update	35,000	48,000	40,301	7,699
Capital outlay	120,000	92,000	71,151	20,849
Retirement	-	-	11	(11)
Self help center expense	76,627	76,627	76,627	-
Roma county cemetary expense	50,000	50,000	55,440	(5,440)
Miscellaneous	15,000	34,800	28,082	6,718
Infrastructure development	25,000	25,000	-	25,000
Elections expense	60,000	60,000	36,018	23,982
LSNB loan	500,000	500,000	-	500,000
Telephone	85,000	77,000	78,874	(1,874)
Total general fund county wide	<u>4,263,977</u>	<u>4,263,977</u>	<u>3,299,673</u>	<u>964,304</u>
Total general administration	<u>5,578,639</u>	<u>5,582,951</u>	<u>4,619,668</u>	<u>963,284</u>
Judicial:				
County court-at-law:				
Salary of official	154,000	154,000	154,000	-
Salary of court coordinator	31,690	31,690	48,150	(16,460)
Salary of court reporter	40,274	40,274	38,298	1,976
Salary of administrative assistant	31,534	31,534	27,688	3,846
Payroll taxes	19,699	19,699	17,756	1,943
Employee retirement	21,424	21,424	20,822	602
Office supplies	1,000	1,000	579	421
Court appointed counselors	27,000	27,000	63,675	(36,675)
Visiting reporter	200	200	307	(107)
Telephone	100	100	-	100
Travel and seminars	1,500	1,500	1,050	450

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Judicial:</b>				
County court-at-law:				
Bonds and insurance	50	50	-	50
Petit jurors	1,000	1,000	3,000	(2,000)
Other juror expense	500	500	454	46
Court ordered psychological evaluations	500	500	495	5
Court appointed attorney - ad litem	5,000	5,000	1,065	3,935
Miscellaneous	500	500	-	500
Total county court-at-law	335,971	335,971	377,339	(41,368)
229th district court:				
Salary Official	8,000	8,000	8,000	-
Salary of court reporter	47,073	47,073	47,073	-
Salary of court coordinator	27,917	27,917	27,912	5
Salary of court clerk	49,819	49,819	49,819	-
Salary of bailiff	37,450	37,450	29,958	7,492
Court ordered psychological evaluations	1,500	1,500	400	1,100
Salary of interpreter	8,707	8,707	8,707	-
Salary of part time clerk	8,707	8,707	8,707	-
Payroll taxes	14,357	14,357	14,100	257
Employee retirement	15,614	15,614	15,185	429
Car allowance	5,000	5,000	5,000	-
Office supplies	4,000	4,000	3,655	345
Court-appointed counselors	31,000	31,000	108,873	(77,873)
Court appointed attorney - ad litem	55,000	55,000	21,795	33,205
Visiting reporter	2,000	2,000	8,787	(6,787)
Telephone	3,500	3,500	1,766	1,734
Travel and seminars	5,000	5,000	10,509	(5,509)
Dues and subscriptions	200	200	-	200
Petit jurors	12,000	12,000	19,617	(7,617)
Other juror expense	2,500	2,500	977	1,523
Capital outlay	500	500	-	500
Total 229th district court	339,844	339,844	390,840	(50,996)
381st district court:				
Salary of official	8,000	8,000	8,000	-
Salary of court reporter	73,309	73,309	86,982	(13,673)
Salary of court coordinator	75,536	75,536	75,536	-
Salary of court bailiff	37,450	37,450	40,660	(3,210)
Salary of interpreter	8,706	8,706	-	8,706
Payroll taxes	15,529	15,529	15,616	(87)
Employee retirement	16,890	16,890	15,391	1,499
Office supplies	5,000	5,000	5,163	(163)
Court-appointed attorney-CPS	45,000	45,000	41,933	3,067

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial:				-
381st district court:				-
Court-appointed counselors	50,000	50,000	63,000	(13,000)
Visiting reporter	500	500	3,657	(3,157)
Telephone	500	500	-	500
Travel and seminars	4,000	4,000	1,328	2,672
Jury commission	300	300	-	300
Petit jurors	26,000	26,000	18,061	7,939
Other juror expense	4,000	4,000	2,434	1,566
Court ordered psychological evaluations	500	500	2,295	(1,795)
Miscellaneous	3,000	3,000	3,502	(502)
Total 381st district court	<u>374,220</u>	<u>374,220</u>	<u>383,558</u>	<u>(9,338)</u>
District clerk:				
Salary of official	52,271	52,271	52,271	-
Salary of chief clerk	28,060	35,060	31,530	3,530
Salary of clerks	59,418	2,000	-	2,000
Salary of deputy clerk	118,495	168,913	159,472	9,441
Payroll taxes	19,756	19,756	18,061	1,695
Employee retirement	21,486	21,486	17,936	3,550
Office supplies	10,000	14,500	10,677	3,823
Microfilming	1,000	-	-	-
Telephone	750	-	-	-
Travel and seminars	2,000	2,000	2,428	(428)
Binding expense	1,000	-	-	-
Repair & maintenance-equipment	1,000	-	-	-
Printer lease	750	-	-	-
Bonds and insurance	500	700	600	100
Miscellaneous	500	300	125	175
Dues and subscriptions	200	200	125	75
Total district clerk	<u>317,186</u>	<u>317,186</u>	<u>293,225</u>	<u>23,961</u>
Justice of the peace pct. 1:				
Salary of official	33,543	33,543	31,766	1,777
Salary of secretary	26,752	26,752	26,745	7
Payroll taxes	4,613	4,613	4,384	229
Employee retirement	5,016	5,016	2,511	2,505
Office supplies	1,000	1,422	1,311	111
Telephone	1,600	1,671	1,600	71
Travel and seminars	1,500	1,007	1,008	(1)
Bonds and insurance	175	175	60	115
Juror expense	100	100	-	100
Internet service	1,750	1,750	1,674	76
Total justice of the peace pct. 1	<u>76,049</u>	<u>76,049</u>	<u>71,059</u>	<u>4,990</u>

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Judicial:</b>				
Justice of the peace pct. 2:				
Salary of official	30,522	30,522	30,522	-
Salary of secretary	25,567	25,567	24,549	1,018
Payroll taxes	4,291	4,291	3,963	328
Employee retirement	4,666	4,666	4,205	461
Office supplies	1,200	1,478	1,367	111
Telephone	1,000	1,422	1,545	(123)
Travel and seminars	1,000	300	300	-
Juror expense	100	47	-	47
Bonds and insurance	175	228	228	-
Internet service	1,750	1,750	1,313	437
Total justice of the peace pct. 2	<u>70,271</u>	<u>70,271</u>	<u>67,992</u>	<u>2,279</u>
Justice of the peace pct. 3:				
Salary of official	33,543	33,543	27,737	5,806
Salary of secretary	26,080	26,080	25,774	306
Payroll taxes	4,561	4,561	3,566	995
Employee retirement	4,961	4,961	4,239	722
Office supplies	1,400	1,585	1,572	13
Telephone	1,000	1,000	1,000	-
Internet service	1,750	1,750	1,750	-
Travel and seminars	1,000	915	915	-
Bonds and insurance	175	175	50	125
Juror expense	100	-	-	-
Total justice of the peace pct. 3	<u>74,570</u>	<u>74,570</u>	<u>66,603</u>	<u>7,967</u>
Justice of the peace pct. 4:				
Salary of official	33,543	33,543	33,543	-
Salary of secretary	26,080	26,080	27,078	(998)
Payroll taxes	4,561	4,561	4,236	325
Employee retirement	4,961	4,961	4,372	589
Office supplies	2,000	2,200	2,249	(49)
Travel and seminars	1,200	1,000	150	850
Juror expense	300	300	-	300
Bonds and insurance	175	175	278	(103)
Total justice of the peace pct. 4	<u>72,820</u>	<u>72,820</u>	<u>71,906</u>	<u>914</u>

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial:				
Justice of the peace pct. 5:				
Salary of official	33,543	33,543	33,543	-
Clerk	21,050	21,050	21,050	-
Payroll taxes	4,177	4,177	3,614	563
Employee retirement	4,542	4,542	4,315	227
Office supplies	1,200	1,200	1,140	60
Telephone	1,000	1,000	1,450	(450)
Travel and seminars	1,300	1,300	1,198	102
Juror expense	100	100	-	100
Bonds and insurance	175	175	100	75
Total justice of the peace pct. 5	67,087	67,087	66,410	677
Justice of the peace pct. 6:				
Salary of official	33,543	33,543	33,543	-
Salary of secretary	28,252	28,252	28,252	-
Salary of clerk	21,600	21,600	21,600	-
Payroll taxes	6,380	6,380	5,885	495
Employee retirement	6,938	6,938	6,591	347
Office supplies	1,000	1,000	998	2
Telephone	1,800	1,800	2,238	(438)
Travel and seminars	1,300	1,300	1,678	(378)
Juror expense	100	100	-	100
Bonds and insurance	100	100	200	(100)
Internet service	1,500	1,500	1,514	(14)
Total justice of the peace pct. 6	102,513	102,513	102,499	14
Justice of the peace pct. 7:				
Salary of official	30,522	30,522	32,869	(2,347)
Salary of secretary	23,470	23,470	23,805	(335)
Payroll taxes	4,131	4,131	4,121	10
Employee retirement	4,492	4,492	4,221	271
Office supplies	1,000	1,000	862	138
Telephone	1,300	1,844	1,844	-
Travel and seminars	1,100	1,100	831	269
Bonds and insurance	100	100	-	100
Juror expense	100	100	-	100
Internet service	1,000	456	387	69
Total justice of the peace pct. 7	67,215	67,215	68,940	(1,725)

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Judicial:</b>				
Justice of the peace pct. 8:				
Salary of official	30,522	30,522	26,664	3,858
Salary of secretary	24,497	24,497	24,757	(260)
Payroll taxes	4,209	4,209	3,832	377
Employee retirement	4,578	4,578	4,061	517
Office supplies	1,200	1,700	1,384	316
Telephone	1,000	1,000	1,348	(348)
Travel and seminars	1,200	865	865	-
Juror expense	100	100	-	100
Bonds and insurance	275	110	110	-
Internet service	1,500	1,500	1,434	66
Total justice of the peace pct. 8	<u>69,081</u>	<u>69,081</u>	<u>64,455</u>	<u>4,626</u>
Total judicial	<u>1,966,827</u>	<u>1,966,827</u>	<u>2,024,826</u>	<u>(57,999)</u>
<b>Legal:</b>				
County attorney:				
Salary of official	61,222	61,222	61,222	-
Supplemental salary of official	25,000	25,000	25,000	-
Salary of assistant county attorney	60,125	60,125	62,291	(2,166)
Salary of secretary	29,303	29,303	25,500	3,803
Salary of clerk	60,075	62,871	65,200	(2,329)
Other salaries	-	-	58,623	(58,623)
CPS attorney	22,850	22,850	51,500	(28,650)
File clerk	-	3,617	8,636	(5,019)
Abatement officer	-	-	4,335	(4,335)
Payroll taxes	19,781	19,781	25,620	(5,839)
Employee retirement	21,513	21,513	27,935	(6,422)
Office supplies	3,000	2,747	2,747	-
Supplies other	500	161	161	-
Repairs and maintenance-autos	1,000	85	85	-
Fuel and oil	2,500	1,195	1,195	-
Travel and seminars	1,000	-	-	-
Equipment rental-copiers	6,500	4,949	4,703	246
Bonds and insurance	500	200	200	-
Dues and subscriptions	250	-	-	-
Capital outlay	500	-	-	-
Total county attorney	<u>315,619</u>	<u>315,619</u>	<u>424,953</u>	<u>(109,334)</u>

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Legal:</b>				
District attorney:				
Supplemental salary of official	15,450	15,450	15,450	-
DA supplement salaries	-	-	36,492	(36,492)
Salaries of assistants	115,431	115,431	115,537	(106)
Salaries of investigators	75,000	75,000	75,049	(49)
Salaries-secretaries	101,385	101,385	93,891	7,494
Other salaries	50,000	50,000	51,451	(1,451)
Payroll taxes	27,331	27,331	25,635	1,696
Employee retirement	29,724	29,724	27,574	2,150
Office supplies	5,000	10,541	6,924	3,617
Repairs and maintenance-autos	10,000	10,000	9,797	203
Transcripts for trials and appeals	5,000	5,000	4,919	81
Telephone	1,000	1,000	635	365
Travel and seminars	7,000	1,459	1,459	-
Computer maintenance	1,000	1,000	760	240
Equipment rental-copier	7,000	7,000	4,882	2,118
Bonds and insurance	300	300	-	300
Dues and subscriptions	1,500	1,500	1,494	6
Capital outlay	1,500	1,500	-	1,500
Miscellaneous	600	600	348	252
Total district attorney	<u>454,221</u>	<u>454,221</u>	<u>472,297</u>	<u>(18,076)</u>
Total legal	<u>769,840</u>	<u>769,840</u>	<u>897,250</u>	<u>(127,410)</u>
<b>Financial administration:</b>				
County auditor:				
Salary of official	68,205	68,205	68,205	-
Salary of accountant	49,290	53,586	53,586	-
Salary of assistant	46,628	46,628	35,952	10,676
Salary of special programs bookkeeper	30,417	35,952	35,952	-
Salary of clerks	88,700	76,869	61,928	14,941
Payroll taxes	21,668	21,668	18,286	3,382
Employee retirement	23,565	23,565	20,192	3,373
Office supplies	3,500	3,500	3,516	(16)
Travel and seminars	1,000	1,000	718	282
Repairs and maintenance-equipment	500	500	446	54
Equipment rental	2,000	2,000	1,848	152
Bonds and insurance	200	200	150	50
Dues and subscriptions	400	400	385	15
Miscellaneous	200	200	76	124
Capital outlay	1,000	3,000	2,070	930
Total county auditor	<u>337,273</u>	<u>337,273</u>	<u>303,310</u>	<u>33,963</u>

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STARR COUNTY, TEXAS  
 DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Financial administration:</b>				
County treasurer:				
Salary of official	42,271	42,271	42,638	(367)
Salary of chief deputy	28,086	26,586	26,607	(21)
Salary of clerk	50,600	50,600	50,599	1
Payroll taxes	9,253	9,253	9,004	249
Employee retirement	10,064	10,064	9,474	590
Office supplies	2,500	3,000	2,995	5
Telephone	100	100	-	100
Travel and seminars	1,000	2,000	2,024	(24)
Bonds and insurance	500	500	100	400
Dues and subscriptions	100	100	-	100
Capital outlay	100	100	-	100
Total county treasurer	<u>144,574</u>	<u>144,574</u>	<u>143,441</u>	<u>1,133</u>
Tax collector:				
Salary of official	44,342	44,342	44,342	-
Salary of chief deputy	28,060	28,060	28,059	1
Salary of chief deputy-tax	28,060	28,060	28,059	1
Salary of deputies	180,497	180,497	200,329	(19,832)
Salary of clerk	17,769	17,769	-	17,769
Payroll taxes	22,853	22,853	21,429	1,424
Employee retirement	24,854	24,854	23,794	1,060
Office supplies	18,000	17,005	16,526	479
Telephone	1,800	3,800	3,583	217
Travel and seminars	2,500	2,500	1,076	1,424
Printing	2,500	2,500	2,070	430
Bonds and insurance	1,000	1,000	900	100
Dues and subscriptions	700	700	180	520
Miscellaneous	500	500	91	409
Capital outlay	1,000	-	-	-
Total tax collector	<u>374,435</u>	<u>374,440</u>	<u>370,438</u>	<u>4,002</u>
Compliance and collections:				
Collections supervisor	31,452	31,452	31,452	-
Collection specialist	51,467	51,467	52,967	(1,500)
Salary of warrant officer	43,772	43,772	-	43,772
Salary of clerk	-	-	39,710	(39,710)
Payroll taxes	9,692	9,692	8,707	985
Employee retirement	10,541	10,541	9,815	726
Office supplies	2,000	2,000	2,000	-
Travel & seminars	500	500	-	500
Dues & subscriptions	500	500	100	400
Auto expense	100	100	-	100

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Financial administration:				
Compliance and collections:				
Miscellaneous	500	500	461	39
Total compliance and collections	150,524	150,524	145,212	5,312
Total financial administration	1,006,806	1,006,811	962,401	44,410
Public facilities:				
Building maintenance:				
Salary of maintenance janitors	68,458	68,458	64,655	3,803
Salary of yardman	24,109	24,109	26,192	(2,083)
Salary of janitor (new floor)	22,951	22,951	21,350	1,601
Salary of annex janitors	44,100	44,100	44,020	80
Salary of annex yardman	21,050	21,050	21,050	-
Payroll taxes	13,821	13,821	12,914	907
Employee retirement	15,032	15,032	13,570	1,462
Employee uniforms	2,000	100	-	100
Cleaning and sanitation supplies	12,000	17,000	16,842	158
Small tools	3,000	300	171	129
Repairs and maintenance-buildings	11,000	17,200	17,359	(159)
Repairs and maintenance-elevator	6,000	6,300	6,255	45
Repairs and maintenance-equipment	9,000	2,100	2,046	54
Total building maintenance	252,521	252,521	246,424	6,097
Total public facilities	252,521	252,521	246,424	6,097
Public safety:				
Fire station pct. 1:				
Salary of employee	130,846	158,872	158,329	543
Payroll taxes	10,010	11,920	11,867	53
Employee retirement	10,886	9,243	9,256	(13)
Fuel and oil	5,000	8,000	5,048	2,952
Cleaning and sanitation	1,000	1,000	994	6
Telephone	1,000	1,000	-	1,000
Travel and seminars	1,500	1,233	229	1,004
Repairs and maintenance-equipment	10,000	3,574	2,933	641
Equipment rentals	12,000	-	-	-
Insurance-liability	1,200	1,200	-	1,200
Insurance-firemen	2,500	2,500	-	2,500
Miscellaneous	5,000	5,000	4,207	793
Capital outlay-equipment	12,600	-	-	-
Total fire station pct. 1	203,542	203,542	192,863	10,679

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety:				
Fire station pct. 2:				
Salary of employee	119,010	100,510	100,452	58
Assistant chief	23,675	-	-	-
Payroll taxes	10,916	7,375	7,357	18
Employee retirement	11,871	7,951	7,916	35
Fuel and oil	15,000	15,000	14,973	27
Telephone	5,000	8,900	8,886	14
Travel and seminars	1,000	-	-	-
Repair and maintenance-equipment	7,950	12,837	12,836	1
Capital outlay-equipment	25,000	4,542	4,539	3
Miscellaneous	-	16,108	18,591	(2,483)
Total fire station pct. 2	<u>219,422</u>	<u>173,223</u>	<u>175,550</u>	<u>(2,327)</u>
Fire station pct. 3:				
Salary of employee	112,922	112,922	112,885	37
Payroll taxes	8,639	8,139	7,927	212
Employee retirement	9,395	8,895	8,593	302
Fuel and oil	8,000	8,000	7,888	112
Telephone	500	-	-	-
Travel and seminars	500	-	-	-
Repairs and maintenance-equipment	5,000	5,613	5,611	2
Insurance-liability	2,000	2,000	2,000	-
Insurance-firemen	3,000	4,869	4,869	-
Miscellaneous	2,000	3,696	3,896	(200)
Capital outlay-equipment	6,300	460	460	-
Capital outlay-building	4,000	7,662	7,292	370
Total fire station pct. 3	<u>162,256</u>	<u>162,256</u>	<u>161,421</u>	<u>835</u>
Fire station pct. 4:				
Salary of firemen	98,034	98,034	79,795	18,239
Payroll taxes	7,500	7,500	5,401	2,099
Employee retirement	8,156	8,156	4,643	3,513
Uniform rental	3,000	4,000	2,862	1,138
Fuel and oil	14,800	11,800	11,357	443
Telephone	3,000	5,000	5,000	-
Travel and seminars	1,000	2,000	1,675	325
Repair and maintenance-equipment	8,000	17,357	17,168	189
Equipment rental	4,000	4,000	-	4,000

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety:				
Fire station pct. 4:				
Insurance-liability	4,000	4,000	3,702	298
Insurance- fireman	1,000	1,000	-	1,000
Miscellaneous	6,000	6,000	4,879	1,121
Capital outlay-equipment	24,000	24,000	-	24,000
Total fire station pct. 4	182,490	192,847	136,482	56,365
Constables:				
Salary of constable Pct. 1	28,136	28,136	28,136	-
Salary of constable Pct. 2	28,136	28,136	28,136	-
Salary of constable Pct. 3	28,136	28,136	28,136	-
Salary of constable Pct. 4	28,136	28,136	28,136	-
Salary of constable Pct. 5	28,136	28,136	28,136	-
Salary of constable Pct. 6	28,136	28,136	28,136	-
Salary of constable Pct. 7	28,136	28,136	28,136	-
Salary of constable Pct. 8	28,136	28,136	28,136	-
Payroll taxes	17,219	17,219	16,144	1,075
Employee retirement	18,575	18,575	17,790	785
Travel and seminars	4,000	3,000	914	2,086
Fuel and oil	29,500	24,617	16,341	8,276
Telephone	-	1,200	1,038	162
Bonds and insurance	-	150	400	(250)
Repairs & maintenance - autos	-	1,070	1,070	-
Repairs and maintenance - equipment	6,500	9,964	9,208	756
Total constables	300,882	300,883	287,993	12,890
Sheriff's department:				
Salary of official	76,398	76,398	76,368	30
Supplement official	15,450	15,450	16,532	(1,082)
Salary of chief deputy	50,433	50,433	50,433	-
Salary of deputies	531,119	531,119	564,390	(33,271)
Salary of clerk	23,728	23,728	23,677	51
Salary of dispatchers	179,567	179,567	188,563	(8,996)
Salary of investigators	218,052	218,052	251,919	(33,867)
Salary of captain	40,579	40,579	40,579	-
Salary of sergeants	109,029	109,029	108,756	273
Salary of corporals	36,896	36,896	73,977	(37,081)
Salary of warrants	34,979	34,979	33,195	1,784
Salary of part-time dispatcher	22,353	22,353	9,795	12,558
Salary of lieutenant	38,109	38,109	38,120	(11)
Task force officer	35,267	35,267	34,731	536
Payroll taxes	108,015	108,015	111,762	(3,747)
Employee retirement	117,475	117,475	117,412	63

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Public safety:</b>				
Sheriff's department:				
Office supplies	4,400	4,400	4,399	1
Fuel and oil	121,000	121,000	121,000	-
Telephone	50,000	53,813	57,137	(3,324)
Repairs and maintenance-equipment	8,000	4,187	4,186	1
Rental of department files-storage	4,000	4,000	3,833	167
Repairs and maintenance-autos	10,000	10,000	9,947	53
Rental of copier equipment	4,500	4,500	4,499	1
Bonds and insurance	200	200	-	200
Radio Tower	2,000	2,000	4,000	(2,000)
Starr Co tactical command suburban	5,000	5,000	-	5,000
Total sheriff's department	1,846,549	1,846,549	1,949,210	(102,661)
229th judicial district adult probation:				
Supplemental salaries of secretaries	9,214	9,214	7,874	1,340
Salary of court interpreter	-	-	3,538	(3,538)
Payroll taxes	705	705	788	(83)
Employee retirement	766	766	898	(132)
Miscellaneous	-	85	-	85
Total 229th judicial district adult probation	10,685	10,770	13,098	(2,328)
Contribution to Texas DPS:				
Salary of clerks	24,159	24,159	-	24,159
Payroll taxes	1,848	1,848	-	1,848
Employee retirement	2,010	2,010	-	2,010
Telephone	2,700	3,400	3,215	185
Equipment rentals	1,000	300	-	300
Miscellaneous	500	500	-	500
Total contribution to Texas DPS	32,217	32,217	3,215	29,002

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety:				
Detention center:				
Salary of captain	39,658	39,658	39,658	-
Salary of jailers	930,900	930,900	1,067,987	(137,087)
Salary of corporals	52,408	52,408	51,824	584
Salary of cooks	44,773	44,773	42,575	2,198
Salary of office manager	29,427	29,427	29,426	1
Salary of sergeants	109,069	109,069	97,407	11,662
Salary of head bookkeeper	29,426	29,426	29,426	-
Salary of maintenance	48,333	48,333	48,530	(197)
Salary of mechanic	24,185	24,185	24,140	45
Salary of lieutenants	30,261	30,261	36,125	(5,864)
Payroll taxes	102,391	102,391	107,300	(4,909)
Employee retirement	111,358	111,358	111,371	(13)
Office supplies	15,000	15,000	15,944	(944)
Cleaning and sanitation	30,000	30,000	37,971	(7,971)
Food consumption	292,242	292,242	502,177	(209,935)
Camera supplies	1,000	1,000	-	1,000
Uniforms	1,000	1,000	-	1,000
Personal hygiene-inmates	14,000	14,000	13,532	468
Pharmacy	35,000	35,000	41,135	(6,135)
Medical services	20,000	20,000	22,072	(2,072)
Contract medical service	110,000	110,000	97,600	12,400
Telephone	2,000	2,000	-	2,000
Transport of inmates	8,000	12,993	4,288	8,705
School and training	2,000	2,000	1,980	20
Utilities	52,000	52,000	51,206	794
Repairs and maintenance-buildings	60,000	66,000	75,537	(9,537)
Repairs and maintenance-equipment	30,000	30,000	44,459	(14,459)
Rental-copier	5,000	5,000	6,892	(1,892)
Insurance-buildings	25,000	25,000	22,776	2,224
Jail inspection expense	1,000	1,000	850	150
Capital outlay-equipment	5,000	3,836	3,047	789
Capital outlay-communications equipment.	3,000	3,000	-	3,000
Trustee fees-jail lease	1,000	1,000	-	1,000
Miscellaneous	-	1,164	1,164	-
Total detention center	<u>2,264,431</u>	<u>2,275,424</u>	<u>2,628,399</u>	<u>(352,975)</u>

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety:				
Starr county juvenile detention center:				
Salary of guards	164,273	167,373	198,728	(31,355)
Salary of part-time guards	93,525	93,525	79,485	14,040
Detention director	5,070	5,070	5,215	(145)
Detention supervisor	2,535	2,535	-	2,535
Secretary stipend	1,433	1,433	1,433	-
Payroll taxes	23,320	23,320	23,681	(361)
Group insurance	15,000	15,000	-	15,000
Board of judges	38,000	38,000	38,000	-
Employee retirement	25,362	25,362	19,145	6,217
Linen/uniforms	400	-	-	-
Restraints	100	-	-	-
Office supplies	4,000	6,000	4,896	1,104
Telephone	2,000	2,000	819	1,181
Medical services	500	-	-	-
Repairs and maintenance	1,500	3,500	1,742	1,758
Worker's compensation	5,000	5,000	-	5,000
Unemployment insurance	5,000	5,000	-	5,000
Insurance-liability	100	-	-	-
Miscellaneous	1,000	-	-	-
Travel and seminars	7,000	2,000	1,730	270
Total starr county juvenile detention center	<u>395,118</u>	<u>395,118</u>	<u>374,874</u>	<u>20,244</u>
9-1-1 Services:				
Salary of clerk	34,156	34,156	30,398	3,758
Payroll taxes	2,613	2,613	2,267	346
Group insurance	5,000	5,000	3,878	1,122
Employee retirement	2,842	2,842	2,390	452
Workers compensation	61	61	-	61
Unemployment insurance	347	347	-	347
Training	2,850	100	-	100
Maintenance & repairs	592	592	498	94
Travel and seminars	1,356	1,456	1,400	56
Supplies	2,585	2,585	1,003	1,582
Miscellaneous	1,999	4,649	4,623	26
Street sign replacement	1,200	1,200	518	682
Total 9-1-1 services	<u>55,601</u>	<u>55,601</u>	<u>46,975</u>	<u>8,626</u>
County wide services:				
Salary of fire department administrator	-	-	41,870	(41,870)
Payroll taxes	-	-	3,110	(3,110)
Employment retirement	-	-	3,309	(3,309)
Total county wide services	<u>-</u>	<u>-</u>	<u>48,289</u>	<u>(48,289)</u>
Total public safety	<u>5,673,193</u>	<u>5,648,430</u>	<u>6,018,369</u>	<u>(369,939)</u>

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Health and welfare:				
Public health and welfare aid:				
Contract medical services	6,000	6,000	6,000	-
Pauper funerals	4,000	4,000	-	4,000
Total public health and welfare aid	10,000	10,000	6,000	4,000
Federal and state programs coordinator:				
Salary of department supervisor	35,000	35,000	2,246	32,754
Salary part-time projects clerk	25,000	25,000	37,785	(12,785)
Salary of program manager	120,756	120,756	122,490	(1,734)
Payroll taxes	13,828	13,828	11,939	1,889
Employee retirement	15,039	15,039	12,480	2,559
Office supplies	5,000	5,250	4,602	648
Telephone	2,000	2,000	1,800	200
Travel and seminars	3,000	3,250	2,029	1,221
Repairs and maintenance equipment	1,000	500	241	259
Capital outlay	500	500	-	500
Total federal & state programs coordinator	221,123	221,123	195,612	25,511
Elderly programs:				
Salary of transportation director	24,363	24,363	24,363	-
Salary of assistant	36,000	36,000	36,000	-
Payroll taxes	4,618	4,403	4,381	22
Employee retirement	5,022	4,792	4,771	21
Fuel and oil	16,040	16,040	16,066	(26)
Repair and maintenance-autos	2,000	2,445	2,371	74
Total elderly programs	88,043	88,043	87,952	91
Nutrition program pct. 1:				
Salary of site manager	26,055	18,677	18,677	-
Salary of part-time help	77,704	83,782	81,926	1,856
Payroll taxes	7,937	7,937	7,309	628
Employee retirement	8,633	8,633	6,623	2,010
Contractual services	21,900	23,200	23,029	171
Consumables	5,000	-	-	-
Repairs and maintenance - auto	2,000	2,203	1,392	811
Fuel and oil	5,000	-	-	-
Miscellaneous	3,500	2,677	2,677	-
Food pantry expense	15,000	26,620	26,548	72
Total nutrition program pct. 1	172,729	173,729	168,181	5,548

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Health and welfare:</b>				
<b>Nutrition program pct. 2:</b>				
Salary of program administrator	21,564	21,564	21,564	-
Salary of administrative assistant	26,485	29,986	29,984	2
Salary of assistant	16,500	16,530	16,500	30
Payroll taxes	4,938	4,938	4,929	9
Employee retirement	5,370	5,370	5,373	(3)
Contractual services	60,530	68,329	64,695	3,634
Consumables	5,000	6,800	6,798	2
Repairs and maintenance - auto	500	(700)	491	(1,191)
Food pantry expense	20,000	54,907	54,787	120
Total nutrition program pct. 2	160,887	207,724	205,121	2,603
<b>Nutrition program pct. 3:</b>				
Salary of site manager	20,306	32,116	32,115	1
Salary of rental building coordinator	1,510	1,510	1,510	-
Payroll taxes	1,669	2,456	2,363	93
Employee retirement	1,815	2,664	2,658	6
Contractual services	12,000	19,401	19,366	35
Consumables	2,000	-	-	-
Fuel and oil	3,000	3,000	2,990	10
Repairs and maintenance - auto	1,000	1,000	833	167
Miscellaneous	3,500	-	-	-
Food pantry	20,000	7,153	7,153	-
Total nutrition program pct. 3	66,800	69,300	68,988	312
<b>Nutrition program pct. 4:</b>				
Salary of site manager	24,133	24,133	43,170	(19,037)
Salary of assistant	25,592	25,592	11,079	14,513
Salary of part-time help	3,240	3,240	-	3,240
Payroll taxes	4,052	4,052	4,150	(98)
Employee retirement	4,407	4,407	362	4,045
Contractual services	96,700	96,200	91,620	4,580
Consumables	1,000	800	442	358
Fuel and oil	7,400	7,600	7,889	(289)
Repairs and maintenance-equipment	-	-	64	(64)
Repairs and maintenance-autos	1,000	1,000	418	582
Miscellaneous	-	-	18	(18)
Food pantry expense (to self-help)	15,000	16,762	16,652	110
Total nutrition program pct. 4	182,524	183,786	175,864	7,922
Total health and welfare	902,106	953,705	907,718	45,987

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## STARR COUNTY, TEXAS

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

## GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Conservation agriculture:				
Extension service:				
Supplemental salary of county agent	14,632	14,632	14,743	(111)
Supplemental salary of home demo agent	14,632	14,632	14,632	-
Salary of secretary	28,289	28,289	28,289	-
Salary of clerk	26,970	26,970	26,738	232
Payroll taxes	6,466	6,466	6,316	150
Employee retirement	7,032	7,032	5,504	1,528
Dues	350	260	270	(10)
Office supplies	4,000	3,598	3,463	135
Postage	250	-	-	-
Custodial supplies	250	163	163	-
Demonstration materials	250	250	115	135
Computer update	500	184	-	184
Tele-communications update	-	660	660	-
Telephone	2,600	2,600	2,316	284
Mileage	14,800	14,800	14,800	-
Travel and seminars	5,100	6,488	6,642	(154)
Repairs and maintenance-equipment	850	515	516	(1)
Equipment rental-copier	3,350	2,782	2,497	285
Total extension service	<u>130,321</u>	<u>130,321</u>	<u>127,664</u>	<u>2,657</u>
Total conservation agriculture	<u>130,321</u>	<u>130,321</u>	<u>127,664</u>	<u>2,657</u>
Total expenditures - all departments	<u>16,280,253</u>	<u>16,311,406</u>	<u>15,804,320</u>	<u>507,087</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES</b>	<u>(581,582)</u>	<u>(581,582)</u>	<u>463,977</u>	<u>31,386</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,150,000	1,150,000	1,150,000	-
Transfers out	(568,418)	(568,418)	(328,486)	(239,932)
Tax note proceeds	-	-	1,500,000	(1,500,000)
Total other financing sources (uses)	<u>581,582</u>	<u>581,582</u>	<u>2,321,514</u>	<u>(1,739,932)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	-	-	2,785,491	(1,708,546)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,744,509</u>	<u>1,744,509</u>	<u>1,744,509</u>	-
<b>FUND BALANCE, ENDING OF YEAR</b>	<u>\$ 1,744,509</u>	<u>\$ 1,744,509</u>	<u>\$ 4,530,000</u>	<u>\$ (1,708,546)</u>

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## STARR COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

## DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Current taxes	\$ 507,000	\$ 507,000	\$ 148,447	\$ (358,553)
Delinquent taxes	48,945	48,945	87,621	38,676
Interest	10,000	10,000	8,858	(1,142)
Total revenues	565,945	565,945	244,926	(321,019)
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	445,000	445,000	545,761	(100,761)
Interest	117,856	117,856	117,690	166
Fiscal agent fees	3,000	3,000	1,597	1,403
Total expenditures	565,856	565,856	665,048	(99,192)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	89	89	(420,122)	(420,211)
<b>OTHER FINANCING SOURCES</b>				
Operating transfer in	-	-	104,445	(104,445)
<b>NET CHANGE IN FUND BALANCE</b>	89	89	(315,677)	(524,656)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	3,205,708	3,205,708	3,205,708	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 3,205,797	\$ 3,205,797	\$ 2,890,031	\$ (315,766)

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## STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND  
EXPENDITURES - BUDGET AND ACTUAL

## ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>REVENUES</b>				
Current ad valorem	\$ 3,436,476	\$ 3,436,476	\$ 3,190,016	\$ (246,460)
Delinquent ad valorem	445,400	445,400	533,382	87,982
Motor vehicle licenses	600,000	600,000	594,824	(5,176)
Lateral road credit	27,000	27,000	26,312	(688)
Gross weight/axle fees	70,000	70,000	90,191	20,191
Fines and forfeitures	600,000	600,000	567,829	(32,171)
Interest	-	-	797	797
Auction	-	1,570	1,570	-
Miscellaneous	100	100	-	(100)
Total revenues	<u>5,178,976</u>	<u>5,180,546</u>	<u>5,004,921</u>	<u>(175,625)</u>
<b>EXPENDITURES</b>				
Commissioner Pct. 1:				
Salary of official	72,037	72,037	72,037	-
Salary of foreman	28,700	-	-	-
Salary of supervisor	25,028	54,249	54,276	(27)
Salary of street maintenance supervisor	21,430	8,252	8,252	-
Salary of head clerk	24,394	33,384	33,384	-
Salaries of clerical	57,289	112,780	111,534	1,246
Salaries-janitorial	23,479	7,163	7,105	58
Salaries of street maintenance	80,569	117,043	117,269	(226)
Salaries of timekeeper/policy manager	20,194	25,733	25,734	(1)
Salaries of park maintenance	30,669	2,489	2,475	14
Salaries of drivers and other duties	78,703	16,640	16,344	296
Salaries of night watchman	33,277	18,399	18,537	(138)
Salaries of road employees	32,605	116,585	116,266	319
Roadhands	24,733	-	-	-
Payroll taxes	42,313	42,313	42,908	(595)
Employee retirement	46,018	46,018	43,028	2,990
Office supplies	4,000	4,111	4,105	6
Fuel and oil	63,000	49,514	49,284	230
Telephone	10,000	10,000	9,466	534
Travel and seminars	2,000	2,000	1,557	443
Repairs and maintenance equipment	65,000	103,783	103,205	578
Rental - machinery	10,000	11,543	6,241	5,302
Repairs and maintenance - roads & bridges	29,170	60,373	60,373	-
Welding supplies	4,000	570	369	201
Contract work - hauling	15,000	13,300	13,300	-

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**STARR COUNTY, TEXAS**  
**DETAILED SCHEDULE OF REVENUES AND**  
**EXPENDITURES - BUDGET AND ACTUAL**

**ROAD AND BRIDGE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>EXPENDITURES</b>				
Commissioner Pct. 1:				
Contract work - other	15,000	11,546	11,546	-
Bonds and insurance	1,000	200	100	100
Miscellaneous	22,500	21,600	20,825	775
Capital outlay	35,000	29,609	29,609	-
Capital outlay - parks and comm. ctrs	35,000	-	-	-
Capital outlay- equipment	28,000	1,000	1,000	-
Contingencies	4,000	874	874	-
Total commissioner pct. 1	<u>984,108</u>	<u>993,108</u>	<u>981,003</u>	<u>12,105</u>
Commissioner Pct. 2:				
Salary of official	72,037	72,037	72,037	-
Salary of administrative assistant	37,450	37,450	37,450	-
Salary of superintendent	37,450	37,450	37,950	(500)
Salary of project manager	37,450	37,450	37,892	(442)
Salary of supervisor	25,323	25,323	25,765	(442)
Salary of administrative aide	28,525	28,525	28,525	-
Salary of special event coordinator	19,755	3,810	3,809	1
Salary of street maintenance supervisor	20,850	20,850	20,850	-
Salary of head librarian	17,882	18,607	18,605	2
Salary of equipment mechanic	24,938	26,496	26,938	(442)
Salary of parks supervisor	24,164	24,164	24,552	(388)
Salary of waste management supervisor	24,017	24,017	24,405	(388)
Salary of welder	25,623	25,623	26,065	(442)
Salary of foreman	26,393	26,393	26,852	(459)
Salary equipment operator	25,482	25,482	25,870	(388)
Salary equipment operator I	20,850	20,850	21,293	(443)
Other salaries	66,795	71,150	72,383	(1,233)
Salary of library clerk	28,523	32,123	32,093	30
Food pantry personnel	17,495	17,495	17,495	-
Payroll taxes	44,447	42,467	42,905	(438)
Employee retirement	48,339	41,389	41,380	9
Office supplies	3,000	3,000	3,000	-
Fuel and oil	86,700	36,700	36,613	87
Utilities	-	14,025	13,905	120
Telephone	6,500	7,700	8,213	(513)
Travel and seminars	5,000	3,510	3,309	201

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## STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND  
EXPENDITURES - BUDGET AND ACTUAL

## ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>EXPENDITURES</b>				
Commissioner Pct. 2:				
Repairs and maint-building	20,000	10,770	9,767	1,003
Repairs and maint-equipment	66,000	76,170	76,100	70
Repairs and maint-roads & bridges	18,100	-	1,153	(1,153)
Radio lease	3,000	2,855	3,125	(270)
Contract work	25,953	3	-	3
Bonds and insurance	100	100	50	50
Miscellaneous	3,000	61,307	52,173	9,134
Parks and community centers	26,730	5,755	5,754	1
Capital outlay	41,000	99,825	99,662	163
Contingencies	2,000	-	-	-
Total commissioner pct. 2	<u>980,871</u>	<u>980,871</u>	<u>977,938</u>	<u>2,933</u>
Commissioner Pct. 3:				
Salary of official	72,037	72,037	72,037	-
Salaries of secretary & foreman	56,894	71,993	71,992	1
Other salaries	297,707	215,017	214,406	611
Nightwatchmen	74,883	-	-	-
Roadhands	109,059	229,592	229,586	6
Temporary help	50,192	42,098	42,097	1
Payroll taxes	50,549	46,049	45,131	918
Employee retirement	54,976	48,476	48,029	447
Office supplies	1,000	2,995	2,994	1
Fuel and oil	70,000	60,000	59,697	303
Telephone	10,000	14,700	14,016	684
Travel and seminars	6,000	225	225	-
Repairs and maint-buildings	50,000	53,316	53,309	7
Repairs and maint-equipment	96,000	85,178	84,897	281
Repairs and maint-roads & bridges	100,300	120,727	120,727	-
Miscellaneous	41,000	59,885	59,789	96
Parks and community centers	14,000	13,755	13,755	-
Contingencies	4,000	2,534	2,510	24
Bonds and insurance	-	50	50	-
Capital outlay	<u>52,332</u>	<u>73,852</u>	<u>73,852</u>	-
Total commissioner pct. 3	<u>1,210,929</u>	<u>1,212,479</u>	<u>1,209,099</u>	<u>3,380</u>
Commissioner Pct. 4:				
Salary of official	72,037	72,037	72,037	-
Salaries of secretary	22,780	22,780	-	22,780

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## STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND  
EXPENDITURES - BUDGET AND ACTUAL

## ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>EXPENDITURES</b>				
Commissioner Pct. 4:				
Salary of foreman	29,960	29,960	29,960	-
Salary of office manager	29,960	29,960	30,000	(40)
Salary of assistant foreman	22,780	22,780	-	22,780
Other salaries	331,162	358,262	425,832	(67,570)
Payroll taxes	38,914	38,914	40,614	(1,700)
Employee retirement	42,322	42,322	38,018	4,304
Uniform rental	10,000	12,000	11,723	277
Office supplies	6,000	7,820	6,210	1,610
Fuel and oil	65,000	41,800	37,205	4,595
Telephone	12,000	13,200	13,234	(34)
Travel and seminars	1,000	5,600	3,700	1,900
Bonds and insurance	1,000	200	100	100
Repairs and maint-equipment	54,300	104,400	81,234	23,166
Repairs and maint-roads & bridges	41,500	21,500	40,230	(18,730)
Lease payments-machinery	70,000	52,400	48,288	4,112
Miscellaneous	38,200	40,500	38,959	1,541
Fire protection	25,000	25,300	23,114	2,186
Parks and community centers	20,000	500	-	500
Contingencies	19,000	19,000	15,953	3,047
Capital outlay	42,158	43,858	43,543	315
Total commissioner pct. 4	995,073	1,005,093	999,954	5,139
Flood control:				
Precinct #1 channels	9,000	-	-	-
Precinct #2 channels	7,900	7,900	7,900	-
Precinct #3 channels	15,000	15,000	15,000	-
Precinct #4 channels	10,000	-	-	-
Total flood control	41,900	22,900	22,900	-
Road & bridge fund county wide:				
Appraisal district fees	8,000	8,000	-	8,000
Breathalyzer services	10,000	10,000	10,000	-
Bidding and notices	100	100	-	100
Utilities	810,000	810,000	873,412	(63,412)
Dues and subscriptions	8,000	10,000	9,001	999
Suspension bridge match	10,000	8,000	-	8,000
Right-of-ways and emergency	120,000	120,000	120,000	-
Total road & bridge fund county wide	966,100	966,100	1,012,413	(46,313)
Total expenditures	5,178,981	5,180,551	5,203,307	(22,756)

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## STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND  
EXPENDITURES - BUDGET AND ACTUAL

## ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5)</u>	<u>(5)</u>	<u>(198,386)</u>	<u>(198,381)</u>
<b>FUND BALANCE (DEFICIT), BEGINNING</b>	(689,198)	(689,198)	(689,198)	-
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>(35,500)</u>	<u>(35,500)</u>
<b>FUND BALANCE (DEFICIT), ENDING</b>	<u>\$ (689,203)</u>	<u>\$ (689,203)</u>	<u>\$ (923,084)</u>	<u>\$ (233,881)</u>

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**REQUIRED SUPPLEMENTAL  
INFORMATION**

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**STARR COUNTY, TEXAS**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S**  
**NET PENSION LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>2014</u>
<b>Total Pension Liability</b>	
Service cost	\$ 1,233,646
Interest on total pension liability	2,558,600
Effect of plan changes	-
Effect of assumptions changes or inputs	-
Effect of economic/demographic (gains) or losses	21,362
Benefit payments/refunds of contributions	<u>(1,385,724)</u>
Net change in total pension liability	2,427,884
Total pension liability, beginning	<u>31,662,213</u>
Total pension liability, ending (a)	<u>34,090,097</u>
<b>Fiduciary Net Position</b>	
Employer contributions	1,133,421
Member contributions	687,176
Investment income net of investment expenses	1,929,958
Benefit payments/refunds of contributions	(1,385,724)
Administrative expenses	(23,013)
Other	<u>38,336</u>
Net change in fiduciary net position	2,380,154
Fiduciary net position, beginning	<u>28,647,545</u>
Fiduciary net position, ending (b)	<u>31,027,700</u>
Net pension liability/(asset), ending (a) - (b)	<u>\$ 3,062,397</u>
Fiduciary net position as a % of total pension liability	91.02%
Pensionable covered payroll	\$ 13,622,851
Net pension liability as a % of covered payroll	22.48%

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**STARR COUNTY, TEXAS**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Fiscal Year Ended December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2006	\$ 755,316	\$ 755,316	\$ -	\$ 9,758,609	7.7%
2007	814,463	814,463	-	10,932,386	7.4%
2008	833,826	833,826	-	11,860,970	7.0%
2009	872,299	872,299	-	13,117,272	6.6%
2010	1,095,079	1,095,079	-	13,453,063	8.1%
2011	977,028	977,028	-	12,975,145	7.5%
2012	1,029,969	1,029,969	-	13,238,679	7.8%
2013	1,072,966	1,072,966	-	13,118,362	8.2%
2014	1,133,421	1,133,421	-	13,622,851	8.3%

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**STARR COUNTY, TEXAS**  
**NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<b>Valuation Timing</b>	Actuarially determined contribution rates are calculated as of December 31, two year prior to the end of the fiscal year in which contributions are reported.
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Asset Valuation Method</b>	
Smoothing period	5 years
Recognition Method	Non-asymptotic
Corridor	None
<b>Inflation</b>	3.0%
<b>Salary Increases</b>	Annual salary increase rates assumed for individual members vary by length of service and by entry-age group. Annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.
<b>Investment Rate of Return</b>	8.10%
<b>Cost-of-Living Adjustments</b>	Cost-of-Living Adjustments for Starr County Appraisal District are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
<b>Retirement Age</b>	Experience-based table of rates that are specific to the County's plan of benefits.
<b>Turnover</b>	Rates vary by length of service, entry-age group (age at hire) and sex. No termination after eligibility for retirement is assumed.
<b>Mortality</b>	<p>Depositing members - RP - 2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.</p> <p>Service retirees, beneficiaries and non-depositing members- RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.</p> <p>Disabled retirees - RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for Females with a two-year set-forward, both with the projection scale AA.</p>

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**SUPPLEMENTAL INFORMATION**

**NONMAJOR GOVERNMENTAL FUNDS**

**FIDUCIARY FUNDS**

**STARR COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Special Revenue Funds		
	Self-Help Center	Operation Joint Investigation DA & ICE	CACST 5310
<b>ASSETS</b>			
Cash	\$ 28,865	\$ 9,053	\$ 979
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	323
<b>Total assets</b>	<b>\$ 28,865</b>	<b>\$ 9,053</b>	<b>\$ 1,302</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 28	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other funds	28,837	9	1,302
Due to other governments	-	-	-
Unearned revenue	-	9,044	-
<b>Total liabilities</b>	<b>28,865</b>	<b>9,053</b>	<b>1,302</b>
<b>FUND BALANCE</b>			
Assigned	-	-	-
Restricted	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 28,865</b>	<b>\$ 9,053</b>	<b>\$ 1,302</b>

EXHIBIT H-1

Archives Management Fee Fund	US Department of Agriculture FHA Grant Housing Preservation	HIDTA Grants District Attorney	Surcharge Fund
\$ 38,254	\$ 6,811	\$ 76,579	\$ 27,874
-	-	-	-
-	-	-	-
4,884	-	-	4,962
-	-	81,446	-
<u>\$ 43,138</u>	<u>\$ 6,811</u>	<u>\$ 158,025</u>	<u>\$ 32,836</u>
\$ 3,132	\$ -	\$ -	\$ -
-	-	-	-
16	-	154,883	31
-	-	-	-
-	6,811	3,142	-
<u>3,148</u>	<u>6,811</u>	<u>158,025</u>	<u>31</u>
-	-	-	-
<u>39,990</u>	<u>-</u>	<u>-</u>	<u>32,805</u>
39,990	-	-	32,805
<u>\$ 43,138</u>	<u>\$ 6,811</u>	<u>\$ 158,025</u>	<u>\$ 32,836</u>

**STARR COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Special Revenue Funds		
	Law Library Fund	Courthouse Security Fund	Border Prosecution Unit
<b>ASSETS</b>			
Cash	\$ 215,195	\$ 243,018	\$ 23,075
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	2,489	1,861	-
Due from other governments	-	-	29,245
<b>Total assets</b>	<b>\$ 217,684</b>	<b>\$ 244,879</b>	<b>\$ 52,320</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	6,100
Due to other funds	-	-	46,220
Due to other governments	-	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>52,320</b>
<b>FUND BALANCE</b>			
Assigned	-	-	-
Restricted	217,684	244,879	-
<b>Total fund balance</b>	<b>217,684</b>	<b>244,879</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 217,684</b>	<b>\$ 244,879</b>	<b>\$ 52,320</b>

EXHIBIT H-1

Management & Preservation Fund	LEOSE Fund	Starr Co Violent Crimes Unit Border Star	Los Olmos Watershed Project
\$ 75,451	\$ 24,798	\$ 89,784	\$ 204,976
-	-	-	-
-	-	-	-
2,455	-	10,462	-
-	-	12,252	-
<u>\$ 77,906</u>	<u>\$ 24,798</u>	<u>\$ 112,498</u>	<u>\$ 204,976</u>
\$ -	\$ -	\$ -	\$ -
-	-	2,359	-
6	35	71,504	-
-	-	35,174	-
-	-	2,255	204,976
<u>6</u>	<u>35</u>	<u>111,292</u>	<u>204,976</u>
-	-	-	-
<u>77,900</u>	<u>24,763</u>	<u>1,206</u>	<u>-</u>
<u>77,900</u>	<u>24,763</u>	<u>1,206</u>	<u>-</u>
<u>\$ 77,906</u>	<u>\$ 24,798</u>	<u>\$ 112,498</u>	<u>\$ 204,976</u>

**STARR COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Special Revenue Funds		
	GLO Contract #DRS220179 Round 2.2	Community Facilities Loan & Grant San Isidro Project	BEC/NADB SWEP Grant #TX0360
<b>ASSETS</b>			
Cash	\$ 9,833	\$ 4,848	\$ 17,961
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	36,253	-	-
<b>Total assets</b>	<b>\$ 46,086</b>	<b>\$ 4,848</b>	<b>\$ 17,961</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	2	-	-
Due to other funds	46,084	7	-
Due to other governments	-	-	-
Unearned revenue	-	4,841	17,961
<b>Total liabilities</b>	<b>46,086</b>	<b>4,848</b>	<b>17,961</b>
<b>FUND BALANCE</b>			
Assigned	-	-	-
Restricted	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 46,086</b>	<b>\$ 4,848</b>	<b>\$ 17,961</b>

EXHIBIT H-1

Justice Court Technology Fund	Border Interdiction Unit Border Star	Victims of Domestic Violence Assistance Program	229th District Attorney's Pre-Trial Diversion Program
\$ 13,496	\$ -	\$ 3,566	\$ 49,427
-	-	-	-
-	-	-	-
805	-	4,333	-
-	11,486	42,359	-
<u>\$ 14,301</u>	<u>\$ 11,486</u>	<u>\$ 50,258</u>	<u>\$ 49,427</u>
\$ 1,040	\$ 917	\$ 2,523	\$ 15
-	435	4,372	-
7	10,134	43,363	3
-	-	-	-
-	-	-	-
<u>1,047</u>	<u>11,486</u>	<u>50,258</u>	<u>18</u>
-	-	-	-
13,254	-	-	49,409
13,254	-	-	49,409
<u>\$ 14,301</u>	<u>\$ 11,486</u>	<u>\$ 50,258</u>	<u>\$ 49,427</u>

**STARR COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Special Revenue Funds		
	Homeland Security Grants	GLO Contract #DRS210179	Crime Victims Asst. Program
<b>ASSETS</b>			
Cash	\$ 19	\$ 1	\$ 168
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	17,984
Due from other governments	-	-	24,099
<b>Total assets</b>	<b>\$ 19</b>	<b>\$ 1</b>	<b>\$ 42,251</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 619
Accrued liabilities	-	1	4,965
Due to other funds	19	-	36,667
Due to other governments	-	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>19</b>	<b>1</b>	<b>42,251</b>
<b>FUND BALANCE</b>			
Assigned	-	-	-
Restricted	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 19</b>	<b>\$ 1</b>	<b>\$ 42,251</b>

EXHIBIT H-1

TDHCA Home Program HRA #1001652	United Way Impact Grant	OPSG 2013 Homeland Security Grant Program EMW-2013-SS-00045	BEC/NADB SWEP Grant TX0360 Fund
\$ 31	\$ 4,310	\$ 27,820	\$ 118,473
-	-	-	-
-	-	-	-
-	-	31,645	-
-	-	-	-
<u>\$ 31</u>	<u>\$ 4,310</u>	<u>\$ 59,465</u>	<u>\$ 118,473</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
31	6	59,465	-
-	-	-	-
-	4,304	-	118,473
<u>31</u>	<u>4,310</u>	<u>59,465</u>	<u>118,473</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 31</u>	<u>\$ 4,310</u>	<u>\$ 59,465</u>	<u>\$ 118,473</u>

**STARR COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Special Revenue Funds		
	TXDOT Border Colonia Access 3rd Call	Joint Law Enforcement Operations - Sheriff & US Marshalls	Drainage District Fund
<b>ASSETS</b>			
Cash	\$ 12,244	\$ 752	\$ 192,855
Investments	-	-	1,402,875
Taxes receivable (net of allowance)	-	-	137,433
Accounts receivable	-	-	59
Due from other funds	-	1,256	2,120
Due from other governments	271,217	-	-
<b>Total assets</b>	<b>\$ 283,461</b>	<b>\$ 2,008</b>	<b>\$ 1,735,342</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 7,041	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other funds	206,435	2,008	-
Due to other governments	-	-	-
Unearned revenue	69,985	-	134,672
<b>Total liabilities</b>	<b>283,461</b>	<b>2,008</b>	<b>134,672</b>
<b>FUND BALANCE</b>			
Assigned	-	-	-
Restricted	-	-	1,600,670
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>1,600,670</b>
<b>Total liabilities and fund balance</b>	<b>\$ 283,461</b>	<b>\$ 2,008</b>	<b>\$ 1,735,342</b>

EXHIBIT H-1

Joint Investigations - ICE & Sheriff Fund	HAVA Grants CFDA #90.401 Fund	Chapter 19 Voter Registration Fund	Constable Pct #5 Abandoned Vehicle Forfeiture
\$ 2,028	\$ -	\$ -	\$ 493
-	-	-	-
-	-	-	-
-	-	-	-
-	4,400	-	-
-	-	1,009	-
<u>\$ 2,028</u>	<u>\$ 4,400</u>	<u>\$ 1,009</u>	<u>\$ 493</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
3	-	1,009	-
-	-	-	-
<u>2,025</u>	<u>4,400</u>	<u>-</u>	<u>-</u>
<u>2,028</u>	<u>4,400</u>	<u>1,009</u>	<u>-</u>
-	-	-	-
-	-	-	493
-	-	-	493
<u>\$ 2,028</u>	<u>\$ 4,400</u>	<u>\$ 1,009</u>	<u>\$ 493</u>

**STARR COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Special Revenue Funds		
	OPSG 2014 Fund	TXDOT CTIF Project	LBSP 2015 DA Fund
<b>ASSETS</b>			
Cash	\$ -	\$ 59,188	\$ -
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	23,114	-
Due from other governments	570,421	4,921	24,840
<b>Total assets</b>	<b>\$ 570,421</b>	<b>\$ 87,223</b>	<b>\$ 24,840</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 284,427	\$ -	\$ -
Accrued liabilities	27,758	1	9,572
Due to other funds	163,667	43,765	15,268
Due to other governments	94,569	43,457	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>570,421</b>	<b>87,223</b>	<b>24,840</b>
<b>FUND BALANCE</b>			
Assigned	-	-	-
Restricted	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 570,421</b>	<b>\$ 87,223</b>	<b>\$ 24,840</b>

EXHIBIT H-1

LBSP 2015 Fund	Total Special Revenue Funds	Capital Projects Fund Construction 2004	Total Nonmajor Governmental Funds
\$ 8	\$ 1,582,233	\$ 22,016	\$ 1,604,249
-	1,402,875	257,839	1,660,714
-	137,433	-	137,433
-	59	237	296
-	112,770	291,921	404,691
<u>198,601</u>	<u>1,308,472</u>	<u>-</u>	<u>1,308,472</u>
<u>\$ 198,609</u>	<u>\$ 4,543,842</u>	<u>\$ 572,013</u>	<u>\$ 5,115,855</u>
\$ -	\$ 299,742	\$ -	\$ 299,742
9,617	65,182	-	65,182
188,992	1,119,776	-	1,119,776
-	173,200	-	173,200
-	582,889	-	582,889
<u>198,609</u>	<u>2,240,789</u>	<u>-</u>	<u>2,240,789</u>
-	-	572,013	572,013
-	2,303,053	-	2,303,053
-	2,303,053	572,013	2,875,066
<u>\$ 198,609</u>	<u>\$ 4,543,842</u>	<u>\$ 572,013</u>	<u>\$ 5,115,855</u>

**STARR COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds		
	Self-Help Center	Operation Joint Investigation DA & ICE	CACST 5310
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	93,947	23,677	52,739
Fines and forfeitures	-	-	-
Interest income	61	-	-
Miscellaneous	76,628	-	-
<b>Total revenues</b>	<u>170,636</u>	<u>23,677</u>	<u>52,739</u>
<b>EXPENDITURES</b>			
Highways and streets	-	-	-
Health and welfare	194,677	-	52,739
Public safety	-	23,677	-
Public facilities	-	-	-
<b>Total expenditures</b>	<u>194,677</u>	<u>23,677</u>	<u>52,739</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(24,041)</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in (out)	<u>24,041</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-2

Archives Management Fee Fund	US Department of Agriculture FHA Grant Housing Preservation	HIDTA Grants District Attorney	Surcharge Fund
\$ -	\$ -	\$ -	\$ -
-	-	336,682	-
61,996	-	-	62,396
41	-	-	42
-	-	-	-
<u>62,037</u>	<u>-</u>	<u>336,682</u>	<u>62,438</u>
-	-	-	-
-	-	-	-
-	-	336,682	-
<u>38,901</u>	<u>-</u>	<u>-</u>	<u>55,833</u>
<u>38,901</u>	<u>-</u>	<u>336,682</u>	<u>55,833</u>
<u>23,136</u>	<u>-</u>	<u>-</u>	<u>6,605</u>
-	-	-	-
23,136	-	-	6,605
16,854	-	-	26,200
-	-	-	-
<u>\$ 39,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,805</u>

**STARR COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds		
	Law Library Fund	Courthouse Security Fund	Border Prosecution Unit
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	115,558
Fines and forfeitures	25,572	26,202	-
Interest income	300	344	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>25,872</u>	<u>26,546</u>	<u>115,558</u>
<b>EXPENDITURES</b>			
Highways and streets	-	-	-
Health and welfare	-	-	-
Public safety	-	-	115,558
Public facilities	876	1,413	-
<b>Total expenditures</b>	<u>876</u>	<u>1,413</u>	<u>115,558</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>24,996</u>	<u>25,133</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in (out)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	24,996	25,133	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	192,688	219,746	-
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 217,684</u>	<u>\$ 244,879</u>	<u>\$ -</u>

EXHIBIT H-2

Management & Preservation Fund	LEOSE Fund	Starr Co Violent Crimes Unit Border Star	Los Olmos Watershed Project
\$ -	\$ -	\$ -	\$ -
-	-	48,188	-
27,324	6,343	-	-
107	-	-	-
-	-	-	-
<u>27,431</u>	<u>6,343</u>	<u>48,188</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	48,188	-
18,497	4,703	-	-
<u>18,497</u>	<u>4,703</u>	<u>48,188</u>	<u>-</u>
-	-	-	-
8,934	1,640	-	-
-	-	-	-
8,934	1,640	-	-
68,966	23,123	1,206	-
-	-	-	-
<u>\$ 77,900</u>	<u>\$ 24,763</u>	<u>\$ 1,206</u>	<u>\$ -</u>

**STARR COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds		
	GLO Contract #DRS220179 Round 2.2	Community Facilities Loan & Grant San Isidro Project	BEC/NADB SWEP Grant #TX0360
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	83,753	-	-
Fines and forfeitures	-	-	-
Interest income	-	-	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>83,753</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Highways and streets	83,753	-	-
Health and welfare	-	-	-
Public safety	-	-	-
Public facilities	-	-	-
<b>Total expenditures</b>	<u>83,753</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in (out)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-2

Justice Court Technology Fund	Border Interdiction Unit Border Star	Victims of Domestic Violence Assistance Program	229th District Attorney's Pre-Trial Diversion Program
\$ -	\$ -	\$ -	\$ -
-	48,665	94,349	-
13,720	-	-	35,000
-	-	-	49
-	-	-	-
<u>13,720</u>	<u>48,665</u>	<u>94,349</u>	<u>35,049</u>
-	-	-	-
-	-	-	-
27,477	48,665	94,349	7,647
-	-	-	-
<u>27,477</u>	<u>48,665</u>	<u>94,349</u>	<u>7,647</u>
-	-	-	-
(13,757)	-	-	27,402
-	-	-	-
(13,757)	-	-	27,402
27,011	-	-	22,007
-	-	-	-
<u>\$ 13,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,409</u>

**STARR COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds		
	Homeland Security Grants	GLO Contract #DRS210179	Crime Victims Asst. Program
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	92,518
Fines and forfeitures	-	-	-
Interest income	-	-	1,743
Miscellaneous	-	-	21,387
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>115,648</u>
<b>EXPENDITURES</b>			
Highways and streets	-	-	-
Health and welfare	-	-	-
Public safety	-	-	115,648
Public facilities	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>115,648</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in (out)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-2

TDHCA Home Program HRA #1001652	United Way Impact Grant	OPSG 2013 Homeland Security Grant Program EMW-2013-SS-00045	BEC/NADB SWEP Grant TX0360 Fund
\$ -	\$ -	\$ -	\$ -
-	3,084	949,819	-
-	-	-	-
-	-	-	-
-	-	-	-
-	3,084	949,819	-
-	-	-	-
-	-	-	-
-	3,084	949,819	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

**STARR COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds		
	TXDOT Border Colonia Access 3rd Call	Joint Law Enforcement Operations - Sheriff & US Marshalls	Drainage District Fund
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 179,114
Intergovernmental	271,217	8,000	-
Fines and forfeitures	-	-	-
Interest income	-	-	1,580
Miscellaneous	-	-	-
Total revenues	<u>271,217</u>	<u>8,000</u>	<u>180,694</u>
<b>EXPENDITURES</b>			
Highways and streets	271,217	-	-
Health and welfare	-	-	-
Public safety	-	8,000	-
Public facilities	-	-	-
Total expenditures	<u>271,217</u>	<u>8,000</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>180,694</u>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in (out)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	180,694
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	1,419,976
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,600,670</u>

EXHIBIT H-2

Joint Investigations - ICE & Sheriff Fund	HAVA Grants CFDA #90.401 Fund	Chapter 19 Voter Registration Fund	Constable Pct #5 Abandoned Vehicle Forfeiture
\$ -	\$ -	\$ -	\$ -
4,166	-	8,683	-
-	-	-	-
-	-	-	1
-	-	-	-
<u>4,166</u>	<u>-</u>	<u>8,683</u>	<u>1</u>
-	-	-	-
-	-	-	-
4,166	-	8,683	-
-	-	-	-
<u>4,166</u>	<u>-</u>	<u>8,683</u>	<u>-</u>
-	-	-	1
-	-	-	-
-	-	-	1
-	-	-	492
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 493</u>

**STARR COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds		
	OPSG 2014 Fund	TXDOT CTIF Project	LBSP 2015 DA Fund
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	690,334	44,291	24,840
Fines and forfeitures	-	-	-
Interest income	-	-	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>690,334</u>	<u>44,291</u>	<u>24,840</u>
<b>EXPENDITURES</b>			
Highways and streets	-	44,291	-
Health and welfare	-	-	-
Public safety	690,334	-	24,840
Public facilities	-	-	-
<b>Total expenditures</b>	<u>690,334</u>	<u>44,291</u>	<u>24,840</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in (out)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-2

LBSP 2015 Fund	Total Special Revenue Funds	Capital Projects Fund Construction 2004	Total Nonmajor Governmental Funds
\$ -	\$ 179,114	\$ -	\$ 179,114
198,601	3,193,111	-	3,193,111
-	258,553	-	258,553
-	4,268	868	5,136
-	98,015	-	98,015
<u>198,601</u>	<u>3,733,061</u>	<u>868</u>	<u>3,733,929</u>
-	399,261	14,445	413,706
-	247,416	-	247,416
198,601	2,705,418	-	2,705,418
-	120,223	-	120,223
<u>198,601</u>	<u>3,472,318</u>	<u>14,445</u>	<u>3,486,763</u>
-	260,743	(13,577)	247,166
-	24,041	-	24,041
-	284,784	(13,577)	271,207
-	2,018,269	585,590	2,603,859
-	-	-	-
<u>\$ -</u>	<u>\$ 2,303,053</u>	<u>\$ 572,013</u>	<u>\$ 2,875,066</u>

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# FIDUCIARY FUNDS

STARR COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

SEPTEMBER 30, 2015

	229th Judicial District Probation Fund	Juvenile Probation & Restitution Fund	County Attorney Fund
<b>ASSETS</b>			
Cash	\$ 41,544	\$ 29,943	\$ 157,290
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Other assets	-	-	-
Total assets	<u>\$ 41,544</u>	<u>\$ 29,943</u>	<u>\$ 157,290</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	7,935
Due to other governments	35,317	-	-
Funds held for others	-	-	-
Other liabilities	<u>6,227</u>	<u>29,943</u>	<u>149,354</u>
Total liabilities	<u>\$ 41,544</u>	<u>\$ 29,943</u>	<u>\$ 157,290</u>

EXHIBIT H-3

District Attorney Fund	County Clerk Fund	Detention Center Fund	Motor Vehicle Tax Fund	Tax Assessor Collector Fund
\$ 1,143,761	\$ 915,499	\$ 175,481	\$ 420,911	\$ 355,033
144,698	-	-	-	-
-	-	-	79,209	-
220,117	-	-	182	77,744
-	-	-	-	-
-	-	-	205,297	76,925
<u>\$ 1,508,576</u>	<u>\$ 915,499</u>	<u>\$ 175,481</u>	<u>\$ 705,599</u>	<u>\$ 509,702</u>
\$ 6,712	\$ -	\$ -	\$ -	\$ -
29,394	93,336	-	108,812	330,678
-	-	-	596,787	92,146
523,029	319,544	14,213	-	-
949,441	502,619	161,268	-	86,878
<u>\$ 1,508,576</u>	<u>\$ 915,499</u>	<u>\$ 175,481</u>	<u>\$ 705,599</u>	<u>\$ 509,702</u>

STARR COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

SEPTEMBER 30, 2015

	District Clerk's Fund	District Clerk's Investment Trust Fund	Sheriff's Department Fund
<b>ASSETS</b>			
Cash	\$ 1,164,032	\$ -	\$ 617,035
Investments	-	1,824,754	200,418
Accounts receivable	-	-	-
Due from other funds	-	-	138,690
Due from other governments	-	-	-
Other assets	-	-	-
Total assets	<u>\$ 1,164,032</u>	<u>\$ 1,824,754</u>	<u>\$ 956,143</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	29,006	-	50
Due to other governments	-	-	-
Funds held for others	1,135,027	1,824,754	214,385
Other liabilities	-	-	741,708
Total liabilities	<u>\$ 1,164,032</u>	<u>\$ 1,824,754</u>	<u>\$ 956,143</u>

EXHIBIT H-3

Planning Department Fund	Consolidated Court Cost Fund	Retirement System Fund	Justice of the Peace Fund	Fourth Court of Appeals Fund
\$ 143	\$ 233,139	\$ 1,717	\$ 69,044	\$ 450
-	-	-	-	-
100	-	-	-	-
-	34,543	145,901	-	355
-	-	-	-	-
-	-	-	-	-
<u>\$ 243</u>	<u>\$ 267,682</u>	<u>\$ 147,618</u>	<u>\$ 69,044</u>	<u>\$ 805</u>
\$ -	\$ -	\$ -	\$ -	\$ -
143	169,570	1,717	45,930	2
100	98,113	145,901	-	675
-	-	-	-	-
-	-	-	23,114	128
<u>\$ 243</u>	<u>\$ 267,682</u>	<u>\$ 147,618</u>	<u>\$ 69,044</u>	<u>\$ 805</u>

**STARR COUNTY, TEXAS**

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

SEPTEMBER 30, 2015

	TNRCC Inspection Fees Fund	Jury Fund	Tertiary Care Fund
<b>ASSETS</b>	<hr/>	<hr/>	<hr/>
Cash	\$ 3,202	\$ 1,247	\$ 10,338
Investments	-	-	-
Accounts receivable	70	-	-
Due from other funds	-	-	10
Due from other governments	-	-	-
Other assets	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 3,272</u>	<u>\$ 1,247</u>	<u>\$ 10,348</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	7	1,247	8,332
Due to other governments	-	-	2,016
Funds held for others	-	-	-
Other liabilities	3,265	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 3,272</u>	<u>\$ 1,247</u>	<u>\$ 10,348</u>

EXHIBIT H-3

Border Area Narcotics		
Force Forfeiture Fund	Scholarship Fund	Total
\$ 14,409	\$ 26	\$ 5,354,245
-	-	2,169,870
-	-	79,379
71,500	-	689,041
-	-	-
-	-	282,224
<u>\$ 85,909</u>	<u>\$ 26</u>	<u>\$ 8,574,759</u>
\$ -	\$ -	\$ 6,712
-	-	826,159
-	-	971,056
-	-	4,030,952
<u>85,909</u>	<u>26</u>	<u>2,739,880</u>
<u>\$ 85,909</u>	<u>\$ 26</u>	<u>\$ 8,574,759</u>

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## STARR COUNTY, TEXAS

## STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

## ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2015

229th JUDICIAL DISTRICT PROBATION FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 43,536	\$ 464,497	\$ 466,489	\$ 41,544
Total assets	<u>\$ 43,536</u>	<u>\$ 464,497</u>	<u>\$ 466,489</u>	<u>\$ 41,544</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other governments	36,130	464,394	465,207	35,317
Other liabilities	<u>7,406</u>	<u>103</u>	<u>1,282</u>	<u>6,227</u>
Total liabilities	<u>\$ 43,536</u>	<u>\$ 464,497</u>	<u>\$ 466,489</u>	<u>\$ 41,544</u>

JUVENILE PROBATION & RESTITUTION FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 20,354	\$ 9,589	\$ -	\$ 29,943
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 20,354</u>	<u>\$ 9,589</u>	<u>\$ -</u>	<u>\$ 29,943</u>
<b>LIABILITIES</b>				
Other liabilities	\$ 20,354	\$ 9,589	\$ -	\$ 29,943
Total liabilities	<u>\$ 20,354</u>	<u>\$ 9,589</u>	<u>\$ -</u>	<u>\$ 29,943</u>

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## STARR COUNTY, TEXAS

## STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

## ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2015

COUNTY ATTORNEY FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 101,420	\$ 394,449	\$ 338,580	\$ 157,290
Due from other funds	1,525	-	1,525	-
Total assets	<u>\$ 102,945</u>	<u>\$ 394,449</u>	<u>\$ 340,105</u>	<u>\$ 157,290</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 4,333	\$ 3,602	-	\$ 7,935
Other liabilities	98,612	390,847	340,105	149,354
Total liabilities	<u>\$ 102,945</u>	<u>\$ 394,449</u>	<u>\$ 340,105</u>	<u>\$ 157,290</u>

DISTRICT ATTORNEY FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 1,202,372	\$ 1,928,094	\$ 1,986,705	\$ 1,143,761
Investments	144,290	408	-	144,698
Due from other funds	297,527	55,660	133,070	220,117
Accounts receivable	4,191	-	4,191	-
Total assets	<u>\$ 1,648,380</u>	<u>\$ 1,984,162</u>	<u>\$ 2,123,966</u>	<u>\$ 1,508,576</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 19,907	\$ 6,713	\$ 19,907	\$ 6,712
Due to other funds	6,434	29,398	6,438	29,394
Funds held for others	570,206	614,902	662,079	523,029
Other liabilities	1,051,833	1,333,149	1,435,541	949,441
Total liabilities	<u>\$ 1,648,380</u>	<u>\$ 1,984,162</u>	<u>\$ 2,123,965</u>	<u>\$ 1,508,576</u>

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## STARR COUNTY, TEXAS

## STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

## ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2015

COUNTY CLERK FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 954,385	\$ 1,027,367	\$ 1,066,253	\$ 915,499
Total assets	<u>\$ 954,385</u>	<u>\$ 1,027,367</u>	<u>\$ 1,066,253</u>	<u>\$ 915,499</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 122,237	\$ 67,786	\$ 96,688	\$ 93,336
Funds held for others	318,464	1,080	-	319,544
Other liabilities	<u>513,684</u>	<u>958,501</u>	<u>969,565</u>	<u>502,619</u>
Total liabilities	<u>\$ 954,385</u>	<u>\$ 1,027,367</u>	<u>\$ 1,066,253</u>	<u>\$ 915,499</u>

DETENTION CENTER FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 228,208	\$ 840,088	\$ 892,815	\$ 175,481
Total assets	<u>\$ 228,208</u>	<u>\$ 840,088</u>	<u>\$ 892,815</u>	<u>\$ 175,481</u>
<b>LIABILITIES</b>				
Funds held for others	\$ 13,538	\$ 536,777	\$ 536,101	\$ 14,213
Other liabilities	<u>214,670</u>	<u>303,312</u>	<u>356,714</u>	<u>161,268</u>
Total liabilities	<u>\$ 228,208</u>	<u>\$ 840,088</u>	<u>\$ 892,815</u>	<u>\$ 175,481</u>

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## STARR COUNTY, TEXAS

## STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

## ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2015

MOTOR VEHICLE TAX FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 400,542	\$ 9,453,463	\$ 9,433,093	\$ 420,911
Accounts receivable	28,424	79,208	28,423	79,209
Due from other funds	182	-	-	182
Other assets	199,767	5,530	-	205,297
Total assets	<u>\$ 628,915</u>	<u>\$ 9,538,201</u>	<u>\$ 9,461,517</u>	<u>\$ 705,599</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 75,199	\$ 104,863	\$ 71,250	\$ 108,812
Due to other governments	553,716	646,956	603,884	596,787
Other liabilities	-	8,786,564	8,786,564	-
Total liabilities	<u>\$ 628,915</u>	<u>\$ 9,538,383</u>	<u>\$ 9,461,699</u>	<u>\$ 705,599</u>

TAX ASSESSOR COLLECTOR FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 184,435	\$ 22,289,280	\$ 22,118,681	\$ 355,033
Accounts receivable	48,104	-	48,104	-
Due from other funds	53,302	77,655	53,213	77,744
Other assets	102,272	-	25,347	76,925
Total assets	<u>\$ 388,113</u>	<u>\$ 22,366,934</u>	<u>\$ 22,245,345</u>	<u>\$ 509,702</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 265,514	\$ 228,227	\$ 163,063	\$ 330,678
Due to other governments	91,399	79,043	78,296	92,146
Other liabilities	31,200	22,059,665	22,003,987	86,878
Total liabilities	<u>\$ 388,113</u>	<u>\$ 22,366,934</u>	<u>\$ 22,245,345</u>	<u>\$ 509,702</u>

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## STARR COUNTY, TEXAS

## STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

## ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2015

DISTRICT CLERK'S FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 800,627	\$ 850,693	\$ 487,288	\$ 1,164,032
Total assets	<u>\$ 800,627</u>	<u>\$ 850,693</u>	<u>\$ 487,288</u>	<u>\$ 1,164,032</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 58,253	\$ 29,006	\$ 58,253	\$ 29,006
Funds held for others	742,374	821,688	429,035	1,135,027
Total liabilities	<u>\$ 800,627</u>	<u>\$ 850,693</u>	<u>\$ 487,288</u>	<u>\$ 1,164,032</u>

DISTRICT CLERK'S INVESTMENT TRUST FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Investments	\$ 1,974,969	\$ 291,521	\$ 441,736	\$ 1,824,754
Total assets	<u>\$ 1,974,969</u>	<u>\$ 291,521</u>	<u>\$ 441,736</u>	<u>\$ 1,824,754</u>
<b>LIABILITIES</b>				
Funds held for others	\$ 1,974,969	\$ 291,521	\$ 441,736	\$ 1,824,754
Total liabilities	<u>\$ 1,974,969</u>	<u>\$ 291,521</u>	<u>\$ 441,736</u>	<u>\$ 1,824,754</u>

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## STARR COUNTY, TEXAS

## STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

## ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2015

SHERIFF'S DEPARTMENT FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 678,131	\$ 590,334	\$ 651,430	\$ 617,035
Investments	199,918	500	-	200,418
Due from other funds	188,900	138,690	188,900	138,690
Total assets	<u>\$ 1,066,949</u>	<u>\$ 729,524</u>	<u>\$ 840,330</u>	<u>\$ 956,143</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 50	\$ -	\$ -	\$ 50
Funds held for others	246,441	1,444	33,500	214,385
Other liabilities	820,458	728,080	806,830	741,708
Total liabilities	<u>\$ 1,066,949</u>	<u>\$ 729,524</u>	<u>\$ 840,330</u>	<u>\$ 956,143</u>

PLANNING DEPARTMENT FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 1,527	\$ 717	\$ 2,100	\$ 143
Accounts receivable		\$ 100	\$ -	\$ 100
Other assets	13	-	13	-
Total assets	<u>\$ 1,540</u>	<u>\$ 817</u>	<u>\$ 2,113</u>	<u>\$ 243</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 13	\$ -	\$ 13	\$ -
Due to other funds	1,527	717	2,100	143
Due to other governments	-	100	-	100
Total liabilities	<u>\$ 1,540</u>	<u>\$ 817</u>	<u>\$ 2,113</u>	<u>\$ 243</u>

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## STARR COUNTY, TEXAS

## STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

## ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2015

CONSOLIDATED COURT COST FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 142,044	\$ 508,118	\$ 417,023	\$ 233,139
Due from other funds	52,280	34,543	52,280	34,543
Total assets	<u>\$ 194,324</u>	<u>\$ 542,661</u>	<u>\$ 469,302</u>	<u>\$ 267,682</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 7,487	\$ 444,547	\$ 282,464	\$ 169,570
Due to other governments	97,742	98,114	97,743	98,113
Other liabilities	89,095	-	89,095	-
Total liabilities	<u>\$ 194,324</u>	<u>\$ 542,661</u>	<u>\$ 469,302</u>	<u>\$ 267,682</u>

RETIREMENT SYSTEM FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 1,693	\$ 1,752,561	\$ 1,752,537	\$ 1,717
Due from other funds	148,035	145,901	148,035	145,901
Total assets	<u>\$ 149,728</u>	<u>\$ 1,898,462</u>	<u>\$ 1,900,571</u>	<u>\$ 147,618</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 1,693	\$ 24	-	\$ 1,717
Due to other governments	148,035	1,898,438	1,900,571	145,901
Total liabilities	<u>\$ 149,728</u>	<u>\$ 1,898,462</u>	<u>\$ 1,900,571</u>	<u>\$ 147,618</u>

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## STARR COUNTY, TEXAS

## STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

## ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2015

JUSTICE OF THE PEACE FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 81,589	\$ 617,948	\$ 630,494	\$ 69,044
Total assets	<u>\$ 81,589</u>	<u>\$ 617,948</u>	<u>\$ 630,494</u>	<u>\$ 69,044</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 67,522	\$ 37,281	\$ 58,873	\$ 45,930
Other liabilities	<u>14,067</u>	<u>580,667</u>	<u>571,621</u>	<u>23,114</u>
Total liabilities	<u>\$ 81,589</u>	<u>\$ 617,948</u>	<u>\$ 630,494</u>	<u>\$ 69,044</u>

FOURTH COURT OF APPEALS FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 179	\$ 3,758	\$ 3,486	\$ 450
Due from other funds	<u>445</u>	<u>355</u>	<u>445</u>	<u>355</u>
Total assets	<u>\$ 624</u>	<u>\$ 4,113</u>	<u>\$ 3,932</u>	<u>\$ 805</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 1	\$ 1	\$ -	\$ 2
Due to other governments	-	675	-	675
Other liabilities	<u>623</u>	<u>3,437</u>	<u>3,932</u>	<u>128</u>
Total liabilities	<u>\$ 624</u>	<u>\$ 4,113</u>	<u>\$ 3,932</u>	<u>\$ 805</u>

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## STARR COUNTY, TEXAS

## STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

## ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2015

TNRCC INSPECTION FEES FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 2,313	\$ 3,424	\$ 2,535	\$ 3,202
Accounts receivable	-	70	-	70
Other Assets	130	-	130	-
Total assets	<u>\$ 2,443</u>	<u>\$ 3,494</u>	<u>\$ 2,665</u>	<u>\$ 3,272</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 3	\$ 4	\$ -	\$ 7
Other liabilities	2,440	3,490	2,665	3,265
Total liabilities	<u>\$ 2,443</u>	<u>\$ 3,494</u>	<u>\$ 2,665</u>	<u>\$ 3,272</u>

JURY FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 3,681	\$ 36,987	\$ 39,421	\$ 1,247
Due from other funds	3,924	386	4,310	-
Total assets	<u>\$ 7,605</u>	<u>\$ 37,373</u>	<u>\$ 43,731</u>	<u>\$ 1,247</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 7,605	\$ 37,373	\$ 43,731	\$ 1,247
Total liabilities	<u>\$ 7,605</u>	<u>\$ 37,373</u>	<u>\$ 43,731</u>	<u>\$ 1,247</u>

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## STARR COUNTY, TEXAS

## STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

## ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2015

TERTIARY CARE FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 11,722	\$ 4,854	\$ 6,238	\$ 10,338
Due from other funds	815	5,494	6,299	10
Total assets	<u>\$ 12,537</u>	<u>\$ 10,348</u>	<u>\$ 12,537</u>	<u>\$ 10,348</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 3,129	\$ 8,332	\$ 3,129	\$ 8,332
Due to other governments	3,109	2,016	3,109	2,016
Other liabilities	6,299	-	6,299	-
Total liabilities	<u>\$ 12,537</u>	<u>\$ 10,348</u>	<u>\$ 12,537</u>	<u>\$ 10,348</u>

BORDER AREA NARCOTICS TASK FORCE FORFEITURE FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 14,387	\$ 22	\$ -	\$ 14,409
Due from other funds	71,500	-	-	71,500
Total assets	<u>\$ 85,887</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 85,909</u>
<b>LIABILITIES</b>				
Other liabilities	\$ 85,887	\$ 22	\$ -	\$ 85,909
Total liabilities	<u>\$ 85,887</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 85,909</u>

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## STARR COUNTY, TEXAS

## STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

## ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2015

SCHOLARSHIP FUND

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ -	\$ 8,001	\$ 7,975	\$ 26
Total assets	<u>\$ -</u>	<u>\$ 8,001</u>	<u>\$ 7,975</u>	<u>\$ 26</u>
<b>LIABILITIES</b>				
Other liabilities	\$ -	\$ 8,001	\$ 7,975	\$ 26
Total liabilities	<u>\$ -</u>	<u>\$ 8,001</u>	<u>\$ 7,975</u>	<u>\$ 26</u>

TOTAL ALL AGENCY FUNDS

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<b>ASSETS</b>				
Cash	\$ 4,873,145	\$ 40,784,242	\$ 40,303,142	\$ 5,354,245
Investments	2,319,177	292,430	441,736	2,169,870
Accounts receivable	80,719	79,378	80,718	79,379
Due from other funds	818,435	458,684	588,077	689,041
Other assets	302,182	5,530	25,489	282,224
Total assets	<u>\$ 8,393,658</u>	<u>\$ 41,620,264</u>	<u>\$ 41,439,162</u>	<u>\$ 8,574,759</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 19,920	\$ 6,713	\$ 19,920	\$ 6,712
Due to other funds	620,987	991,160	785,989	826,159
Due to other governments	930,131	3,189,735	3,148,810	971,056
Funds held for others	3,865,992	2,267,411	2,102,452	4,030,952
Other liabilities	2,956,628	35,165,426	35,382,174	2,739,880
Total liabilities	<u>\$ 8,393,658</u>	<u>\$ 41,620,446</u>	<u>\$ 41,439,344</u>	<u>\$ 8,574,759</u>

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**STATISTICAL SECTION**

STARR COUNTY, TEXAS

GOVERNMENT-WIDE EXPENSES BY FUNCTION

LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General government	\$ 4,631,605	\$ 5,231,548	\$ 4,866,748	\$ 4,375,255	\$ 4,404,871
Public safety	8,718,450	8,351,576	8,597,869	6,884,896	8,856,855
Judicial	2,032,265	2,336,631	2,136,621	1,853,411	1,894,959
Highways and streets	5,559,755	5,052,794	4,741,061	5,608,780	5,215,276
Public facilities	366,357	379,469	323,617	1,313,641	187,595
Financial administration	965,956	1,050,370	1,028,686	1,003,118	1,012,007
Legal	900,589	904,533	818,802	842,171	877,144
Health and welfare	1,155,973	1,612,754	1,421,863	2,469,430	2,034,081
Conservation and agriculture	128,203	140,847	139,753	135,432	137,870
Culture and recreation	-	-	-	-	-
Debt service - interest on debt	119,287	121,555	118,407	135,227	149,418
Debt service - bond issuance costs	-	-	-	-	-
TOTAL	<u>\$ 24,578,439</u>	<u>\$ 25,182,077</u>	<u>\$ 24,193,427</u>	<u>\$ 24,621,361</u>	<u>\$ 24,770,076</u>

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 4,300,927	\$ 4,129,942	\$ 2,267,203	\$ 3,045,557	\$ 2,594,283
9,638,550	7,210,242	8,416,981	8,083,472	8,714,789
1,789,592	1,687,339	1,682,336	1,580,355	1,563,448
4,303,463	5,515,096	4,018,216	6,796,427	4,165,498
504,138	615,719	269,806	243,087	440,728
959,983	868,642	936,030	909,359	722,280
872,656	879,804	906,133	781,420	753,930
2,114,439	1,585,616	1,186,481	1,435,914	1,498,880
138,473	126,889	132,642	127,661	116,720
-	-	-	31,695	67,948
163,794	179,343	194,307	206,963	220,052
-	-	-	-	44,157
<u>\$ 24,786,015</u>	<u>\$ 22,798,632</u>	<u>\$ 20,010,135</u>	<u>\$ 23,241,910</u>	<u>\$ 20,902,713</u>

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**STARR COUNTY**  
**GOVERNMENT-WIDE REVENUES**  
**LAST TEN FISCAL YEARS**

Fiscal Year	PROGRAM REVENUES		GENERAL REVENUES			
	Charges for Services	Operating Grants and Contributions	Taxes	Interest	Transfers	Miscellaneous
2015	\$ 7,108,077	\$ 4,236,288	\$ 13,979,649	\$ 28,515	\$ 950,000	\$ 274,186
2014	5,238,445	4,968,428	14,748,195	19,424	997,886	440,343
2013	5,152,981	4,296,864	13,724,410	28,507	685,074	83,629
2012	5,240,410	6,252,054	13,231,697	144,822	341,960	139,482
2011	5,055,300	6,252,054	14,786,755	62,053	640,000	117,843
2010	4,099,023	7,961,436	15,444,660	93,409	585,000	336,197
2009	5,171,144	8,110,453	14,274,890	226,951	912,138	211,724
2008	3,885,077	6,314,610	13,117,309	388,802	996,110	208,272
2007	4,033,909	6,531,878	11,639,354	561,467	1,418,781	766,492
2006	3,486,814	4,523,558	106,676,825	366,302	1,586,411	18,770

STARR COUNTY, TEXAS

EXPENDITURES BY FUNCTION  
ALL GOVERNMENTAL FUND TYPES

LAST TEN FISCAL YEARS  
(Unaudited)

FUNCTION	2015	2014	2013	2012
General administration	\$ 4,619,668	\$ 4,901,319	\$ 4,605,559	\$ 4,213,406
Judicial & elections	2,024,826	2,172,874	1,997,058	1,723,080
Financial administration	962,401	976,758	959,204	932,579
Legal	897,250	865,841	765,232	789,206
Public facilities	366,647	360,957	330,653	1,321,541
Public safety	8,723,787	8,375,165	8,246,260	8,071,321
Health and welfare	1,155,134	1,588,261	1,348,624	2,401,066
Culture and recreation	-	-	-	-
Conservation-agriculture	127,664	130,976	129,618	125,909
Highways and streets (maintenance of county roads and bridges)	5,617,013	5,991,760	6,224,048	6,102,386
Debt service	665,048	587,555	568,407	570,227
Totals	<u>\$ 25,159,438</u>	<u>\$ 25,951,466</u>	<u>\$ 25,174,663</u>	<u>\$ 26,250,721</u>

	2011	2010	2009	2008	2007	2006
\$	4,149,013	\$ 4,024,041	\$ 3,879,843	\$ 2,645,769	\$ 3,026,064	\$ 2,569,712
	1,777,550	1,674,382	1,585,159	1,581,696	1,495,697	1,501,386
	949,369	898,181	816,038	878,133	860,657	692,235
	833,176	860,782	826,530	853,054	788,795	725,854
	426,286	488,704	639,526	607,847	2,158,352	1,323,055
	8,992,178	7,698,821	8,345,403	8,027,559	7,755,892	8,480,825
	2,081,892	2,057,292	1,577,451	1,193,659	1,394,654	1,492,342
	-	-	-	-	30,000	64,993
	129,315	129,558	119,205	122,481	120,809	112,287
	6,739,625	7,751,392	7,853,428	8,421,327	7,259,489	4,379,117
	564,418	568,794	579,343	584,307	206,963	585,052
\$	<u>26,642,822</u>	<u>\$ 26,151,947</u>	<u>\$ 26,221,926</u>	<u>\$ 24,915,832</u>	<u>\$ 25,097,372</u>	<u>\$ 21,926,858</u>

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**STARR COUNTY, TEXAS**  
**REVENUES BY SOURCES**  
**ALL GOVERNMENTAL FUND TYPES**

LAST TEN FISCAL YEARS  
(Unaudited)

Fiscal Year Ended	Taxes	Intergovernmental	Charges for Services	Fines and Forfeitures	Interest	Miscellaneous	Total
2015	\$ 13,605,007	\$ 4,236,288	\$ 6,106,852	\$ 1,001,225	\$ 28,515	\$ 274,186	25,252,073
2014	14,045,011	4,968,428	3,965,990	1,272,455	19,424	440,343	24,711,651
2013	13,091,700	4,296,864	4,008,219	1,144,762	28,507	83,853	22,653,905
2012	12,745,423	6,252,054	4,210,726	1,029,684	144,822	139,482	24,522,191
2011	14,415,352	6,252,054	4,366,583	688,717	62,053	117,843	25,902,602
2010	14,565,934	7,961,436	3,405,345	694,278	93,409	336,197	27,056,599
2009	14,002,629	8,110,453	4,401,070	770,074	226,951	211,724	27,722,901
2008	12,572,737	6,314,610	3,238,928	646,149	388,802	208,272	23,369,498
2007	11,766,794	6,531,878	3,308,850	725,059	561,467	766,793	23,660,841
2006	10,411,326	4,523,558	3,096,292	599,866	366,302	187,770	19,185,114

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STARR COUNTY, TEXAS

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL GOVERNMENTAL BONDED DEBT  
TO TOTAL GENERAL FUND EXPENDITURES

LAST TEN FISCAL YEARS  
(Unaudited)

<u>Fiscal Year Ended</u>	<u>Debt Principal</u>	<u>Interest &amp; Fiscal Charges</u>	<u>Total Debt Services</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
2015	\$ 545,761	\$ 119,287	\$ 665,048	\$ 15,804,320	4.21%
2014	466,000	121,555	587,555	16,217,046	3.62%
2013	450,000	118,407	568,407	15,346,895	3.70%
2012	435,000	135,227	570,227	14,791,025	3.86%
2011	415,000	149,418	568,794	14,880,925	3.82%
2010	405,000	163,794	579,343	14,366,526	4.29%
2009	400,000	179,343	584,307	13,499,786	4.34%
2008	390,000	194,307	581,963	13,464,747	4.47%
2007	375,000	206,963	585,052	13,021,431	4.87%
2006	365,000	220,052	608,128	12,005,751	5.53%

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STARR COUNTY, TEXAS

PROPERTY TAX RATES

LAST TEN FISCAL YEARS  
(Unaudited)

<u>Fiscal Year</u>	<u>Operating Funds</u>	<u>Limited Tax Bonds</u>	<u>Total Constitutional Tax Levy</u>	<u>FM and Lateral Road Tax</u>	<u>Drainage District</u>	<u>Total Tax Rate</u>
2015	\$ 0.5417	\$ 0.0100	\$ 0.5517	\$ 0.2174	\$ 0.0100	\$ 0.7791
2014	0.4746	0.0300	0.5046	0.2546	0.0200	0.7792
2013	0.5011	0.0300	0.5311	0.2281	0.0200	0.7792
2012	0.4601	0.0300	0.4901	0.1891	0.0200	0.6992
2011	0.4601	0.0300	0.4901	0.1891	0.0200	0.6992
2010	0.4817	0.0387	0.5140	0.1788	-	0.6928
2009	0.4740	0.0400	0.5140	0.1852	-	0.6992
2008	0.4740	0.0400	0.4410	0.1852	-	0.6262
2007	0.4010	0.0400	0.4460	0.1682	-	0.6142
2006	0.4010	0.0450	0.4460	0.1684	-	0.6144

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STARR COUNTY, TEXAS  
 ASSESSED VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Fiscal Year Ended September 30,	Real Property	Personal Property	Mineral and Intangible	Total
2015	\$ -	\$ -	\$ -	\$ 1,821,448,200
2014	-	-	-	1,812,804,290
2013	-	-	-	1,825,905,610
2012	-	-	-	1,965,793,690
2011	-	-	-	2,198,955,570
2010	-	-	-	2,239,204,500
2009	-	-	-	2,022,845,390
2008	-	-	-	1,905,018,980
2007	-	-	-	1,998,393,440
2006	-	-	-	1,777,321,100

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## STARR COUNTY, TEXAS

### DEMOGRAPHIC INFORMATION

Year Ended September 30, 2015  
(Unaudited)

Starr County, Texas was organized in 1848 from Nueces County and was named for Dr. J.H. Starr, a secretary of treasury of the Republic of Texas.

Area: 1,223.2 square miles

Annual rainfall: 22.65 inches

Temperature ranges: 45.9 degrees in January and 98.4 degrees in July

Population: 63,795

Growing season: 314 days

Physical features are rolling surfaces, some hills, dense brush, clay, loam, sandy soils, alluvial on the Rio Grande River. The Falcon Reservoir is located in the County. Altitudes vary from 125 to 580 feet.

Recreation includes the following: Falcon Reservoir activities; deer, whitewing dove hunting; access to Mexico; historical houses; grotto at Rio Grande City; Roma Fest in November.

With respect to minerals, there is the production of oil, natural gas, sand and gravel.

Principal cities are Rio Grande City (14,323) (the county seat), La Grulla (1,699), and Roma-Los Saenz (9,897).

Principal towns include Escobares (2,066), La Casita-Garciasville (2,177), Las Lomas (3,275), La Victoria (1,738), and La Rosita (1,757).

Agriculture income is derived mostly from crops, including sorghum, cotton, and vegetables; also from beef and fed cattle; substantial irrigation for vegetables.

Principal business includes vegetable packing, shipping, other agribusinesses; oil production; tourism; and government services.

Race/Ethnicity (In percent) includes the following: Anglo, 3.80; Black, 0.40; Hispanic, 95.80; Asian, 0.30; Other, 0.50.

Note: The above information was obtained from the 2016 Texas Almanac and the U.S. Census Bureau, Population Division ( Annual Estimates of Resident Population: April 1, 2011 to July 1, 2015.

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**FEDERAL AWARDS SECTION**

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PATILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**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**

To the Honorable County Judge  
and County Commissioners  
Starr County, Texas

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Audit Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Starr County, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Starr County, Texas' basic financial statements and have issued our report thereon dated June 27, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Starr County, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Starr County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Starr County, Texas' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting [2015-01 and 2015-02]. 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.

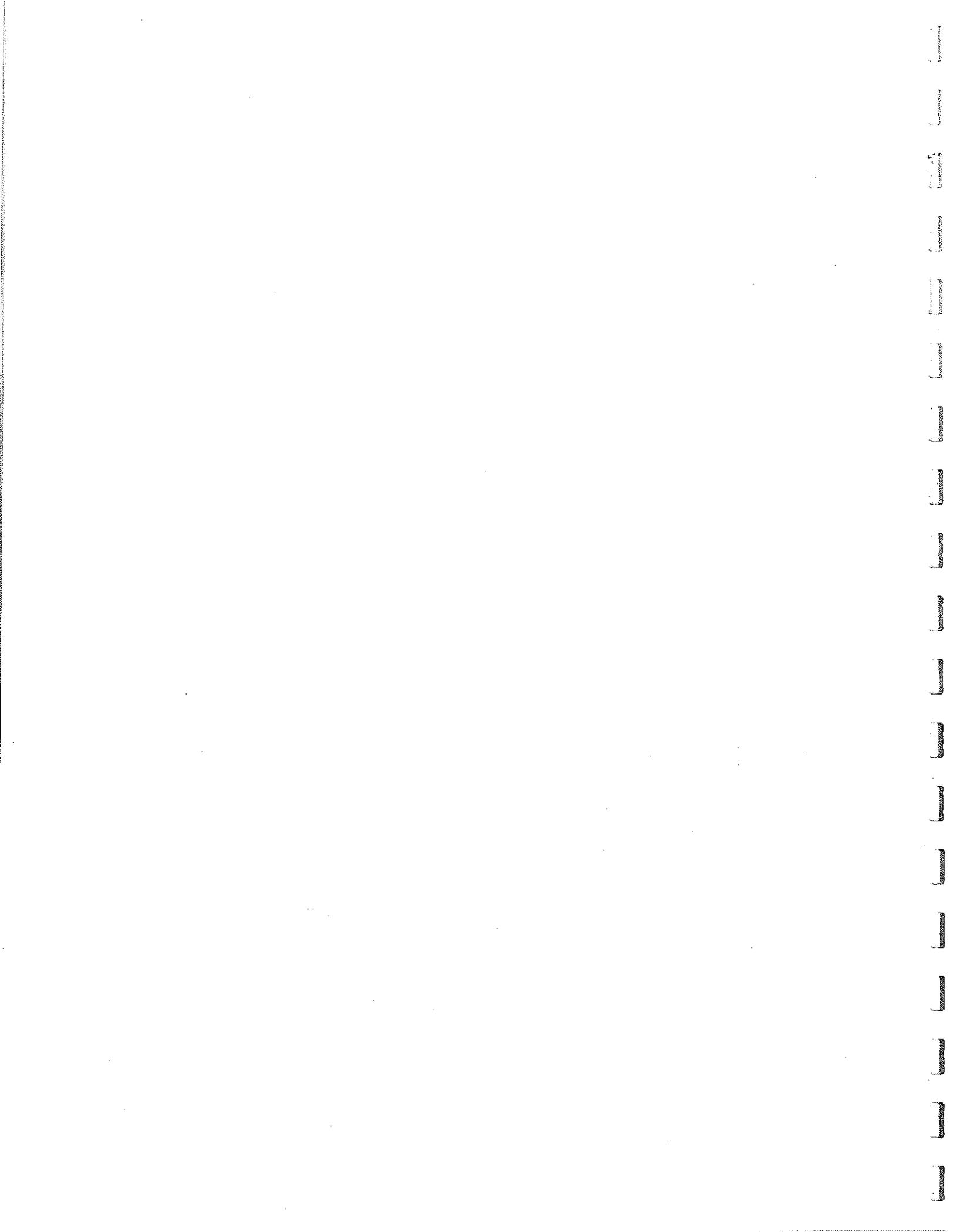
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Governmental Audit  
Quality Center



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Starr 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items [2015-03].

We noted certain matters that we reported to the management of Starr County, Texas, in a separate letter dated June 27, 2016.

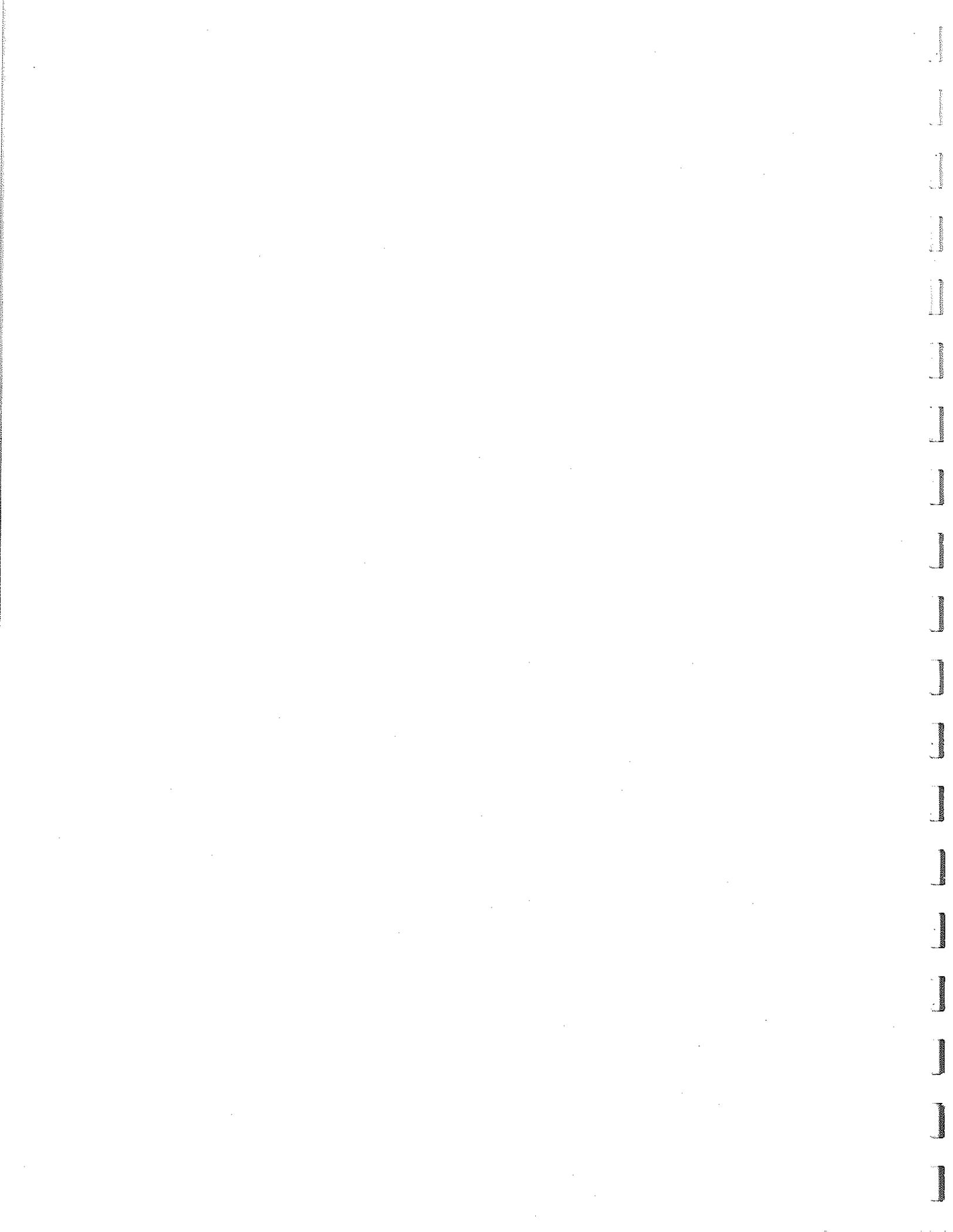
Starr County, Texas' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Starr County, Texas' response and, accordingly, we express no opinion on it.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Patullo, Brown & Hill, C.P.A.*

Brownsville, Texas  
June 27, 2016





PATTILLO, BROWN & HILL, L.L.P.  
 CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
 EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
 OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133  
 AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

To the Honorable County Judge  
 and County Commissioners  
 Starr County, Texas

**Report on Compliance for Each Major Federal Program**

We have audited Starr County, Texas' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (*OMB Circular A-133 Compliance Supplement*) and the State of Texas Single Audit Circular that could have a direct and material effect on each of Starr County, Texas' major federal programs for the year ended September 30, 2015. Starr County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Starr County, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. 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 and the State of Texas Single Audit Circular 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 Starr 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Starr County, Texas' compliance.

***Opinion on Each Major Federal Program***

In our opinion, Starr County, Texas, complied, in all material respects, with the types of 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, 2015.

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## Report on Internal Control over Compliance

Management of Starr County, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Starr County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular, 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 Starr County, Texas' internal control over compliance.

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

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.

*Patullo, Brown & Hill, C.P.A.*

Brownsville, Texas

June 27, 2016

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**STARR COUNTY, TEXAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**I. Summary of Auditors' Results**

Type of report on financial statements	Unmodified.
Internal control over financial reporting: Material weakness(es) identified?	None reported.
Significant deficiencies identified that are not considered to be material weakness(es)?	Yes.
Internal control over major programs: Material weakness(es) identified?	None reported.
Significant deficiencies identified that are not considered to be material weakness(es)?	No.
Noncompliance which is material to the basic financial statements	None reported.
Type of report on compliance with major programs	Unmodified.
Findings and questioned costs for federal awards as defined in Section 501(a), OMB Circular A-133 and the State of Texas Single Audit Circular	No.
Dollar threshold considered between Type A and Type B federal and state programs	\$300,000
Low risk auditee statement	No.
Major federal programs	-OPSG, Homeland Security Grants CFDA #97.067
Major state programs	-LBSP FY 2015 -CH – Border Prosecution

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STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

**II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards**

<b><u>Program</u></b>	<b><u>Findings/Noncompliance</u></b>
<i><u>Finding 2015-01</u></i>	<i>Agency Funds</i>
<i>Criteria:</i>	The management of Starr County, Texas is responsible for establishing and maintaining effective internal control over financial reporting with requirements of laws, regulations and contracts.
<i>Condition:</i>	We found that most Agency Fund trial balances prepared for each fiscal year end are not compiled from individual transactions in a general ledger or compiled from cash receipts and disbursements. The trial balances for each year are prepared via journal entries based on activity reported by individual Agency Funds via monthly reports presented to the Commissioners' Court or directly to the County Auditor.
<i>Questioned Costs:</i>	Questioned costs could not be quantified, as they do not apply to the conditions/finding being reported
<i>Effect:</i>	An account named "Other Assets" is being carried on the books and is being used to offset unreconciled differences in the Tax Assessor Collector Fund and the Motor Vehicle Tax Fund.
<i>Recommendation:</i>	We recommend that County use a general ledger to account for the activity in the Agency Funds. A trial balance should be maintained, reviewed and reconciled on a monthly basis. These additional procedures will help ensure that issues are timely brought to the Commissioners Court's attention and will also allow management to take corrective action in a timely basis and reduce the likelihood of abuse.

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STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

**II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards**

<u>Program</u>	<u>Findings/Noncompliance</u>
<u>Finding 2015-02</u>	<i>Office of the Tax Assessor / Collector</i>
<i>Criteria:</i>	The management of Starr County, Texas is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations and contracts.
<i>Condition:</i>	During our audit, we found that the monies reported per the Tax Office Reports, were greater than the amounts deposited per bank statements. We also found several instances where cash receipts could not be traced to a deposit on the bank statement.
<i>Questioned Cost:</i>	Questioned costs could not be quantified, as they do not apply to the conditions / finding being reported.
<i>Effect:</i>	As a result, the County's ad valorem tax collections reported within that agency fund may not be accounted for properly. Since the management of Starr County is still in the process of addressing this finding, the overall effect of errors / discrepancies are not know at this time.
<i>Recommendation:</i>	We recommend that the management of Starr County reconcile the Daily Reconciliation Reports prepared by the Tax Assessor Collector's office. In addition, the monthly Tax Office Reports should be deposited daily. The Tax Office Report should be recorded to the revenues recorded and deposited.
<u>Finding 2015-03</u>	<i>Public Funds Investment Act</i>
<i>Criteria:</i>	The management of Starr County, Texas is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations and contracts.
<i>Condition:</i>	The investment quarterly report were not all approved through the fiscal year.
<i>Questioned Cost:</i>	Questioned costs could not be quantified because the finding does not relate to specific dollar amounts.
<i>Effect:</i>	The County is not in compliance with the Public Funds Investment Act.
<i>Recommendation:</i>	We recommend that the County ensure that all the investment quarterly reports are approved on a quarterly basis the Public Funds Investment Act.

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**STARR COUNTY, TEXAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**III. Findings and Questioned Costs for Federal Awards**

None.

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STARR COUNTY, TEXAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

**Program**

**Findings/Noncompliance**

*Finding 2014-01*

*Public Funds Investment Act*

*Condition:*

The investment officers failed to complete required continuing education and training hours for the FY 2013-2014.

*Recommendation:*

We recommend that the County ensure all investment officers meet their continuing education requirements on a yearly basis in accordance with the Public Funds Investment Act.

*Current Year Status:*

Finding 2015-01

*Finding 2014-02*

*Agency Funds*

*Condition:*

We found that most Agency Fund trial balances prepared for each fiscal year end are not compiled from individual transactions in a general ledger or compiled from cash receipts and disbursements. The trial balances for each year are prepared via journal entries based on activity reported by individual Agency Funds via monthly reports presented to the Commissioners' Court or directly to the County Auditor.

*Recommendation:*

We recommend that County use a general ledger to account for the activity in the Agency Funds. A trial balance should be maintained, reviewed and reconciled on a monthly basis. These additional procedures will help ensure that issues are timely brought to the Commissioners Court's attention and will also allow management to take corrective action in a timely basis and reduce the likelihood of abuse.

*Current Year Status:*

Finding 2015-02

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**STARR COUNTY, TEXAS**

**CORRECTIVE ACTION PLAN**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**Finding 2015-01: Agency Funds**

The Agency Funds which have no general ledgers are under the control of the following elected officials:

- Tax Assessor/Collector
- County Attorney
- County Clerk
- District Clerk

The County is in the process of developing policies and procedures to address the finding. The Sheriff and the District Attorney have complied and maintain a general ledger for the respective accounts. The County Auditor, Rosalinda Guerra, and the Assistant Auditors, Samuel Trevino and Leticia Alaniz, will continue to coordinate these efforts.

Person responsible for implementation: Department Heads

Estimated date of completion: September 30, 2017

**Finding 2015-02: Office of the Tax Assessor/Collector**

The Tax Assessor/Collector, Carmen Pena, and her staff were arrested on December 10, 2015. Mrs. Carmen Pena shortly after being arrested resigned. The interim Tax Assessor/Collector, Juan Cantu, is preparing Daily Reconciliation Reports to match the monthly Tax Office Reports. The Interim Tax Assessor/Collector has been advised that he needs to maintain a general ledger.

Person responsible for implementation: Juan Cantu, Tax Assessor/Collector

Estimated date of completion: December 31, 2016

**Finding 2015-03: Public Funds Investment Act**

The County Treasurer has been informed about the finding and will work with the Commissioner's Court to correct any discrepancies regarding the investment quarterly reports. The County Treasurer will be advised that he needs to present accurate investment reports so that all future reports will be approved and signed by Commissioner's Court.

Person responsible for implementation: Fernando Pena, County Treasurer

Estimated date of completion: September 30, 2017

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STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

<u>Grantor/ Pass Through Entity</u>	<u>CFDA Numbers</u>	<u>Contract Number</u>	<u>Total Expenditures</u>
<b>FEDERAL AWARDS</b>			
<b>U.S. Department of Housing and Urban Development</b>			
<i>Pass through the Texas Department of Agriculture:</i>			
TDHCA-Colonia Self Help Program	14.228	711013	\$ 93,947
Total Texas Department of Agriculture			<u>93,947</u>
<i>Pass through Texas General Land Office:</i>			
GLO Contract (Round 2.2)	14.228	DRS220179	83,753
Total Texas General Land Office			<u>83,753</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>177,700</u>
<b>U.S. Department of Interior</b>			
<i>Pass through the U.S. Fish and Wildlife Service:</i>			
Division of Financial Management			
Refuge Revenue Sharing	15.659	FY2014	48,977
Total U.S. Department of Interior			<u>48,977</u>
<b>U.S. Department of Justice</b>			
<i>Direct Program:</i>			
SCAAP Program	16.606	2013-AP-BX-0104	27,227
Total Direct Program			<u>27,227</u>
<i>Pass through the Office of the Governor - Criminal Justice Division</i>			
Crime Victims Assistance Program	16.575	1903408	85,547
Crime Victims Assistance Program	16.575	1903409	6,971
Victims of Domestic Violence Assistance Program	16.575	2877501	6,441
			<u>98,959</u>
Victims of Domestic Violence Assistance Program	16.588	2315705	56,094
<i>Edward Byrne Memorial Justice Assistance Grant Program</i>			
Starr County Border Interdiction Unit-Border Star	16.738	1842809	48,665
229th Judicial District Tri-County Violent Crime Unit	16.738	2281906	48,188
			<u>96,853</u>
<b>Total Passed through Texas Office of the Governor - Criminal Justice Division</b>			<u>251,906</u>

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STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Grantor/ <u>Pass Through Entity</u>	CFDA <u>Numbers</u>	Contract <u>Number</u>	Total <u>Expenditures</u>
<b>U.S. Department of Justice</b>			
<i>Direct Program:</i>			
Customs and Border Patrol-ICE (Sheriff)	16.111	-	4,166
Customs and Border Patrol-ICE (D.A.)	16.111	-	11,777
United States Marshals Service (Sheriff)	16.111	M-15-D79-O-000144-FY15	8,000
Customs and Border Patrol-Equitable Sharing (D.A.)	16.922	FY2014	11,900
Total Other U.S. Department of Justice			<u>35,843</u>
<b>Total U.S. Department of Justice</b>			<u>314,975</u>
<b>U.S. Department of Transportation</b>			
<i>Pass through Texas Department of Transportation</i>			
TXDot Border Colonia Access-3rd Call	20.205	8BCF5005	271,217
Starr County Federal 5310 ED	20.513	51529F7115	52,739
<b>Total U.S. Department of Transportation</b>			<u>323,956</u>
<b>U.S. Department of Health and Human Services</b>			
<i>Pass through the Health and Human Services Commission (HHSC)</i>			
<i>Office of Inspector General (OIG)</i>			
Foster Care - Title IV - E	93.658	23943664	27,570
<b>Total U.S. Department of Health and Human Services</b>			<u>27,570</u>
<b>Executive Office of the President</b>			
<i>Pass through the Office of National Drug Control Policy &amp; through B182Texas HIDTA Assistance Center</i>			
HIDTA Task Force Grant	95.001	G14SS0004A	221,715
HIDTA Task Force Grant	95.001	G15SS0004A	114,967
<b>Total Executive Office of the President</b>			<u>336,682</u>
<b>U.S. Department of Homeland Security</b>			
<i>Pass through Texas Department of Public Safety</i>			
Homeland Security Grant (OPSG 2013)	97.067	EMW-2013-SS-00045	949,819
Homeland Security Grant (OPSG 2014)	97.067	EMW-2014-SS-00029	690,334
<b>Total U.S. Department of Homeland Security</b>			<u>1,640,153</u>
<b>TOTAL FEDERAL AWARDS</b>			<u>2,870,013</u>

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STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

<u>Grantor/ Pass Through Entity</u>	<u>CFDA Numbers</u>	<u>Contract Number</u>	<u>Total Expenditures</u>
<b>STATE AWARDS</b>			
<b>Texas Department of Transportation</b>			
<i>Direct Program:</i>			
Starr 2014 County Transportation Infrastructure Fund Grant		CTIF-01-214	44,291
<b>Total Department of Transportation</b>			<u>44,291</u>
<b>Texas Department of Public Safety</b>			
<i>Passed through Texas Homeland Security State Administrative Agency:</i>			
Local Border Security Program FY 2015 (LBSP-2015) (Sheriff)		LBSP-15-0059	198,601
Local Border Security Program FY 2015 (LBSP-2015) (DA)		LBSP-15-0078	24,840
<b>Total Department of Public Safety</b>			<u>223,441</u>
<b>Texas Task Force on Indigent Defense</b>			
<i>Direct Program:</i>			
Formula Grant FY2015-Texas Indigent Defense Commission		212-15-214	47,838
<b>Total Texas Task Force on Indigent Defense</b>			<u>47,838</u>
<b>Texas Department of Agriculture</b>			
<i>Direct Program:</i>			
2015 Texans Feeding Texans: Home Delivered Meal Grant Program		HDM-15-1422	32,070
<b>Total Texas Department of Agriculture</b>			<u>32,070</u>
<b>Texas Office of the Governor</b>			
<i>Passed through Office of the Governor-Criminal Justice Division</i>			
CH-Border Procecuton Unit		2536104	105,398
<i>Passed through Homeland Security Grants Division</i>			
Border Procecuton Unit-BPU		2536105	10,160
<b>Total Texas Office of the Governor</b>			<u>115,558</u>
<b>Texas Secretary of State</b>			
<i>Direct Funding:</i>			
Chapter 19 Voter Registration		-	8,683
TEAM Redevelopment Training		-	1,783
<b>Total Texas Secretary of State</b>			<u>10,466</u>

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STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

<u>Grantor/ Pass Through Entity</u>	<u>CFDA Numbers</u>	<u>Contract Number</u>	<u>Total Expenditures</u>
<b>Texas Commission on Environmental Quality</b>			
<i>Pass through South Texas Development Council:</i>			
Municipal Solid Waste Grant Program		15-19-G04	<u>66,930</u>
<b>Total Texas Commission on Environmental Quality</b>			<u>66,930</u>
<b>Texas Commission on State Emergency Communications</b>			
<i>Pass through City of Laredo:</i>			
9-1-1 Addressing-Regional Administration		FY2015	<u>47,963</u>
<b>Total Texas Commission on State Emergency Communication</b>			<u>47,963</u>
<b>TOTAL STATE AWARDS</b>			<u>588,557</u>
<b>OTHER AWARDS</b>			
<i>Pass through United Way of South Texas Serving Hidalgo &amp; Starr County</i>			
United Way South Texas		-	<u>34,899</u>
<b>TOTAL OTHER AWARDS</b>			<u>34,899</u>
<b>TOTAL FEDERAL, STATE AND OTHER AWARDS</b>			<u>\$ 3,493,469</u>

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# STARR COUNTY, TEXAS

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SEPTEMBER 30, 2015

### 1. BASIS OF ACCOUNTING

Starr County uses the modified accrual basis of accounting. This basis of accounting recognizes revenue in the accounting period in which it becomes available and measurable and expenditures in the accounting period in which the fund liability was incurred, if measurable, except for certain compensated absences and claims and judgments, which is recognized when the obligation are expected to be liquidated with expendable available financial resources.

Federal grants are generally considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

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