

STARR COUNTY, TEXAS

Annual Financial Report

**For the Year Ended
September 30, 2016**

STARR COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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FINANCIAL SECTION



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, 2016, 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.

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, 2016, 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 48 through 73 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 September 14, 2017, 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.



Brownsville, Texas
September 14, 2017

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, 2016. 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 \$90,358,389 (net position). Total assets and deferred outflow of resources were \$100,854,918 and total liabilities were \$10,496,529.
- The County's total net position increased by \$1,393,517 from current operations. This increase is primarily related to the increase in general revenues.
- The general fund reported a fund balance this year of \$3,710,389 of which \$3,099,744 is unassigned, a decrease in the unassigned fund balance of \$828,746 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				
Type of Statements	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<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"> ♦ Statement of net position ♦ Statement of activities 	<ul style="list-style-type: none"> ♦ Balance sheet ♦ Statement of revenues, expenditures & changes in fund balances 	<ul style="list-style-type: none"> ♦ Statement of net positions ♦ Statement of revenues, expenses and changes in fund net position ♦ Statement of cash flows 	<ul style="list-style-type: none"> ♦ Statement of fiduciary net position ♦ Statement of changes in fiduciary net positions
<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 \$90,358,389 at September 30, 2016, an increase of \$1,350,310 or 1.49% over combined net position of \$89,008,079 at September 30, 2015. This increase is mostly due to deferred outflows of resources. (See Table A-1)

Table A-1 Governmental Activities

	<u>2016</u>	<u>2015</u>	Increase (Decrease)
Assets:			
Current and other assets	\$23,518,116	\$23,422,639	\$ 95,477
Capital assets (net of depreciation)	73,608,961	73,959,749	(350,788)
Total Assets	<u>97,127,077</u>	<u>97,382,388</u>	<u>(255,311)</u>
Deferred outflows of resources	<u>3,727,841</u>	<u>1,150,972</u>	<u>2,576,869</u>
Liabilities:			
Current and noncurrent liabilities	3,187,162	2,481,645	705,517
Long-term liabilities	<u>7,309,367</u>	<u>7,043,636</u>	<u>265,731</u>
Total Liabilities	<u>10,496,529</u>	<u>9,525,281</u>	<u>971,248</u>
Net Position:			
Invested in capital assets, net of related debt	71,628,722	69,978,510	1,650,212
Restricted for capital projects	572,741	572,013	728
Restricted for debt service	2,580,112	2,890,031	(309,919)
Restricted for landfill post closure costs	610,645	601,510	9,135
Unrestricted	<u>14,966,169</u>	<u>14,966,015</u>	<u>154</u>
Total Net Position	<u>\$90,358,389</u>	<u>\$89,008,079</u>	<u>\$ 1,350,310</u>

Changes in net position:

The County's total revenues were \$29,315,290. (See Table A-2). The total cost of all programs and services was \$27,921,773 of which 35.15% or \$9,813,033 of these costs are for public safety.

Governmental Activities

- Property tax revenues increased by 17.95%. Tax revenues for the year ended September 30, 2016, increased to \$16,489,086 from \$13,979,649 the previous year, an increase of \$2,509,437.

Table A-2 Governmental Activities

	2016	2015	Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for Services	\$ 6,173,840	\$ 7,108,077	\$ (934,237)
Operating Grants and Contributions	5,249,706	4,236,288	1,013,418
General revenues:			
Property Taxes	16,489,086	13,979,649	2,509,437
Interest	32,828	28,515	4,313
Transfers	1,130,808	950,000	180,808
Contributed Capital	-0-	-0-	-0-
Miscellaneous	239,022	274,186	(35,164)
Total Revenues	<u>29,315,290</u>	<u>26,576,715</u>	<u>2,738,575</u>
Expenses:			
Public safety	9,813,033	8,718,450	1,094,583
Judicial	2,012,469	2,032,265	(19,796)
Highways and streets	6,926,438	5,559,755	1,366,683
Public facilities	381,669	366,357	15,312
Financial administration	970,101	965,955	4,146
Legal	974,248	900,589	73,659
Health and welfare	1,155,693	1,155,973	(280)
Conservation and agriculture	133,300	128,203	5,097
General government	5,398,103	4,631,605	766,498
Culture and recreation	-0-	-0-	-0-
Debt service-interest on debt	156,719	119,287	37,432
Debt service-Bond issuance costs	-0-	-0-	-0-
Total Expenses	<u>27,921,773</u>	<u>24,578,439</u>	<u>3,343,334</u>
Increase in Net Position	1,393,517	1,998,276	(604,759)
Net Position – Beginning	89,008,079	89,211,801	(203,722)
Prior period adjustment	(43,207)	(2,201,998)	2,158,791
Net Position – Ending	<u>\$ 90,358,389</u>	<u>\$ 89,008,079</u>	<u>\$ 1,350,310</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 \$27,921,773, an increase of \$3,343,334 or 13.6% increase compared to \$24,578,439 for the prior year.

- However, the amount that our taxpayers paid for these activities through property taxes was only \$16,489,086.
- Some of the cost was paid by those who directly benefited from the programs and totaled \$6,173,840. This is a decrease of \$934,237 or 13.14% from last year's revenues, which were \$7,108,077.
- Grants and contributions this year amounted to \$5,249,706, an increase of \$1,013,418, or 23.92% over last year's grants and contributions which totaled \$4,236,288.

Table A-3 Governmental

	<u>Total Expense</u>	<u>Program Revenues</u>	<u>Net Expense</u>
Public safety	\$ 9,813,033	\$ 4,670,502	\$ 5,142,531
Highways and streets	6,926,438	814,094	6,112,344
General government	5,398,103	5,938,950	(540,847)

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues from governmental fund types totaled \$27,134,317 for the year ended September 30, 2016, an increase of \$1,882,244, or 7.45% over the preceding year's total governmental revenues of \$25,252,073. The increase in revenues is mainly from increase in property taxes.

General Fund Budgetary Highlights

Over the course of the year, the County revised its general fund budget 124 times. Actual general fund expenditures were \$18,953,476, which was \$1,666,594 over the final budget amounts.

On the other hand, actual general fund resources available were \$17,003,057, which was over the final budgeted amount by \$146,405.

CAPITAL ASSETS

At the end of 2016, the County had invested \$73,608,961 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 \$350,788, a .48% decrease from FY 2015. The decrease is attributed mainly to depreciation.

Table A-4 Governmental

	<u>2016</u>	<u>2015</u>	Increase (Decrease)
Land	\$ 1,278,680	\$ 1,278,680	\$ -0-
Construction in progress	-0-	-0-	-0-
Buildings and improvements	17,798,839	17,758,153	40,686
Furniture and equipment	11,075,793	10,735,293	340,500
Infrastructure	<u>59,471,124</u>	<u>59,065,929</u>	<u>405,195</u>
Totals at historical cost	89,624,436	88,838,055	786,381
Less:			
Accumulated depreciation	<u>16,015,475</u>	<u>14,878,306</u>	<u>1,137,169</u>
Net Capital Assets	<u>\$73,608,961</u>	<u>\$73,959,749</u>	<u>(\$ 350,788)</u>

LONG TERM DEBT

At year end the County has \$1,980,239 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

	Balance <u>9/30/15</u>	Principal <u>Issued</u>	<u>Adjustments</u>	Principal <u>Retired</u>	Balance <u>9/30/16</u>
Certificates of Obligation	\$ 2,025,000	\$ -0-	\$ -0-	\$ (480,000)	\$ 1,545,000
Note Payable Series, 2011A	21,000	-0-	-0-	(21,000)	-0-
Tax Note, Series 2014A	435,239	-0-	-0-	-0-	435,239
Note, Series 2014B	1,500,000	-0-	-0-	(1,500,000)	-0-
Totals	<u>\$ 3,981,239</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$(2,001,000)</u>	<u>\$ 1,980,239</u>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- Appraised values used for the 2017 budget preparation decreased by approximately \$103,154,689.
- The property tax rates will decrease by \$0.0000 per \$100.00 of assessed valuation.
- Employees’ group health insurance continues to increase.
- There will be no salary increase for FY2017.

These indicators were taken into account when adopting the general fund budget for 2017. Amounts available for appropriation in the general fund budget are \$17,695,592, an increase of \$436,315, or 2.53% over the final 2016 budget of \$17,259,277. Property taxes will increase due to the increased appraised values.

General fund expenditures are budgeted to increase in 2017 to \$17,715,497, an increase of \$456,221, or 2.64% over the final 2016 budgeted expenditures of \$17,259,276.

If these estimates are realized, the County’s budgetary general fund balance is not expected to change appreciably by the close of FY 2017.

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, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,550,335	\$ 438,826	\$ 3,989,161
Investments	3,240,476	105,030	3,345,506
Receivables (net of allowances for uncollectibles of \$2,091,656)			
Taxes	12,789,456	-	12,789,456
Accounts	11,210	140,164	151,374
Other	474	-	474
Due from agencies	782,421	-	782,421
Internal balances	1,287,647	(1,287,647)	-
Due from other governments	1,245,452	-	1,245,452
Other assets	610,645	-	610,645
Supplies inventory	-	65,330	65,330
Prepaid insurance	-	88,940	88,940
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	9,517,863	2,467,693	11,985,556
Furniture and equipment	3,341,294	253,265	3,594,559
Capital lease	-	853,503	853,503
Infrastructure	59,471,124	-	59,471,124
Total assets	<u>97,127,077</u>	<u>4,552,634</u>	<u>101,679,711</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to TCDRS	<u>3,727,841</u>	<u>-</u>	<u>3,727,841</u>
LIABILITIES			
Accounts payable	764,535	431,395	1,195,930
Accrued liabilities	418,834	-	418,834
Other liabilities	544,044	113,082	657,126
Due to agencies	914,267		914,267
Due to other governments	108,819	1,099,619	1,208,438
Unearned revenue	436,663	-	436,663
Non-current liabilities			
Due within one year	635,905	990,277	1,626,182
Due in more than one year	1,344,334	251,814	1,596,148
Net pension liability	5,329,127	-	5,329,127
Total liabilities	<u>10,496,529</u>	<u>2,886,187</u>	<u>13,382,716</u>
NET POSITION			
Net investment in capital assets	71,628,722	3,759,900	75,388,622
Restricted for:			
Capital projects	572,741	-	572,741
Debt service	2,580,112	-	2,580,112
Landfill post closure cost	610,645	-	610,645
Unrestricted	<u>14,966,169</u>	<u>(2,093,453)</u>	<u>12,872,716</u>
Total net position	<u>\$ 90,358,389</u>	<u>\$ 1,666,447</u>	<u>\$ 92,024,836</u>

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

STARR COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-type Activities	
Governmental activities:						
General government	\$ 5,398,103	\$ 5,439,414	\$ 499,536	\$ 540,847	\$ -	\$ 540,847
Public safety	9,813,033	245,120	4,425,382	(5,142,531)	-	(5,142,531)
Judicial	2,012,469	-	-	(2,012,469)	-	(2,012,469)
Highways and streets	6,926,438	489,306	324,788	(6,112,344)	-	(6,112,344)
Public facilities	381,669	-	-	(381,669)	-	(381,669)
Financial administration	970,101	-	-	(970,101)	-	(970,101)
Legal	974,248	-	-	(974,248)	-	(974,248)
Health and welfare	1,155,693	-	-	(1,155,693)	-	(1,155,693)
Conservation and agriculture	133,300	-	-	(133,300)	-	(133,300)
Debt service - interest on debt	156,719	-	-	(156,719)	-	(156,719)
Total governmental activities	<u>27,921,773</u>	<u>6,173,840</u>	<u>5,249,706</u>	<u>(16,498,227)</u>	<u>-</u>	<u>(16,498,227)</u>
Business-type activities:						
International Bridge	1,684,222	2,537,687	-	-	853,465	853,465
Gas System	518,684	416,357	-	-	(102,327)	(102,327)
Transfer Station	1,420,406	1,195,712	-	-	(224,694)	(224,694)
Total business-type activities	<u>3,623,312</u>	<u>4,149,756</u>	<u>-</u>	<u>-</u>	<u>526,444</u>	<u>526,444</u>
Total primary government	<u>\$ 25,955,443</u>	<u>\$ 10,323,596</u>	<u>\$ 5,249,706</u>	<u>(16,498,227)</u>	<u>526,444</u>	<u>(15,971,783)</u>
General revenues:						
Taxes:						
Property taxes - general purposes				11,625,332	-	11,625,332
Property taxes - road & bridge				4,435,005	-	4,435,005
Property taxes - debt service				212,450	-	212,450
Property taxes - drainage district				216,299	-	216,299
Investment earnings (loss)				32,828	(32,023)	805
Transfers				1,130,808	(1,130,808)	-
Miscellaneous				239,021	-	239,021
Total general revenues				<u>17,891,744</u>	<u>(1,162,831)</u>	<u>16,728,913</u>
Change in net position				1,393,517	(636,387)	757,130
Net position, beginning				89,008,079	2,302,834	91,310,913
Prior period adjustment				(43,207)	-	(43,207)
Net position, ending				<u>\$ 90,358,389</u>	<u>\$ 1,666,447</u>	<u>\$ 92,024,836</u>

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

STARR COUNTY, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	General	Road & Bridge	Debt Service
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 681,350	\$ 26,968	\$ 893,502
Investments	-	-	1,637,682
Taxes receivables (net of allowance)	8,615,340	3,462,170	561,398
Accounts receivable	9,997	-	-
Accrued receivables	-	-	474
Due from other funds	3,477,074	105,262	404,134
Due from other governments	426,332	-	-
Other assets	610,645	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 13,820,738</u>	<u>\$ 3,594,400</u>	<u>\$ 3,497,190</u>
LIABILITIES			
Accounts payable	\$ 300,680	\$ 397,311	\$ -
Other liabilities	501,962	-	-
Accrued liabilities	407,397	-	-
Due to other funds	273,931	1,384,393	362,343
Due to other governments	103,819	-	-
Unearned revenue	22,900	16,276	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,610,689</u>	<u>1,797,980</u>	<u>362,343</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	8,499,660	3,416,097	554,735
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>8,499,660</u>	<u>3,416,097</u>	<u>554,735</u>
FUND BALANCE			
Restricted	610,645	-	-
Committed	-	-	2,580,112
Assigned	-	-	-
Unassigned	3,099,744	(1,619,677)	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>3,710,389</u>	<u>(1,619,677)</u>	<u>2,580,112</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities deferred inflows of resources and fund balance	<u>\$ 13,820,738</u>	<u>\$ 3,594,400</u>	<u>\$ 3,497,190</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
\$ 1,948,515	\$ 3,550,335
1,602,794	3,240,476
150,548	12,789,456
1,213	11,210
-	474
412,313	4,398,783
819,120	1,245,452
-	610,645
<u>4,934,503</u>	<u>25,846,831</u>
\$ 66,544	\$ 764,535
42,082	544,044
11,437	418,834
1,222,315	3,242,982
5,000	108,819
<u>546,141</u>	<u>585,317</u>
<u>1,893,520</u>	<u>5,664,532</u>
-	<u>12,470,492</u>
-	<u>12,470,492</u>
-	610,645
2,468,242	5,048,354
572,741	572,741
-	<u>1,480,067</u>
<u>3,040,983</u>	<u>7,711,807</u>
<u>\$ 4,934,503</u>	
	73,608,961
	12,619,146
	<u>(3,581,525)</u>
	<u>\$ 90,358,389</u>

STARR COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>General</u>	<u>Road & Bridge</u>	<u>Debt Service</u>
REVENUES			
Taxes	\$ 10,811,481	\$ 4,185,861	\$ 243,138
Intergovernmental	499,536	324,788	-
Charges for services	5,254,576	116,328	-
Fines and forfeits	184,838	372,978	-
Interest	15,884	843	9,150
Miscellaneous	<u>236,742</u>	<u>-</u>	<u>-</u>
Total revenues	<u>17,003,057</u>	<u>5,000,798</u>	<u>252,288</u>
EXPENDITURES			
General administration	5,134,645	-	-
Judicial	2,035,211	-	-
Legal	985,258	-	-
Financial administration	981,064	-	-
Public facilities	253,431	-	-
Public safety	6,822,467	-	-
Health and welfare	1,011,083	-	-
Conservation agriculture	134,805	-	-
Highways and streets	-	5,697,391	-
Debt service:			
Principal retirements	1,521,000	-	480,000
Interest and fiscal charges	<u>74,512</u>	<u>-</u>	<u>82,207</u>
Total expenditures	<u>18,953,476</u>	<u>5,697,391</u>	<u>562,207</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,950,419)</u>	<u>(696,593)</u>	<u>(309,919)</u>
OTHER FINANCING SOURCES			
Operating transfers in	<u>1,130,808</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>1,130,808</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(819,611)	(696,593)	(309,919)
FUND BALANCES, (DEFICIT) BEGINNING OF YEAR	4,530,000	(923,084)	2,890,031
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, (DEFICIT) END OF YEAR	<u>\$ 3,710,389</u>	<u>\$ (1,619,677)</u>	<u>\$ 2,580,112</u>

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

EXHIBIT C-2

Other Governmental Funds	Total Governmental Funds
\$ 198,442	\$ 15,438,922
4,425,382	5,249,706
-	5,370,904
245,120	802,936
6,951	32,828
2,279	239,021
<u>4,878,174</u>	<u>27,134,317</u>
-	5,134,645
-	2,035,211
-	985,258
-	981,064
132,551	385,982
3,101,461	9,923,928
157,670	1,168,753
-	134,805
1,307,321	7,004,712
-	2,001,000
-	156,719
<u>4,699,003</u>	<u>29,912,077</u>
<u>179,171</u>	<u>(2,777,760)</u>
-	1,130,808
-	1,130,808
179,171	(1,646,952)
2,875,066	9,372,013
<u>(13,254)</u>	<u>(13,254)</u>
<u>\$ 3,040,983</u>	<u>\$ 7,711,807</u>

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, 2016

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) \$ (1,646,952)

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. (320,835)

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. 2,001,000

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 increase net position. 1,050,165

Contributions made before the measurement but during the 2016 FY were 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 of \$310,139 310,139

Change in net position of governmental activities (page 11) \$ 1,393,517

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

STARR COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 11,339,991	\$ 11,339,991	\$ 10,811,481	\$ (528,510)
Intergovernmental	465,565	465,565	499,536	33,971
Charges for services	4,868,200	4,874,382	5,254,576	380,194
Fines and forfeits	366,000	366,000	184,838	(181,162)
Interest	-	-	15,884	15,884
Miscellaneous	82,100	103,524	236,742	133,218
Total revenues	<u>17,121,856</u>	<u>17,149,462</u>	<u>17,003,057</u>	<u>(146,405)</u>
EXPENDITURES				
General administration	5,230,664	5,218,539	5,134,645	83,894
Judicial	2,121,355	2,121,355	2,035,211	86,144
Legal	813,840	813,840	985,258	(171,418)
Financial administration	1,057,831	1,057,831	981,064	76,767
Public facilities	267,708	267,708	253,431	14,277
Public safety	6,177,733	6,146,380	6,822,467	(676,087)
Health and welfare	952,879	1,023,963	1,011,083	12,880
Conservation agriculture	137,266	137,266	134,805	2,461
Debt Service:				
Principal payment	500,000	500,000	1,521,000	(1,021,000)
Interest	-	-	74,512	(74,512)
Total expenditures	<u>17,259,279</u>	<u>17,286,882</u>	<u>18,953,476</u>	<u>(1,666,594)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES				
	<u>(137,423)</u>	<u>(137,420)</u>	<u>(1,950,419)</u>	<u>(1,812,999)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	830,808	830,808	1,130,808	(300,000)
Operating transfers out	(438,784)	(438,784)	-	(438,784)
Tax note proceeds	-	-	-	-
Total other financing sources (uses)	<u>392,024</u>	<u>392,024</u>	<u>1,130,808</u>	<u>(738,784)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES				
	254,601	254,604	(819,611)	(2,551,783)
FUND BALANCE, BEGINNING OF YEAR				
	<u>4,530,000</u>	<u>4,530,000</u>	<u>4,530,000</u>	<u>-</u>
FUND BALANCE, END OF YEAR				
	<u>\$ 4,784,601</u>	<u>\$ 4,784,604</u>	<u>\$ 3,710,389</u>	<u>\$ (2,551,783)</u>

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

STARR COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2016

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			Totals
	International Bridge	Gas System	Transfer Station	
ASSETS				
CURRENT ASSETS				
Cash on hand	\$ 7,766	\$ 100	\$ -	\$ 7,866
Cash on deposit	281,212	11,023	138,725	430,960
Investments - unrestricted	-	105,030	-	105,030
Accounts receivable	-	56,992	59,899	116,891
Accounts receivable - disconnects	-	59,253	-	59,253
Allowance for uncollectibles	-	(36,049)	-	(36,049)
Accrued interest receivable	-	69	-	69
Supplies inventory	-	65,330	-	65,330
Prepaid insurance	75,703	13,237	-	88,940
Total current assets	<u>364,681</u>	<u>274,985</u>	<u>198,624</u>	<u>838,290</u>
NON-CURRENT ASSETS				
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	-	48,750	-	48,750
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	<u>(4,832,240)</u>	<u>(705,422)</u>	<u>(649,651)</u>	<u>(6,187,313)</u>
Total non-current assets	<u>3,582,493</u>	<u>57,368</u>	<u>1,362,130</u>	<u>5,001,991</u>
Total assets	<u>3,947,174</u>	<u>332,353</u>	<u>1,560,754</u>	<u>5,840,281</u>

STARR COUNTY, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2016

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			Totals
	International Bridge	Gas System	Transfer Station	
CURRENT LIABILITIES				
Accounts payable	\$ 94,841	\$ 122,685	\$ 213,869	\$ 431,395
Customer deposits payable	-	111,196	-	111,196
Sales tax payable	-	1,886	-	1,886
Due to other funds	22,834	803,257	461,556	1,287,647
Due to other governments	1,099,619	-	-	1,099,619
Current maturities of notes payable	190,444	-	799,833	990,277
Total current liabilities	<u>1,407,738</u>	<u>1,039,024</u>	<u>1,475,258</u>	<u>3,922,020</u>
LONG-TERM LIABILITIES				
Customer meter deposits	-	-	-	-
Notes payable - net of current portion	251,814	-	-	251,814
Total long-term liabilities	<u>251,814</u>	<u>-</u>	<u>-</u>	<u>251,814</u>
Total liabilities	<u>1,659,552</u>	<u>1,039,024</u>	<u>1,475,258</u>	<u>4,173,834</u>
NET POSITION				
Net investment in capital assets	3,140,235	57,368	562,297	3,759,900
Unrestricted	(852,613)	(764,039)	(476,801)	(2,093,453)
Total net position	<u>\$ 2,287,622</u>	<u>\$ (706,671)</u>	<u>\$ 85,496</u>	<u>\$ 1,666,447</u>

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

STARR COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	BUSINESS-TYPE ACTIVITIES -			Totals
	International Bridge	Gas System	Transfer Station	
OPERATING REVENUES				
Natural gas sales	\$ -	\$ 649,924	\$ -	\$ 649,924
Charge for services	2,478,617	-	1,195,470	3,674,087
Penalties	-	9,126	-	9,126
Connect fees	-	5,055	-	5,055
Rentals	57,268	-	-	57,268
Excess on peso exchange	1,802	-	-	1,802
Miscellaneous	-	6	243	249
Total operating revenues	<u>2,537,687</u>	<u>664,109</u>	<u>1,195,712</u>	<u>4,397,508</u>
COST OF REVENUE PRODUCING ITEMS				
Natural gas purchases	-	247,752	-	247,752
Total cost of revenue producing items	<u>-</u>	<u>247,752</u>	<u>-</u>	<u>247,752</u>
Gross profit	<u>2,537,687</u>	<u>416,357</u>	<u>1,195,712</u>	<u>4,149,756</u>
OPERATING EXPENSES				
Gas loss	-	28,952	-	28,952
Bad debt expense	-	(1,472)	-	(1,472)
Equipment lease	-	-	4,950	4,950
Equipment rental	-	-	-	-
Advertising	14,321	-	-	14,321
Depreciation	175,950	5,295	117,403	298,648
Group insurance	59,549	51,071	13,555	124,175
Insurance	119,958	802	-	120,760
Worker's compensation	6,092	4,040	2,313	12,445
Legal and professional	17,000	-	-	17,000
Office and building supplies	-	5,018	-	5,018
Payroll tax expense	39,488	21,385	14,187	75,060
Postage and freight	-	5,995	-	5,995
Repairs and maintenance	79,297	3,511	30,187	112,995
Retirement	37,604	22,443	14,439	74,486
Salaries and wages	517,241	293,238	187,393	997,872
Supplies	11,825	12,400	1,271	25,496
Telephone	2,927	8,510	1,350	12,787
Travel and seminars	-	-	1,309	1,309

STARR COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			Totals
	International Bridge	Gas System	Transfer Station	
OPERATING EXPENSES				
Truck repairs, maintenance and supplies	439	14,412	-	14,851
Truck fuel	-	10,001	12,377	22,378
Hauling costs	-	-	1,002,123	1,002,123
Uniforms	13,828	4,965	7,163	25,956
Utilities	20,293	5,235	1,000	26,528
Regulatory fees	-	2,277	-	2,277
Tire recycling fees	-	-	1,500	1,500
Capital outlay	-	-	4,571	4,571
Bank fees	-	4,982	-	4,982
Miscellaneous expenses	-	15,624	2,815	18,439
Total operating expenses	<u>1,115,812</u>	<u>518,684</u>	<u>1,419,906</u>	<u>3,054,402</u>
OPERATING INCOME (LOSS)	<u>1,421,875</u>	<u>(102,327)</u>	<u>(224,194)</u>	<u>1,095,354</u>
NON-OPERATING REVENUE (EXPENSES)				
Interest revenue (expense)	560	402	(32,985)	(32,023)
Gain (loss) on sale of assets	-	-	-	-
Participation costs - City of Roma (expense)	(541,353)	-	-	(541,353)
Bond interest expense and agent fees	<u>(27,057)</u>	<u>-</u>	<u>(500)</u>	<u>(27,557)</u>
Total non-operating revenue (expenses)	<u>(567,850)</u>	<u>402</u>	<u>(33,485)</u>	<u>(600,933)</u>
Income (loss) before other financing sources	<u>854,025</u>	<u>(101,925)</u>	<u>(257,679)</u>	<u>494,421</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer in	-	-	-	-
Operating transfer out	<u>(1,130,808)</u>	<u>-</u>	<u>-</u>	<u>(1,130,808)</u>
Total other financing sources (uses)	<u>(1,130,808)</u>	<u>-</u>	<u>-</u>	<u>(1,130,808)</u>
CHANGES IN NET POSITION	<u>(276,783)</u>	<u>(101,925)</u>	<u>(257,679)</u>	<u>(636,387)</u>
TOTAL NET POSITION (DEFICIT), BEGINNING	<u>2,564,405</u>	<u>(604,746)</u>	<u>343,175</u>	<u>2,302,834</u>
TOTAL NET POSITION (DEFICIT), ENDING	<u>\$ 2,287,622</u>	<u>\$ (706,671)</u>	<u>\$ 85,496</u>	<u>\$ 1,666,447</u>

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

STARR COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	International Bridge	Gas System	Transfer Station	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,421,875	\$ (102,327)	\$ (224,194)	\$ 1,095,354
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	175,950	5,295	117,403	298,648
(Increase) decrease in accounts receivable	-	7,192	(7,251)	(59)
(Increase) decrease in accounts receivable - disconnects	-	(2,760)	-	(2,760)
(Increase) decrease in allowance for uncollectible disconnect	-	(1,472)	-	(1,472)
(Increase) decrease in accrued interest receivable	-	(1)	-	(1)
(Increase) decrease in supplies inventory	-	(9,037)	-	(9,037)
(Increase) decrease in prepaid insurance	(1,547)	(6,650)	-	(8,197)
(Increase) decrease in due from other governments	-	-	-	-
Increase (decrease) in accounts payable	83,947	73,941	139,771	297,659
Increase (decrease) in sales tax payable	-	(275)	-	(275)
Increase (decrease) in customer deposit payable	-	770	-	770
Increase (decrease) in due to governments	216,353	56,558	-	272,911
Increase (decrease) in due to other funds	22,834	-	57,613	80,447
Net cash provided (used) by operating activities	<u>1,919,412</u>	<u>21,234</u>	<u>83,342</u>	<u>2,023,988</u>
CASH FLOWS FROM (TO) NONCAPITAL FINANCING ACTIVITIES				
City of Roma participation	(541,353)	-	-	(541,353)
Operating transfers in (out)	<u>(1,130,808)</u>	<u>-</u>	<u>-</u>	<u>(1,130,808)</u>
Net cash provided (used) by noncapital financing activities	<u>(1,672,161)</u>	<u>-</u>	<u>-</u>	<u>(1,672,161)</u>
CASH FLOWS FROM (TO) CAPITAL AND RELATED FINANCING ACTIVITIES				
Bond principal payment	(181,175)	-	(29,577)	(210,752)
Acquisition of capital lease equipment	-	(13,807)	-	(13,807)
Disposal of property and equipment	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Interest and fees paid	<u>(27,057)</u>	<u>-</u>	<u>(500)</u>	<u>(27,557)</u>
Net cash provided (used) by financing activities	<u>(208,232)</u>	<u>(13,807)</u>	<u>(30,077)</u>	<u>(252,116)</u>
CASH FLOWS FROM (USED) INVESTING ACTIVITIES				
Interest received	560	402	-	962
Interest expense	<u>-</u>	<u>-</u>	<u>(32,985)</u>	<u>(32,985)</u>
Net cash provided (used) by investing activities	<u>560</u>	<u>402</u>	<u>(32,985)</u>	<u>(32,023)</u>
NET INCREASE (DECREASE) IN CASH	39,579	7,831	20,284	67,694
CASH BALANCES, BEGINNING OF YEAR	<u>249,399</u>	<u>108,322</u>	<u>118,441</u>	<u>476,162</u>
CASH BALANCES, END OF YEAR	<u>\$ 288,978</u>	<u>\$ 116,153</u>	<u>\$ 138,725</u>	<u>\$ 543,856</u>
RECONCILIATION OF CASH BALANCES				
Cash on hand	\$ 7,766	\$ 100	\$ -	\$ 7,866
Cash on deposit	281,212	11,023	138,725	430,960
Investments - unrestricted	-	105,030	-	105,030
Cash balances	<u>\$ 288,978</u>	<u>\$ 116,153</u>	<u>\$ 138,725</u>	<u>\$ 543,856</u>

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

STARR COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

SEPTEMBER 30, 2016

ASSETS

Cash	\$	5,091,073
Investments		2,159,874
Accounts receivable		81,762
Due from other funds		897,307
Other assets		<u>480,762</u>
Total assets	\$	<u><u>8,710,778</u></u>

LIABILITIES

Accounts payable	\$	13,006
Due to other funds		780,142
Due to other governments		1,112,562
Funds held in escrow		4,196,087
Other liabilities		<u>2,608,981</u>
Total liabilities	\$	<u><u>8,710,778</u></u>

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

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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, 2016

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, 2016

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, 2016

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, 2016

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, 2016 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, 2016

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, 2016

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, 2016

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. Excess of Expenditures over Appropriations

For the year ended September 31, 2016, expenditures exceeded the budget in the following line items

General Fund	
<u>Function</u>	<u>Amount</u>
Legal	\$ 171,418
Public Safety	676,087

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

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 \$320,835 is as follows:

Capital outlay - additions	\$ 856,815
Depreciation expense	<u>(1,177,650)</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><u>\$ (320,835)</u></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 \$2,001,000 is as follows:

Debt principal payment	<u>\$ 2,001,000</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><u>\$ 2,001,000</u></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 \$1,050,165 is as follows:

Various reclassifications	<u>\$ 1,050,165</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><u>\$ 1,050,165</u></u>

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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, 2016:

- (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, 2016, the carrying amount of the County's deposits was \$3,550,335 and total bank balances equaled \$3,628,496. Bank balances of \$250,000 are covered by federal depository insurance and the remaining \$3,378,496 were covered by collateral pledged in the County's name.

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

5. DEPOSITS AND INVESTMENTS

The fair values of investments at September 30, 2016 are summarized as follows:

	<u>Rate</u>	<u>Maturity</u>	<u>Fair Value</u>
<u>Special Revenue</u>			
Certificate of Deposit	0.35%	1/13/2017	\$ 400,698
Certificate of Deposit	0.35%	1/13/2017	400,698
Certificate of Deposit	0.35%	1/13/2017	400,698
Certificate of Deposit	0.35%	1/13/2017	<u>400,698</u>
			<u>1,602,794</u>
<u>Debt Service</u>			
Certificate of Deposit	0.30%	2/2/2017	120,039
Certificate of Deposit	0.30%	2/12/2017	635,223
Certificate of Deposit	0.30%	4/1/2017	381,546
Certificate of Deposit	0.35%	2/28/2017	<u>500,873</u>
			<u>1,637,682</u>
<u>Enterprise Funds</u>			
Certificate of Deposit	0.30%	1/13/2017	<u>105,030</u>
			<u>105,030</u>
Total CD's			<u>\$ 3,345,505</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.

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 Lone Star National Bank (100%), exclusively in Certificates of Deposit.

During the year ended September 30, 2016, 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.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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 2016 fiscal year tax rate was .5410 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 .7784 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.

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 24th day of each month, beginning February 24, 2011 until maturity of this Note.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

7. LONG-TERM DEBT

Notes Payable

The following is a summary of Long-Term Debt and Revenue Bonds payable as of September 30, 2016 recorded under governmental activities and business-type activities.

	Balance			Balance
	<u>10/1/2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>9/30/2016</u>
Governmental Activities				
Tax Notes Series-2014B	\$ 1,500,000	\$ -	\$ (1,500,000)	\$ -
Tax Notes Series-2014A	435,239	-	-	435,239
Note Payable, Series-2011A	21,000	-	(21,000)	-
Certificates of Obligation, Series-2004	<u>2,025,000</u>	<u>-</u>	<u>(480,000)</u>	<u>1,545,000</u>
Total Governmental-Type Activities				
Long Term Liabilities	<u>\$ 3,981,239</u>	<u>\$ -</u>	<u>\$ (2,001,000)</u>	<u>\$ 1,980,239</u>
Business-Type Activities				
Capital Lease Revenue Market System Loan	\$ 623,433	\$ -	\$ (181,175)	\$ 442,258
Note Payable, Series-2011	<u>829,410</u>	<u>-</u>	<u>(29,577)</u>	<u>799,833</u>
Total Business-Type Activities				
Long Term Liabilities	<u>\$ 1,452,843</u>	<u>\$ -</u>	<u>\$ (210,752)</u>	<u>\$ 1,242,091</u>

The annual requirements to repay the governmental activities outstanding debt, as of September 30, 2016, are as follows:

Year Ended			
<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 635,905	\$ 90,804	\$ 726,709
2018	591,283	52,184	643,467
2019	598,599	29,068	627,667
2020	75,991	5,021	81,012
2021	<u>78,461</u>	<u>2,550</u>	<u>81,011</u>
Total	<u>\$ 1,980,239</u>	<u>\$ 179,627</u>	<u>\$ 2,159,866</u>

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

7. LONG-TERM DEBT

Notes Payable

The annual requirements to repay business-type activities outstanding debt, as of September 30, 2016, are as follows:

Year Ended September 30,	Principal	Interest	Total
2017	\$ 990,277	\$ 50,170	\$ 1,040,447
2018	200,187	8,044	208,231
2019	<u>51,627</u>	<u>359</u>	<u>51,986</u>
Total	<u>\$ 1,242,091</u>	<u>\$ 58,573</u>	<u>\$ 1,300,664</u>

8. CAPITAL ASSETS

Capital asset activity for the County for the year ended September 30, 2016, under governmental activities was as follows:

	Primary Government			
	Balance	Changes During Year		Balance
	<u>10/1/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>9/30/2016</u>
Land	\$ 1,278,680	\$ -	\$ -	\$ 1,278,680
Buildings and improvements	17,758,153	40,686	-	17,798,839
Furniture and equipment	10,735,293	410,934	(70,434)	11,075,793
Infrastructure	<u>59,065,929</u>	<u>405,195</u>	<u>-</u>	<u>59,471,124</u>
Total at historic cost	<u>88,838,055</u>	<u>856,815</u>	<u>(70,434)</u>	<u>89,624,436</u>
Less accumulated depreciation:				
Buildings and improvements	(7,925,095)	(355,881)	-	(8,280,976)
Furniture and equipment	<u>(6,953,211)</u>	<u>(821,769)</u>	<u>40,481</u>	<u>(7,734,499)</u>
Total accumulated depreciation	<u>(14,878,306)</u>	<u>(1,177,650)</u>	<u>40,481</u>	<u>(16,015,475)</u>
Governmental activities				
Capital assets, net	<u>\$ 73,959,749</u>	<u>\$ (320,835)</u>	<u>\$ (29,953)</u>	<u>\$ 73,608,961</u>

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

8. CAPITAL ASSETS

Depreciation expense for FY 2016 was charged to functions/programs of the County as follows:

General administration	\$ 416,770
Judicial	126,480
Legal	61,238
Financial administration	61,002
Public facilities	15,780
Public safety	425,249
Health and welfare	62,769
Conservation agriculture	<u>8,361</u>
Totals	<u>\$ 1,177,650</u>

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, 2016 was as follows:

	International <u>Toll Bridge</u>	Gas <u>System</u>	Transfer <u>Station</u>	<u>Total</u>
Operating revenues	\$ 2,537,687	\$ 664,109	\$ 1,195,712	\$ 4,397,508
Depreciation expense	(175,950)	(5,295)	(117,403)	(298,648)
Operating income (loss)	1,443,423	(102,327)	(224,194)	1,116,902
Operating transfers in (out)	(1,130,808)	-	-	(1,130,808)
Change in net position	(255,235)	(101,925)	(257,679)	(614,839)
Invested in capital assets, net	3,140,235	57,368	562,297	3,759,900
Unrestricted net assets	(831,065)	(764,039)	(476,801)	(2,071,905)
Notes payable - net of current	251,814	-	799,833	1,051,647

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

10. CAPITAL ASSETS OF PROPRIETARY FUNDS

Capital assets of Proprietary Funds (Enterprise Funds) at September 30, 2016 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	-	598,750	-	598,750
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>762,790</u>	<u>2,011,781</u>	<u>11,189,304</u>
Less:				
Accumulated depreciation	<u>(4,832,240)</u>	<u>(705,422)</u>	<u>(649,651)</u>	<u>(6,187,313)</u>
Capital assets, net of accumulated depreciation	<u>\$ 3,582,493</u>	<u>\$ 57,368</u>	<u>\$ 1,362,130</u>	<u>\$ 5,001,991</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, 2016

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, 2016**

14. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances, at September 30, 2016, 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	\$ 2,047,578	\$ 5,369
Debt service fund	-	34,219
Capital projects fund	-	-
Enterprise funds	995,727	-
Trust and agency funds	<u>433,769</u>	<u>234,343</u>
Total general fund	<u>3,477,074</u>	<u>273,931</u>
Special revenue funds:		
General fund	5,369	2,047,578
Special revenue funds	66,665	66,665
Trust and agency funds	<u>153,621</u>	<u>492,466</u>
Total special revenue funds	<u>225,654</u>	<u>2,606,708</u>
Debt service fund:		
General fund	34,219	-
Debt Service fund	362,298	362,298
Trust and agency funds	<u>7,617</u>	<u>45</u>
Total debt service fund	<u>404,134</u>	<u>362,343</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	-	995,727
Capital projects fund	<u>-</u>	<u>291,921</u>
Total enterprise funds	<u>-</u>	<u>1,287,648</u>
Trust and agency funds:		
General fund	234,343	433,769
Special revenue funds	492,466	153,621
Debt service fund	45	7,617
Trust and agency funds	<u>187,414</u>	<u>187,414</u>
Total trust and agency funds	<u>914,267</u>	<u>782,421</u>
Totals	<u><u>\$ 5,313,051</u></u>	<u><u>\$ 5,313,051</u></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, 2016

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, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	167
Inactive employees entitled to but not yet receiving benefits	645
Active employees	486
	<hr/> 1,298

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

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 \$1,125,290 and were equal to the required contributions.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2015, 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, 2015 actuarial valuation was determined using the following actuarial assumptions:

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

Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and th RP-2000 Active Employee Mortality Table for females with a four-year setback, both projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ulmitae scale after that.
Services retirees, beneficiaries and non-dpeositing members	The RP-2000 Combined Mortality Table projected 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortatilty Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, no age adjustment for males and a two-year set-forward for females.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

16. PENSION PLAN

Actuarial assumptions

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2009 through December 31, 2012, except where required to be different by GASB 68. TCDRS' actuarial assumptions are periodically reviewed and revised as deemed necessary to reflect best estimates of future experience. Every four years, the TCDRS consulting actuary conducts an investigation of experience, TCDRS assumptions are compared to plan experience and future expectations, and changes to the assumptions are recommended as needed.

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

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	14.50%	5.45%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	14.00%	8.45%
Global Equities	MSCI World (net) Index	1.50%	5.75%
International Equities - Developed	MSCI World Ex USA (net)	10.00%	5.45%
International Equities - Emerging	MSCI World Ex USA (net)	8.00%	6.45%
Investment - Grade Bonds	Barclays Capital Aggregated Bond Index	3.00%	1.00%
High - Yield Bonds	Citigroup High - Yield Cash - Pay Capped Index	3.00%	5.10%
Opportunistic Credit	Citigroup High - Yield Cash - Pay Capped Index	2.00%	5.09%
Direct Lending	Citigroup High - Yield Cash - Pay Capped Index	5.00%	6.40%
Distressed Debt	Citigroup High - Yield Cash - Pay Capped Index	3.00%	8.10%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	3.00%	4.00%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.80%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index Hedge Fund Research, Inc. (HFRI) Fund of	5.00%	6.90%
Hedge Funds	Funds Composite Index	25.00%	5.25%

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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, 2016**

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%

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of December 31, 2014	\$ 34,090,097	\$ 31,027,700	\$ 3,062,397
Changes for the year:			
Service cost	1,234,402	-	1,234,402
Interest on total pension liability	2,752,024	-	2,752,024
Effect of plan changes	(280,132)	-	(280,132)
Effect of economic/demographic gains or losses	(278,622)	-	(278,622)
Effect of assumptions changes or inputs	339,122	-	339,122
Refund of contributions	(278,498)	(278,498)	-
Benefit payments	(1,248,428)	(1,248,428)	-
Administrative expenses	-	(22,353)	22,353
Member contributions	-	725,994	(725,994)
Net investment income	-	(355,847)	355,847
Employer contributions	-	1,125,290	(1,125,290)
Other	-	26,980	(26,980)
	\$ 36,329,965	\$ 31,000,838	\$ 5,329,127
Balance at December 31, 2015			

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

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.

	<u>1 % Decrease 7.10%</u>	<u>Current Discount 8.10%</u>	<u>1 % Increase 9.10%</u>
Total pension liability	\$ 41,317,387	\$ 36,329,965	\$ 32,218,801
Fiduciary net position	<u>(31,000,838)</u>	<u>(31,000,838)</u>	<u>(31,000,838)</u>
Net pension liability/(asset)	<u>\$ 10,316,549</u>	<u>\$ 5,329,127</u>	<u>\$ 1,217,963</u>

Pension Plan Fiduciary Net Position

	<u>January 1, 2015 to December 31, 2015</u>
Pension Expense/(Income)	
Service cost	\$ 1,234,402
Interest on total pension liability	2,752,024
Effect of plan changes	(280,132)
Administrative expenses	22,353
Member contributions	(725,994)
Expected investment return net of investment expenses	(2,548,661)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(62,535)
Recognition of assumption changes or inputs	84,781
Recognition of investment gains or losses	667,178
Other	<u>(26,980)</u>
Pension expense/(income)	<u>\$ 1,116,436</u>

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

16. PENSION PLAN

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

As of December 31, 2015, the deferred inflows and outflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 208,967	\$ 7,121
Changes in assumptions	-	254,342
Net difference between projected and actual earnings	-	2,582,437
Contributions made subsequent to measurement date	-	883,942
Total	<u>\$ 208,967</u>	<u>\$ 3,727,842</u>

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:	
2016	\$ 689,424
2017	682,303
2018	682,303
2019	580,902
2020	-
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, 2016**

18. PRIOR PERIOD ADJUSTMENT

Adjustments to the fund balance and net position during the 2015-2016 consisted of the following:

Description	Justice Court Technology Fund	Total
Adjustments for expenses		
incurred in prior year	\$ (13,254)	\$ (13,254)
Total per exhibit C-2	<u>\$ (13,254)</u>	(13,254)
Adjustment to capital assets		<u>(29,953)</u>
Total per exhibit B-1		<u>\$ (43,207)</u>

19. DEFICIT FUND EQUITY

As of September 30, 2016, the Road and Bridge Fund had a deficit fund balance of \$1,619,677.

**BUDGETARY COMPARISON
REPORTING**

STARR COUNTY, TEXAS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Current ad valorem	\$ 10,012,991	\$ 10,012,991	9,255,092	\$ (757,899)
Delinquent ad valorem	1,200,000	1,200,000	1,193,177	(6,823)
Late rendition penalty	-	-	19,666	19,666
Alcoholic beverage licenses	18,000	18,000	13,869	(4,131)
Subdivision fees	24,000	24,000	28,183	4,183
Federal payment in lieu of taxes	60,000	60,000	51,494	(8,506)
HDM Grant-U.S. Dept. of Agriculture	40,000	40,000	15,806	(24,194)
Election Expense Reimbursements	-	-	2,850	2,850
Nutrition program grant	230,000	230,000	275,236	45,236
Dept. of Family & Protective Serv-Co Atty	-	-	39,060	39,060
Texas task force on indigent defense grant	-	-	42,849	42,849
TEAM redevelopment training	-	-	-	-
State offender transport reimbursement	-	6,182	6,182	-
Contribution - juvenile detention	-	-	47,727	47,727
Juvenile detention grant	152,848	152,848	-	(152,848)
Contribution - county attorney's office	-	-	44,650	44,650
State jury fund reimbursements	-	-	17,714	17,714
Texas department of public safety	-	-	23,610	23,610
911 addressing grant	42,717	42,717	37,534	(5,183)
Fees of office	2,000,000	2,000,000	2,252,065	252,065
Detention center	1,440,000	1,440,000	1,866,542	426,542
Detention center - cities	15,000	15,000	9,060	(5,940)
Juvenile detention center	6,000	6,000	8,580	2,580
El Cenizo adult day care rents	7,200	7,200	7,200	-
Child support - attorney general	-	-	8,177	8,177
Wind farm in lieu of taxes	250,000	250,000	250,000	-
Library fines	-	-	2,092	2,092
Rentals	6,000	6,000	19,262	13,262
State salary supplement	120,000	120,000	154,293	34,293
State election costs reimbursements	-	-	4,985	4,985
Amusement machine - revenue	1,150,000	1,150,000	1,045,740	(104,260)
Amusement machine - penalties	-	-	2,500	2,500
Amusement machine - la grulla	-	-	2,000	2,000
Amusement machine - occupation tax	-	-	46,530	46,530
Hotel taxes	25,000	25,000	-	(25,000)
Food permit inspection	-	-	29,898	29,898
Building/utility permits	-	-	46,524	46,524
Interest	-	-	15,884	15,884
Donations	-	13,674	17,119	3,445
Sale of cemetery plots	1,000	1,000	-	(1,000)
Roma county cemetery revenue	50,000	50,000	47,750	(2,250)
Right of way sale to TxDot	-	-	5,825	5,825
Miscellaneous (sheriff)	100	100	-	(100)
Miscellaneous (auction)	1,000	8,750	7,750	(1,000)
Miscellaneous	30,000	30,000	22,264	(7,736)
Reimbursements	-	-	5,429	5,429
Tow truck registration fees	-	-	3,725	3,725
Fines and forfeitures	240,000	240,000	4,206	(235,794)
Elderly transportation	-	-	2,958	2,958
Total revenues	<u>\$ 17,121,856</u>	<u>\$ 17,149,462</u>	<u>\$ 17,003,057</u>	<u>\$ (146,405)</u>

STARR COUNTY, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General administration:				
County judge:				
Salary of official	\$ 74,918	\$ 74,918	\$ 77,800	\$ (2,882)
Supplemental salary of official	25,200	25,200	26,311	(1,111)
Salary of administrative assistant	85,984	85,984	87,846	(1,862)
Salary of public information director	42,992	42,992	44,981	(1,989)
Salary of secretary	33,558	33,558	35,070	(1,512)
Salary of clerk	28,452	28,452	29,547	(1,095)
Salary of courthouse security	95,651	95,651	131,134	(35,483)
Veteran's service clerk	29,810	29,810	30,956	(1,146)
Dog kennel supervisor	3,438	3,438	-	3,438
Automation coordinator	78,096	78,096	75,650	2,446
Annex receptionist	46,100	46,100	45,502	598
Payroll taxes	41,631	41,631	43,323	(1,692)
Employee retirement	42,176	42,176	44,347	(2,171)
Office supplies	7,500	7,500	4,116	3,384
Auto expense	36,000	41,000	39,189	1,811
Telephone	10,000	11,500	13,819	(2,319)
Travel and seminar	10,000	10,000	9,825	175
Bonds and insurance	300	400	350	50
Dues and subscriptions	2,000	400	200	200
Capital outlay-equipment	9,480	4,480	-	4,480
Miscellaneous	9,000	9,500	1,068	8,432
Contingencies	10,000	10,000	8,011	1,989
Total county judge	<u>722,286</u>	<u>722,786</u>	<u>749,045</u>	<u>(26,259)</u>
County clerk:				
Salary of official	54,362	54,362	56,453	(2,091)
Salary of chief clerk	29,182	29,182	30,304	(1,122)
Salary of clerk	28,533	28,533	30,947	(2,414)
Salaries of deputies	94,438	94,438	99,138	(4,700)
Payroll taxes	15,798	15,798	15,413	385
Employee retirement	16,005	16,005	16,757	(752)
Office supplies	11,660	11,798	6,882	4,916
Telephone	50	50	-	50
Travel and seminars	2,250	1,250	972	278
Binding expense	4,000	4,862	4,862	-
Bonds and insurance	700	700	514	186
Total county clerk	<u>256,978</u>	<u>256,978</u>	<u>262,242</u>	<u>(5,264)</u>

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General administration:				
Personnel department:				
Salary of supervisor	33,950	33,950	30,388	3,562
Salary of secretary/manager	24,502	24,502	26,880	(2,378)
Salary of benefits clerk	24,796	24,796	22,477	2,319
Salary of loss control clerk	25,026	25,026	22,950	2,076
Salary of director	46,800	46,800	60,774	(13,974)
Payroll taxes	11,863	11,863	12,086	(223)
Employee retirement	12,018	12,018	12,597	(579)
Office supplies	3,500	3,500	1,509	1,991
Travel and seminars	2,500	3,200	2,306	894
Rental - copier	1,000	300	-	300
Capital outlay	250	250	-	250
Total personnel department	186,205	186,205	191,967	(5,762)
Planning department:				
Stipend of supervisor	5,000	5,000	5,000	-
Salary of subdivision regulation inspector	35,131	35,131	32,731	2,400
Salary of food inspector	94,411	94,411	93,685	726
Salary of code enforcer	35,131	35,131	33,115	2,016
Payroll taxes	12,980	12,980	11,793	1,187
Employee retirement	13,150	13,150	12,473	677
Office supplies	2,000	1,700	1,592	108
Travel and seminars	800	1,100	1,074	26
Auto expense	3,000	3,000	1,904	1,096
Dues & subscriptions	100	100	40	60
Total planning department	201,703	201,703	193,407	8,296
Elections administrator:				
Salary of clerk	71,872	71,872	76,871	(4,999)
Payroll taxes	5,498	5,498	6,066	(568)
Employee retirement	5,570	5,570	5,727	(157)
Office supplies	8,125	6,175	4,390	1,785
Telephone	1,500	1,500	2,444	(944)
Travel and seminars	2,500	4,100	4,005	95
Public notices	1,000	1,000	-	1,000
Bonds and insurance	500	500	70	430
Miscellaneous	750	1,600	1,546	54
Capital outlay	500	-	-	-
Total elections administrator	97,815	97,815	101,119	(3,304)
General fund county wide:				
Salary - visiting judges	10,000	10,000	2,614	7,386
Salary - election workers	-	-	68,725	(68,725)
Payroll taxes	-	-	5,457	(5,457)
Group insurance	1,750,000	1,750,000	1,805,463	(55,463)
Texas workforce commission	69,000	69,000	82,128	(13,128)
Workers compensation	80,700	122,700	98,720	23,980

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General administration:				
General fund county wide:				
Postage	125,000	99,000	99,212	(212)
Legal fees and settlements	100,000	130,000	82,411	47,589
Audit services	60,000	60,000	30,680	29,320
Payroll report processing	5,000	5,000	2,140	2,860
Appraisal district fees	440,000	421,500	421,254	246
Contractual services	110,000	110,000	81,861	28,139
Drug testing fees	8,000	8,000	2,980	5,020
Autopsies	30,000	63,000	61,124	1,876
Bidding & notices	15,000	15,000	8,628	6,372
Telephone-DPS license department	150	150	-	150
Building rent-DPS license department	100	100	-	100
Equipment rental-copiers	55,000	35,000	26,996	8,004
Computer payments	28,000	14,000	7,058	6,942
Insurance	180,000	166,500	156,157	10,343
Texas department of human services	10,000	10,000	2,293	7,707
Historical commission	3,000	-	-	-
Industrial development	110,000	110,000	110,000	-
Errors and omissions-insurance	65,000	74,000	70,751	3,249
Rural fire calls	100	100	-	100
Computer update	45,000	45,000	33,956	11,044
Capital outlay	125,000	115,000	108,459	6,541
Retirement	-	-	14	(14)
Self help center expense	76,627	76,627	-	76,627
Roma county cemetery expense	50,000	37,375	63,411	(26,036)
Miscellaneous	25,000	25,000	26,579	(1,579)
Battered women shelter	10,000	10,000	10,000	-
Infrastructure development	35,000	16,000	15,850	150
Elections expense	60,000	60,000	64,418	(4,418)
Telephone	85,000	95,000	87,526	7,474
Total general fund county wide	<u>3,765,677</u>	<u>3,753,052</u>	<u>3,636,865</u>	<u>116,187</u>
Total general administration	<u>5,230,664</u>	<u>5,218,539</u>	<u>5,134,645</u>	<u>83,894</u>
Judicial:				
County court-at-law:				
Salary of official	160,160	160,160	166,320	(6,160)
Salary of court coordinator	32,958	32,958	52,002	(19,044)
Salary of court reporter	41,885	41,885	44,751	(2,866)
Salary of administrative assistant	32,795	32,795	29,791	3,004
Payroll taxes	20,487	20,487	19,007	1,480
Employee retirement	20,754	20,754	19,174	1,580
Office supplies	1,250	1,250	317	933
Court appointed counselors	31,000	31,000	73,700	(42,700)
Visiting reporter	200	200	198	2
Telephone	100	100	-	100
Travel and seminars	1,500	1,500	348	1,152

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial:				
County court-at-law:				
Bonds and insurance	50	50	100	(50)
Petit jurors	3,000	3,000	840	2,160
Other juror expense	750	750	-	750
Court ordered psychological evaluations	500	500	-	500
Court appointed attorney - ad litem	7,500	7,500	875	6,625
Miscellaneous	750	750	-	750
Total county court-at-law	355,639	355,639	407,423	(51,784)
229th district court:				
Salary Official	8,000	8,000	8,308	(308)
Salary of court reporter	48,956	48,956	50,839	(1,883)
Salary of court coordinator	29,034	29,034	30,150	(1,116)
Salary of court clerk	51,822	51,822	53,805	(1,983)
Salary of bailiff	38,948	38,948	38,437	511
Court ordered psychological evaluations	1,500	1,500	700	800
Salary of interpreter	9,055	9,055	9,404	(349)
Salary of part time clerk	9,055	9,055	9,404	(349)
Payroll taxes	14,908	14,908	14,913	(5)
Employee retirement	15,102	15,102	15,948	(846)
Bailiff Uniforms	500	500	338	162
Car allowance	5,000	5,000	5,192	(192)
Office supplies	4,000	2,000	945	1,055
Software	500	500	-	500
Court-appointed counselors	35,500	40,500	74,575	(34,075)
Court ordered expert witness	20,000	20,000	-	20,000
Court appointed attorney - ad litem	55,000	47,000	24,120	22,880
Visiting reporter	3,000	3,000	3,856	(856)
Telephone	3,500	3,500	2,143	1,357
Travel and seminars	5,000	10,000	12,082	(2,082)
Dues and subscriptions	200	200	-	200
Petit jurors	15,000	15,000	15,190	(190)
Other juror expense	2,500	2,500	633	1,867
Capital outlay	500	500	-	500
Total 229th district court	376,580	376,580	370,982	5,598
381st district court:				
Salary of official	8,000	8,000	8,308	(308)
Salary of court reporter	76,241	76,241	75,843	398
Salary of court coordinator	78,558	78,558	81,579	(3,021)
Salary of court bailiff	38,948	23,948	17,250	6,698
Salary of interpreter	9,054	9,054	-	9,054
Payroll taxes	16,126	16,126	13,659	2,467
Employee retirement	16,337	16,337	13,711	2,626
Office supplies	7,000	7,000	6,596	404
Court-appointed attorney-CPS	47,500	47,500	36,731	10,769

STARR COUNTY, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial:				-
381st district court:				-
Court-appointed counselors	50,000	50,000	48,200	1,800
Visiting reporter	1,500	1,500	1,575	(75)
Telephone	500	500	-	500
Travel and seminars	4,000	4,000	1,938	2,062
Jury commission	300	300	-	300
Petit jurors	30,500	30,500	21,960	8,540
Other juror expense	4,000	4,000	3,025	975
Court ordered psychological evaluations	750	750	900	(150)
Court ordered expert witness	20,000	20,000	-	20,000
Miscellaneous	3,000	18,000	4,430	13,570
Total 381st district court	<u>412,314</u>	<u>412,314</u>	<u>335,705</u>	<u>76,609</u>
District clerk:				
Salary of official	54,362	54,362	56,453	(2,091)
Salary of chief clerk	36,400	36,400	37,800	(1,400)
Salary of clerks	24,699	24,699	32,476	(7,777)
Salary of deputy clerks	177,097	179,097	137,696	41,401
Payroll taxes	22,381	22,381	19,576	2,805
Employee retirement	22,673	22,673	18,462	4,211
Office supplies	10,000	10,000	8,494	1,506
Microfilming	1,000	-	-	-
Telephone	750	250	-	250
Travel and seminars	3,000	4,500	1,978	2,522
Binding expense	1,000	-	-	-
Repair & maintenance-equipment	1,000	-	-	-
Printer lease	750	750	-	750
Bonds and insurance	750	1,750	1,371	379
Miscellaneous	500	-	175	(175)
Capital outlay	500	-	-	-
Dues and subscriptions	200	200	-	200
Total district clerk	<u>357,062</u>	<u>357,062</u>	<u>314,481</u>	<u>42,581</u>
Justice of the peace pct. 1:				
Salary of official	34,885	34,885	36,233	(1,348)
Salary of secretary	27,822	27,822	28,885	(1,063)
Payroll taxes	4,797	4,797	4,889	(92)
Employee retirement	4,860	4,860	2,800	2,060
Office supplies	1,000	1,147	925	222
Telephone	1,600	1,600	1,451	149
Travel and seminars	1,500	1,253	1,253	-
Bonds and insurance	175	275	275	-
Juror expense	100	100	-	100
Internet service	1,750	1,750	1,746	4
Total justice of the peace pct. 1	<u>78,489</u>	<u>78,489</u>	<u>78,457</u>	<u>32</u>

STARR COUNTY, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial:				
Justice of the peace pct. 2:				
Salary of official	31,743	31,743	32,964	(1,221)
Salary of secretary	26,584	26,584	27,886	(1,302)
Payroll taxes	4,462	4,462	4,652	(190)
Employee retirement	4,520	4,520	4,702	(182)
Office supplies	1,200	1,433	1,237	196
Telephone	1,000	1,000	1,401	(401)
Travel and seminars	1,000	932	932	-
Juror expense	100	-	-	-
Bonds and insurance	175	110	110	-
Internet service	1,750	1,750	1,719	31
Total justice of the peace pct. 2	<u>72,534</u>	<u>72,534</u>	<u>75,603</u>	<u>(3,069)</u>
Justice of the peace pct. 3:				
Salary of official	34,885	34,885	15,000	19,885
Salary of secretary	27,123	27,123	26,096	1,027
Payroll taxes	4,743	4,743	2,534	2,209
Employee retirement	4,806	4,806	3,176	1,630
Office supplies	1,400	1,400	998	402
Telephone	1,000	1,000	-	1,000
Internet service	1,750	1,750	1,537	213
Travel and seminars	1,000	1,000	742	258
Bonds and insurance	175	175	-	175
Juror expense	100	100	-	100
Total justice of the peace pct. 3	<u>76,982</u>	<u>76,982</u>	<u>50,083</u>	<u>26,899</u>
Justice of the peace pct. 4:				
Salary of official	34,885	34,885	36,227	(1,342)
Salary of secretary	27,123	27,123	27,644	(521)
Payroll taxes	4,743	4,744	4,533	211
Employee retirement	4,806	4,806	4,775	31
Office supplies	2,000	1,149	1,409	(260)
Travel and seminars	1,200	2,250	2,250	-
Juror expense	300	-	-	-
Bonds and insurance	175	275	200	75
Total justice of the peace pct. 4	<u>75,232</u>	<u>75,232</u>	<u>77,038</u>	<u>(1,806)</u>

STARR COUNTY, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial:				
Justice of the peace pct. 5:				
Salary of official	34,885	34,885	36,227	(1,342)
Clerk	22,050	22,050	22,898	(848)
Payroll taxes	4,356	4,356	4,310	46
Employee retirement	4,412	4,412	4,569	(157)
Office supplies	1,200	800	102	698
Telephone	1,000	1,400	1,226	174
Travel and seminars	1,500	1,500	1,386	114
Juror expense	100	100	-	100
Bonds and insurance	175	175	-	175
Total justice of the peace pct. 5	<u>69,678</u>	<u>69,678</u>	<u>70,718</u>	<u>(1,040)</u>
Justice of the peace pct. 6:				
Salary of official	34,885	34,885	36,227	(1,342)
Salary of secretary	29,382	29,382	30,512	(1,130)
Salary of clerk	22,600	22,600	23,426	(826)
Payroll taxes	6,646	6,646	6,361	285
Employee retirement	6,732	6,732	6,968	(236)
Office supplies	1,000	1,000	935	65
Telephone	1,800	1,800	1,845	(45)
Travel and seminars	1,300	1,300	1,446	(146)
Juror expense	100	100	-	100
Bonds and insurance	100	100	100	-
Internet service	1,500	1,500	1,500	-
Total justice of the peace pct. 6	<u>106,045</u>	<u>106,045</u>	<u>109,320</u>	<u>(3,275)</u>
Justice of the peace pct. 7:				
Salary of official	31,743	31,743	32,963	(1,220)
Salary of secretary	24,470	24,470	25,411	(941)
Payroll taxes	4,300	4,300	4,069	231
Employee retirement	4,357	4,357	4,511	(154)
Office supplies	1,000	1,000	561	439
Telephone	1,300	2,300	2,163	137
Travel and seminars	1,100	1,100	779	321
Bonds and insurance	100	100	200	(100)
Juror expense	100	100	-	100
Internet service	1,000	-	-	-
Total justice of the peace pct. 7	<u>69,470</u>	<u>69,470</u>	<u>70,657</u>	<u>(1,187)</u>

STARR COUNTY, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Judicial:				
Justice of the peace pct. 8:				
Salary of official	31,743	31,743	34,002	(2,259)
Salary of secretary	25,497	25,497	26,478	(981)
Payroll taxes	4,379	4,379	4,461	(82)
Employee retirement	4,436	4,436	4,674	(238)
Office supplies	1,200	1,325	617	708
Telephone	1,000	1,000	1,576	(576)
Travel and seminars	1,200	1,700	1,686	14
Juror expense	100	-	-	-
Bonds and insurance	275	50	50	-
Internet service	1,500	1,200	1,200	-
Total justice of the peace pct. 8	<u>71,330</u>	<u>71,330</u>	<u>74,744</u>	<u>(3,414)</u>
 Total judicial	 <u>2,121,355</u>	 <u>2,121,355</u>	 <u>2,035,211</u>	 <u>86,144</u>
Legal:				
County attorney:				
Salary of official	63,671	63,671	66,120	(2,449)
Supplemental salary of official	25,000	25,000	25,962	(962)
Salary of assistant county attorney	62,530	62,530	74,987	(12,457)
Salary of secretary	30,475	30,475	26,370	4,105
Salary of clerk	67,769	67,769	70,062	(2,293)
Other salaries	-	-	65,078	(65,078)
CPS attorney	23,850	23,850	55,620	(31,770)
File clerk	-	-	20,464	(20,464)
Abatement officer	-	-	36,963	(36,963)
Payroll taxes	20,907	20,907	31,701	(10,794)
Employee retirement	21,181	21,181	32,047	(10,866)
Office supplies	3,000	3,000	2,774	226
Supplies other	500	500	355	145
Repairs and maintenance-autos	1,000	1,000	212	788
Fuel and oil	4,250	4,250	529	3,721
Travel and seminars	1,000	1,000	-	1,000
Equipment rental-copiers	6,500	6,500	5,920	580
Bonds and insurance	500	500	200	300
Dues and subscriptions	250	250	-	250
Capital outlay	500	500	-	500
Service of citations	3,000	3,000	-	3,000
Total county attorney	<u>335,883</u>	<u>335,883</u>	<u>515,364</u>	<u>(179,481)</u>

STARR COUNTY, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Legal:				
District attorney:				
Supplemental salary of official	16,068	16,068	16,044	24
DA supplement salaries	-	-	36,931	(36,931)
Salaries of assistants	120,048	120,048	102,802	17,246
Salaries of investigators	78,000	78,000	43,269	34,731
Salaries-secretaries	105,440	105,440	127,293	(21,853)
Other salaries	60,043	60,043	68,213	(8,170)
Payroll taxes	29,039	29,039	26,743	2,296
Employee retirement	29,419	29,419	25,754	3,665
Office supplies	5,000	6,000	5,752	248
Repairs and maintenance-autos	10,000	10,000	6,184	3,816
Transcripts for trials and appeals	5,000	4,000	1,663	2,337
Telephone	1,000	1,000	-	1,000
Travel and seminars	7,000	7,000	4,743	2,257
Computer maintenance	1,000	1,000	280	720
Equipment rental-copier	7,000	7,000	2,829	4,171
Bonds and insurance	300	300	100	200
Dues and subscriptions	1,500	1,500	1,294	206
Capital outlay	1,500	1,500	-	1,500
Miscellaneous	600	600	-	600
Total district attorney	<u>477,957</u>	<u>477,957</u>	<u>469,894</u>	<u>8,063</u>
Total legal	<u>813,840</u>	<u>813,840</u>	<u>985,258</u>	<u>(171,418)</u>
Financial administration:				
County auditor:				
Salary of official	70,933	70,993	73,724	(2,731)
Salary of accountant	51,262	55,730	57,873	(2,143)
Salary of assistant	48,493	48,493	41,538	6,955
Salary of special programs bookkeeper	31,634	20,846	9,018	11,828
Salary of clerks	92,248	98,508	102,394	(3,886)
Payroll taxes	22,535	22,535	20,438	2,097
Employee retirement	22,829	22,829	21,940	889
Office supplies	3,500	3,500	1,708	1,792
Travel and seminars	1,000	1,000	1,049	(49)
Repairs and maintenance-equipment	500	450	125	325
Equipment rental	2,000	2,000	1,128	872
Bonds and insurance	200	250	250	-
Dues and subscriptions	400	400	385	15
Miscellaneous	200	200	-	200
Capital outlay	1,000	1,000	-	1,000
Total county auditor	<u>348,734</u>	<u>348,734</u>	<u>331,570</u>	<u>17,164</u>

STARR COUNTY, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Financial administration:				
County treasurer:				
Salary of official	43,962	43,962	45,653	(1,691)
Salary of chief deputy	29,209	29,209	30,333	(1,124)
Salary of clerk	52,624	52,624	52,505	119
Payroll taxes	9,623	9,623	9,596	27
Employee retirement	9,749	9,749	9,769	(20)
Mileage reimbursement for deputy	750	477	361	116
Office supplies	3,000	3,200	3,185	15
Telephone	100	-	-	-
Travel and seminars	2,000	2,273	2,148	125
Bonds and insurance	750	750	500	250
Dues and subscriptions	200	200	-	200
Capital outlay	100	-	-	-
Total county treasurer	152,067	152,067	154,050	(1,983)
Tax collector:				
Salary of official	46,116	46,116	48,156	(2,040)
Salary of chief deputy	29,182	29,182	30,304	(1,122)
Salary of chief deputy-tax	29,182	27,032	10,502	16,530
Salary of deputies	197,358	195,858	184,646	11,212
Salary of clerk	18,769	18,769	1,742	17,027
Payroll taxes	24,526	24,526	20,106	4,420
Employee retirement	24,847	24,847	20,469	4,378
Office supplies	18,000	18,000	16,198	1,802
Telephone	1,800	4,800	4,210	590
Travel and seminars	3,000	3,000	752	2,248
Printing	2,500	2,500	2,150	350
Bonds and insurance	1,000	1,650	1,150	500
Dues and subscriptions	700	700	180	520
Miscellaneous	500	500	319	181
Capital outlay	1,200	1,200	1,150	50
Total tax collector	398,680	398,680	342,034	56,646
Compliance and collections:				
Collections supervisor	32,710	32,710	33,968	(1,258)
Collection specialist	53,526	53,526	52,941	585
Salary of warrant officer	45,523	45,523	-	45,523
Salary of clerk	-	-	42,052	(42,052)
Payroll taxes	10,080	10,080	9,043	1,037
Employee retirement	10,211	10,211	9,966	245
Office supplies	3,000	5,800	5,090	710
Travel & seminars	1,250	-	-	-
Dues & subscriptions	500	500	300	200
Auto expense	1,050	-	-	-

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Financial administration:				
Compliance and collections:				
Miscellaneous	500	-	50	(50)
Total compliance and collections	158,350	158,350	153,410	4,940
Total financial administration	1,057,831	1,057,831	981,064	76,767
Public facilities:				
Building maintenance:				
Stipend-A/C & Electrician	-	-	5,192	(5,192)
Salary of maintenance janitors	71,458	71,458	70,244	1,214
Salary of yardman	25,109	25,109	23,885	1,224
Salary of janitor (new floor)	23,951	23,951	23,110	841
Salary of annex janitors	46,100	46,100	47,768	(1,668)
Salary of annex yardman	22,050	22,050	15,871	6,179
Payroll taxes	14,433	14,433	13,731	702
Employee retirement	14,622	14,622	14,426	196
Employee uniforms	2,000	2,000	-	2,000
Cleaning and sanitation supplies	13,985	15,785	14,251	1,534
Small tools	3,000	1,200	1,107	93
Repairs and maintenance-buildings	14,500	14,500	10,699	3,801
Repairs and maintenance-elevator	6,500	6,500	5,255	1,245
Repairs and maintenance-equipment	10,000	10,000	7,892	2,108
Total building maintenance	267,708	267,708	253,431	14,277
Total public facilities	267,708	267,708	253,431	14,277
Public safety:				
Fire station pct. 1:				
Salary of employee	136,080	164,080	170,339	(6,259)
Payroll taxes	10,410	12,603	12,764	(161)
Employee retirement	10,546	9,853	10,154	(301)
Fuel and oil	6,500	6,500	4,517	1,983
Cleaning and sanitation	1,000	1,000	174	826
Telephone	1,500	1,500	136	1,364
Travel and seminars	1,500	-	-	-
Repairs and maintenance-equipment	15,000	6,384	2,789	3,595
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	3,555	1,445
Capital outlay-equipment	11,300	3,916	3,479	437
Total fire station pct. 1	214,536	214,536	207,907	6,629

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety:				
Fire station pct. 2:				
Salary of employee	123,770	118,175	122,939	(4,764)
Assistant chief	24,675	-	-	-
Payroll taxes	11,356	8,686	8,987	(301)
Employee retirement	11,505	9,545	9,393	152
Fuel and oil	15,000	15,000	14,982	18
Telephone	4,000	7,250	6,731	519
Travel and seminars	1,000	-	-	-
Repair and maintenance-equipment	10,975	4,320	4,138	182
Capital outlay-equipment	27,500	15,900	15,795	105
Miscellaneous	-	4,620	4,576	44
Total fire station pct. 2	<u>229,781</u>	<u>183,496</u>	<u>187,541</u>	<u>(4,045)</u>
Fire station pct. 3:				
Salary of employee	117,439	120,751	124,590	(3,839)
Payroll taxes	8,984	8,584	8,804	(220)
Employee retirement	9,102	9,242	9,534	(292)
Fuel and oil	8,000	6,000	5,999	1
Telephone	1,750	1,750	914	836
Travel and seminars	750	-	-	-
Repairs and maintenance-equipment	6,000	6,000	5,999	1
Insurance-liability	2,000	1,660	1,660	-
Insurance-firemen	3,000	2,426	2,426	-
Miscellaneous	2,250	11,612	10,836	776
Capital outlay-equipment	8,150	-	-	-
Capital outlay-building	4,000	3,400	3,400	-
Total fire station pct. 3	<u>171,425</u>	<u>171,425</u>	<u>174,162</u>	<u>(2,737)</u>
Fire station pct. 4:				
Salary of employee	-	-	7,757	(7,757)
Salary of firemen	101,955	82,955	83,199	(244)
Payroll taxes	7,800	7,800	6,209	1,591
Employee retirement	7,901	5,901	5,607	294
Uniform rental	3,500	3,500	3,113	387
Fuel and oil	18,400	6,400	4,321	2,079
Telephone	3,000	9,500	7,024	2,476
Travel and seminars	1,000	1,000	-	1,000
Repair and maintenance-equipment	8,000	28,750	20,221	8,529
Equipment rental	4,500	-	-	-

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety:				
Fire station pct. 4:				
Insurance-liability	4,000	4,000	3,699	301
Insurance- fireman	1,000	-	-	-
Miscellaneous	6,500	6,500	5,947	553
Capital outlay-equipment	24,000	44,000	18,220	25,780
Total fire station pct. 4	<u>191,556</u>	<u>200,306</u>	<u>165,317</u>	<u>34,989</u>
Constables:				
Salary of constable Pct. 1	29,261	29,261	30,387	(1,126)
Salary of constable Pct. 2	29,261	29,261	30,387	(1,126)
Salary of constable Pct. 3	29,261	29,261	30,387	(1,126)
Salary of constable Pct. 4	29,261	29,261	30,387	(1,126)
Salary of constable Pct. 5	29,261	29,261	30,387	(1,126)
Salary of constable Pct. 6	29,261	29,261	30,387	(1,126)
Salary of constable Pct. 7	29,261	29,261	30,387	(1,126)
Salary of constable Pct. 8	29,261	29,261	30,387	(1,126)
Payroll taxes	17,907	17,908	17,623	285
Employee retirement	18,142	18,142	18,785	(643)
Travel and seminars	4,000	1,060	1,238	(178)
Fuel and oil	29,500	25,350	15,240	10,110
Telephone	-	1,800	1,604	196
Bonds and insurance	-	200	400	(200)
Repairs & maintenance - autos	-	2,940	1,790	1,150
Repairs and maintenance - equipment	6,500	8,650	6,748	1,902
Total constables	<u>310,137</u>	<u>310,138</u>	<u>306,524</u>	<u>3,614</u>
Sheriff's department:				
Salary of official	79,454	79,454	82,510	(3,056)
Supplement official	16,068	16,068	16,686	(618)
Salary of chief deputy	52,450	52,450	54,468	(2,018)
Salary of deputies	690,456	690,456	751,099	(60,643)
Salary of clerk	24,728	24,728	25,626	(898)
Salary of dispatchers	186,750	186,750	195,838	(9,088)
Salary of investigators	226,775	226,775	265,850	(39,075)
Salary of captain	42,202	42,202	43,920	(1,718)
Salary of sergeants	113,390	113,390	160,905	(47,515)
Salary of corporals	38,372	38,372	75,673	(37,301)
Salary of warrants	36,378	36,378	35,851	527
Salary of part-time dispatcher	23,247	23,247	23,320	(73)
Salary of lieutenant	39,633	39,633	41,226	(1,593)
Task force officer	36,678	36,678	36,806	(128)
Payroll taxes	122,903	122,904	130,961	(8,057)
Employee retirement	124,510	124,510	136,008	(11,498)
Uniforms	3,500	3,500	1,163	2,337

STARR COUNTY, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public Safety:				
Sheriff's department:				
Office supplies	6,950	6,950	6,822	128
Fuel and oil	150,500	150,500	150,500	-
Firearm supplies	1,500	2,524	1,350	1,174
Telephone	50,000	50,000	70,120	(20,120)
Travel and seminars	750	750	-	750
School instructors expense	500	500	-	500
Repairs and maintenance-equipment	8,000	6,976	5,076	1,900
Repairs and maintenance-communications equipment	3,500	3,500	2,998	502
Rental of department files-storage	4,000	4,000	2,812	1,188
Repairs and maintenance-autos	20,000	20,000	20,003	(3)
Rental of copier equipment	4,500	4,500	3,269	1,231
Bonds and insurance	200	200	150	50
Radio Tower	4,000	4,000	4,000	-
Starr Co tactical command suburban	5,000	5,000	-	5,000
Total sheriff's department	<u>2,116,894</u>	<u>2,116,895</u>	<u>2,345,010</u>	<u>(228,115)</u>
229th judicial district adult probation:				
Supplemental salaries of secretaries	9,583	9,583	7,728	1,855
Salary of court interpreter	6,000	6,000	7,269	(1,269)
Payroll taxes	1,192	1,192	1,070	122
Employee retirement	1,208	1,208	1,159	49
Total 229th judicial district adult probation	<u>17,983</u>	<u>17,983</u>	<u>17,226</u>	<u>757</u>
Contribution to Texas DPS:				
Salary of clerks	25,159	25,159	-	25,159
Payroll taxes	1,925	1,925	-	1,925
Employee retirement	1,950	1,950	-	1,950
Telephone	3,600	3,600	3,715	(115)
Equipment rentals	1,000	1,000	-	1,000
Miscellaneous	500	500	-	500
Total contribution to Texas DPS	<u>34,134</u>	<u>34,134</u>	<u>3,715</u>	<u>30,419</u>

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety:				
Detention center:				
Salary of captain	41,244	41,244	42,831	(1,587)
Salary of jailers	970,900	970,900	1,183,377	(212,477)
Salary of corporals	54,504	54,504	53,846	658
Salary of cooks	46,773	46,773	69,897	(23,124)
Salary of office manager	30,604	30,604	31,780	(1,176)
Salary of sergeants	113,432	113,432	119,322	(5,890)
Salary of head bookkeeper	30,603	30,603	31,780	(1,177)
Salary of maintenance	50,333	50,333	50,333	-
Salary of mechanic	25,185	25,185	26,134	(949)
Salary of nurse	-	-	3,378	(3,378)
Salary of lieutenants	31,471	31,471	31,471	-
Payroll taxes	106,721	106,721	120,409	(13,688)
Employee retirement	108,117	108,116	124,341	(16,225)
Office supplies	15,000	15,000	16,415	(1,415)
Cleaning and sanitation	30,000	30,000	38,764	(8,764)
Food consumption	380,000	380,000	552,471	(172,471)
Camera supplies	1,000	1,000	-	1,000
Uniforms	6,500	6,500	-	6,500
Personal hygiene-inmates	14,000	14,000	7,673	6,327
Pharmacy	35,000	35,000	28,592	6,408
Medical services	22,500	22,500	17,864	4,636
Contract medical service	110,000	110,000	85,933	24,067
Telephone	2,000	2,000	-	2,000
Transport of inmates	8,000	14,183	17,766	(3,583)
School and training	2,000	2,000	2,000	-
Utilities	56,000	56,000	44,160	11,840
Repairs and maintenance-buildings	60,000	60,000	125,482	(65,482)
Repairs and maintenance-equipment	30,000	30,000	22,274	7,726
Rental-copier	5,000	5,000	4,927	73
Insurance-buildings	25,000	25,000	32,667	(7,667)
Jail inspection expense	1,000	1,000	850	150
Capital outlay-equipment	10,000	10,000	18,522	(8,522)
Capital outlay-communications equipment.	3,000	3,000	-	3,000
Trustee fees-jail lease	1,000	1,000	-	1,000
Total detention center	<u>2,426,887</u>	<u>2,433,069</u>	<u>2,905,259</u>	<u>(472,190)</u>

STARR COUNTY, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public safety:				
Starr county juvenile detention center:				
Salary of guards	170,844	177,944	194,955	(17,011)
Salary of part-time guards	97,266	97,266	85,760	11,506
Detention director	5,273	5,273	5,481	(208)
Detention supervisor	2,636	2,636	27,720	(25,084)
Secretary stipend	1,490	1,490	1,545	(55)
Salary of nurse	-	-	13,041	(13,041)
Payroll taxes	24,253	24,252	27,132	(2,880)
Group insurance	15,000	15,000	-	15,000
Board of judges	39,520	39,520	39,462	58
Employee retirement	24,570	24,569	21,379	3,190
Linen/uniforms	400	-	-	-
Restraints	100	-	-	-
Office supplies	4,000	5,000	2,550	2,450
Telephone	2,000	2,000	-	2,000
Medical services	500	-	-	-
Repairs and maintenance	1,500	500	400	100
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	1,475	525
Total starr county juvenile detention center	<u>407,452</u>	<u>407,450</u>	<u>420,900</u>	<u>(13,450)</u>
9-1-1 Services:				
Salary of clerk	35,522	35,522	36,720	(1,198)
Payroll taxes	2,717	2,717	2,751	(34)
Group insurance	5,000	5,000	4,405	595
Employee retirement	2,753	2,753	2,838	(85)
Workers compensation	61	61	-	61
Unemployment insurance	312	312	-	312
Training	2,850	1,850	372	1,478
Maintenance & repairs	592	592	-	592
Travel and seminars	1,356	2,356	1,365	991
Supplies	2,585	2,585	2,474	111
Miscellaneous	2,000	1,900	50	1,850
Street sign replacement	1,200	1,300	1,225	75
Total 9-1-1 services	<u>56,948</u>	<u>56,948</u>	<u>52,200</u>	<u>4,748</u>
County wide services:				
Salary of fire department administrator	-	-	31,874	(31,874)
Payroll taxes	-	-	2,368	(2,368)
Employment retirement	-	-	2,464	(2,464)
Total county wide services	<u>-</u>	<u>-</u>	<u>36,706</u>	<u>(36,706)</u>
Total public safety	<u>6,177,733</u>	<u>6,146,380</u>	<u>6,822,467</u>	<u>(676,087)</u>

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	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	400	3,600
Total public health and welfare aid	10,000	10,000	6,400	3,600
Federal and state programs coordinator:				
Salary of official	36,400	36,400	4,860	31,540
Salary part-time projects clerk	27,560	27,560	57,742	(30,182)
Salary of program manager	125,586	125,586	118,992	6,594
Payroll taxes	14,500	14,500	13,248	1,252
Employee retirement	14,690	14,690	13,605	1,085
Office supplies	5,500	5,500	5,517	(17)
Telephone	2,250	2,250	1,875	375
Travel and seminars	3,500	4,350	2,197	2,153
Repairs and maintenance equipment	1,150	1,150	1,163	(13)
Grant Matching	-	-	1,013	(1,013)
Dues and subscriptions	350	-	-	-
Capital outlay	500	-	-	-
Total federal & state programs coordinator	231,986	231,986	220,212	11,774
Elderly programs:				
Salary of transportation director	25,363	25,363	26,339	(976)
Salary of assistant	37,440	36,490	37,943	(1,453)
Payroll taxes	4,805	4,425	4,643	(218)
Employee retirement	4,867	4,792	4,968	(176)
Office supplies	250	45	45	-
Fuel and oil	18,020	17,850	16,159	1,691
Repair and maintenance-autos	2,000	2,000	1,996	4
Bonds and insurance	250	-	-	-
Total elderly programs	92,995	90,965	92,093	(1,128)
Nutrition program pct. 1:				
Salary of site manager	27,097	19,649	20,405	(756)
Salary of part-time help	80,812	104,550	110,026	(5,476)
Payroll taxes	8,255	9,096	9,530	(434)
Employee retirement	8,363	8,696	9,177	(481)
Contractual services	25,000	15,338	13,357	1,981
Consumables	5,000	-	-	-
Repairs and maintenance - auto	2,000	771	39	732
Fuel and oil	5,000	-	-	-
Miscellaneous	10,000	2,893	2,893	-
Food pantry expense	15,000	26,034	26,034	-
Total nutrition program pct. 1	186,527	187,027	191,461	(4,434)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Health and welfare:				
Nutrition program pct. 2:				
Salary of program administrator	22,564	22,564	23,432	(868)
Salary of administrative assistant	27,544	30,864	32,144	(1,280)
Salary of assistant	17,500	18,000	18,173	(173)
Salary of nutrition aid part-time help	13,588	553	550	3
Payroll taxes	6,211	5,186	5,390	(204)
Employee retirement	6,293	5,473	5,699	(226)
Contractual services	52,765	97,605	95,445	2,160
Consumables	5,000	4,940	4,920	20
Repairs and maintenance - auto	500	285	89	196
Food pantry expense	20,000	55,705	55,554	151
Total nutrition program pct. 2	171,965	241,175	241,396	(221)
Nutrition program pct. 3:				
Salary of site manager	21,306	33,615	34,907	(1,292)
Salary of rental building coordinator	1,570	1,570	1,630	(60)
Payroll taxes	1,750	2,572	2,667	(95)
Employee retirement	1,773	2,598	2,824	(226)
Contractual services	12,000	15,394	15,114	280
Consumables	2,000	-	-	-
Fuel and oil	3,000	3,000	2,999	1
Repairs and maintenance - auto	1,000	1,000	923	77
Miscellaneous	5,350	-	-	-
Food pantry	20,000	12,500	12,419	81
Total nutrition program pct. 3	69,749	72,249	73,483	(1,234)
Nutrition program pct. 4:				
Salary of site manager	25,133	25,263	28,077	(2,814)
Salary of assistant	26,616	28,998	29,471	(473)
Salary of part-time help	3,370	70	-	70
Payroll taxes	4,216	4,216	4,402	(186)
Employee retirement	4,272	60	60	-
Contractual services	78,350	100,250	96,190	4,060
Consumables	19,500	7,100	6,699	401
Fuel and oil	12,200	-	-	-
Repairs and maintenance-equipment	-	-	312	(312)
Repairs and maintenance-autos	1,000	8,700	6,276	2,424
Food pantry expense (to self-help)	15,000	15,904	14,551	1,353
Total nutrition program pct. 4	189,657	190,561	186,038	4,523
Total health and welfare	952,879	1,023,963	1,011,083	12,880

STARR COUNTY, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Conservation agriculture:				
Extension service:				
Supplemental salary of county agent	15,217	15,217	15,802	(585)
Supplemental salary of home demo agent	15,217	15,217	15,802	(585)
Salary of secretary	29,421	29,421	30,553	(1,132)
Salary of clerk	28,049	28,049	27,243	806
Payroll taxes	6,725	6,725	6,684	41
Employee retirement	6,812	6,812	5,579	1,233
Dues	575	665	665	-
Office supplies	4,250	4,640	4,822	(182)
Postage	650	-	-	-
Custodial supplies	550	550	550	-
Demonstration materials	550	875	-	875
Computer update	1,175	-	-	-
Tele-communications update	425	750	750	-
Telephone	2,850	2,850	2,668	182
Mileage	14,800	14,800	14,800	-
Travel and seminars	5,550	7,372	5,614	1,758
Repairs and maintenance-equipment	1,100	1,100	1,050	50
Equipment rental-copier	3,350	2,223	2,223	-
Total extension service	<u>137,266</u>	<u>137,266</u>	<u>134,805</u>	<u>2,461</u>
Total conservation agriculture	<u>137,266</u>	<u>137,266</u>	<u>134,805</u>	<u>2,461</u>
Debt Service:				
Principal retirement	500,000	500,000	1,521,000	(1,021,000)
Interest	-	-	74,512	(74,512)
Total debt service	<u>500,000</u>	<u>500,000</u>	<u>1,595,512</u>	<u>(1,095,512)</u>
Total expenditures - all departments:	<u>17,259,279</u>	<u>17,286,882</u>	<u>18,953,476</u>	<u>(1,666,594)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(137,423)	(137,420)	(1,950,419)	1,520,189
OTHER FINANCING SOURCES (USES):				
Transfers in	830,808	830,808	1,130,808	(300,000)
Transfers out	(438,784)	(438,784)	-	(438,784)
Total other financing sources (uses)	<u>392,024</u>	<u>392,024</u>	<u>1,130,808</u>	<u>(738,784)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	254,601	254,604	(819,611)	781,405
FUND BALANCE, BEGINNING OF YEAR	<u>4,530,000</u>	<u>4,530,000</u>	<u>4,530,000</u>	<u>-</u>
FUND BALANCE, ENDING OF YEAR	<u>\$ 4,784,601</u>	<u>\$ 4,784,604</u>	<u>\$ 3,710,389</u>	<u>\$ 781,405</u>

STARR COUNTY, TEXAS

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

DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
REVENUES				
Current taxes	\$ 428,000	\$ 428,000	174,949	\$ (253,051)
Delinquent taxes	45,000	45,000	68,189	23,189
Interest	10,000	10,000	9,150	(850)
Total revenues	483,000	483,000	252,288	(230,712)
EXPENDITURES				
Debt service:				
Principal retirement	-	-	480,000	(480,000)
Interest	-	-	81,657	(81,657)
Fiscal agent fees	-	-	550	(550)
Total expenditures	-	-	562,207	(562,207)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	483,000	483,000	(309,919)	(792,919)
OTHER FINANCING SOURCES				
Operating transfer in	-	-	-	-
NET CHANGE IN FUND BALANCE	483,000	483,000	(309,919)	(792,919)
FUND BALANCE, BEGINNING OF YEAR	2,890,031	2,890,031	2,890,031	-
FUND BALANCE, END OF YEAR	\$ 3,373,031	\$ 3,373,031	\$ 2,580,112	\$ (792,919)

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Current ad valorem	\$ 4,023,705	\$ 4,023,705	\$ 3,649,355	\$ (374,350)
Delinquent ad valorem	485,000	485,000	536,506	51,506
Motor vehicle licenses	500,000	500,000	324,788	(175,212)
Lateral road credit	30,000	30,000	26,336	(3,664)
Gross weight/axle fees	110,000	110,000	89,992	(20,008)
Fines and forfeitures	520,000	520,000	372,978	(147,022)
Interest	-	-	843	843
Miscellaneous	100	100	-	(100)
Total revenues	<u>5,668,805</u>	<u>5,668,805</u>	<u>5,000,798</u>	<u>(668,007)</u>
EXPENDITURES				
Commissioner Pct. 1:				
Salary of official	74,918	74,918	77,800	(2,882)
Salary of foreman	29,848	-	-	-
Salary of supervisor	26,029	56,419	58,589	(2,170)
Salary of street maintenance supervisor	22,430	16,930	17,564	(634)
Salary of head clerk	25,394	34,719	36,055	(1,336)
Salaries of clerical	59,580	185,314	187,501	(2,187)
Salaries-janitorial	24,479	10,085	9,733	352
Salaries of street maintenance	83,792	113,325	116,374	(3,049)
Salaries of timekeeper/policy manager	21,194	12,818	12,822	(4)
Salaries of park maintenance	31,896	3,900	4,050	(150)
Salaries of drivers and other duties	81,851	35,371	34,787	584
Salaries of night watchman	34,608	34,608	35,580	(972)
Salaries of road employees	33,909	119,750	123,799	(4,049)
Roadhands	25,733	-	-	-
Payroll taxes	44,038	51,538	52,728	(1,190)
Employee retirement	44,614	50,299	50,191	108
Office supplies	4,000	3,856	3,856	-
Fuel and oil	80,000	49,158	47,636	1,522
Telephone	10,000	10,000	8,904	1,096
Travel and seminars	2,000	915	914	1
Repairs and maintenance equipment	65,000	85,548	82,887	2,661
Rental - machinery	10,000	10,892	10,463	429
Repairs and maintenance - roads & bridges	75,157	47,993	47,993	-
Welding supplies	4,000	408	408	-
Contract work - hauling	15,000	-	-	-

STARR COUNTY, TEXAS

DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
EXPENDITURES				
Commissioner Pct. 1:				
Contract work - other	15,000	1,800	1,800	-
Bonds and insurance	1,000	100	100	-
Miscellaneous	22,500	21,817	22,077	(260)
Capital outlay	75,000	80,151	80,121	30
Capital outlay - parks and comm. ctrs	35,000	-	-	-
Capital outlay- equipment	28,000	15,309	15,309	-
Contingencies	14,000	970	970	-
Total commissioner pct. 1	<u>1,119,970</u>	<u>1,128,911</u>	<u>1,141,011</u>	<u>(12,100)</u>
Commissioner Pct. 2:				
Salary of official	74,918	74,918	77,799	(2,881)
Salary of administrative assistant	38,948	38,948	40,446	(1,498)
Salary of superintendent	38,948	38,948	40,446	(1,498)
Salary of project manager	38,948	38,948	40,446	(1,498)
Salary of supervisor	26,336	26,396	27,409	(1,013)
Salary of administrative aide	29,666	29,666	30,813	(1,147)
Salary of special events coordinator	20,755	-	-	-
Salary of street maintenance supervisor	21,850	21,850	22,690	(840)
Salary of head librarian	18,882	20,056	20,824	(768)
Salary of equipment mechanic	25,936	31,203	32,400	(1,197)
Salary of parks supervisor	25,164	25,164	26,132	(968)
Salary of waste management supervisor	25,017	25,017	25,979	(962)
Salary of welder	26,648	26,648	27,673	(1,025)
Salary of foreman	27,449	27,449	28,505	(1,056)
Salary equipment operator	26,501	26,501	27,520	(1,019)
Salary equipment operator I	21,850	21,850	22,690	(840)
Other salaries	91,088	166,670	174,395	(7,725)
Salary of library clerk	35,970	27,536	30,099	(2,563)
Food pantry personnel	26,577	18,518	19,206	(688)
Payroll taxes	49,071	50,621	52,703	(2,082)
Employee retirement	49,712	44,862	46,645	(1,783)
Uniform rental	150	-	-	-
Office supplies	3,000	-	-	-
Consultant fees	5,000	-	-	-
Fuel and oil	86,700	26,700	26,474	226
Utilities	-	12,000	11,853	147
Telephone	6,500	11,900	11,194	706
Travel and seminars	5,000	5,750	5,649	101

STARR COUNTY, TEXAS
DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
EXPENDITURES				
Commissioner Pct. 2:				
Repairs and maint-building	20,000	11,000	904	10,096
Repairs and maint-equipment	66,000	96,025	95,966	59
Repairs and maint-roads & bridges	18,100	305	10,360	(10,055)
Radio lease	3,000	3,000	2,990	10
Contract work	31,300	-	-	-
Bonds and insurance	9,000	100	100	-
Dues and subscriptions	1,000	-	-	-
Miscellaneous	3,000	127,530	51,594	75,936
Parks and community centers	26,730	-	-	-
Capital outlay	41,000	1,230	76,688	(75,458)
Contingencies	14,000	2,405	2,400	5
Total commissioner pct. 2	<u>1,079,714</u>	<u>1,079,714</u>	<u>1,110,992</u>	<u>(31,278)</u>
Commissioner Pct. 3:				
Salary of official	74,918	74,918	77,799	(2,881)
Salaries of secretary & foreman	59,170	74,873	77,752	(2,879)
Other salaries	309,615	213,697	221,740	(8,043)
Nightwatchmen	77,878	-	-	-
Roadhands	113,421	279,657	290,257	(10,600)
Temporary help	52,200	44,057	45,752	(1,695)
Payroll taxes	52,571	49,321	51,027	(1,706)
Employee retirement	53,258	51,758	53,405	(1,647)
Office supplies	1,000	1,000	1,000	-
Fuel and oil	90,000	55,000	54,978	22
Telephone	10,000	13,000	13,234	(234)
Travel and seminars	6,000	1,640	1,639	1
Repairs and maint-buildings	50,000	30,000	29,833	167
Repairs and maint-equipment	96,000	183,704	183,408	296
Repairs and maint-roads & bridges	173,881	172,787	172,787	-
Miscellaneous	41,000	25,280	24,843	437
Parks and community centers	14,000	-	-	-
Contingencies	14,000	7,000	6,995	5
Bonds and insurance	-	-	50	(50)
Capital outlay	62,332	81,052	81,045	7
Total commissioner pct. 3	<u>1,351,244</u>	<u>1,358,744</u>	<u>1,387,544</u>	<u>(28,800)</u>
Commissioner Pct. 4:				
Salary of official	74,918	76,718	77,799	(1,081)
Salaries of secretary	23,780	24,710	25,402	(692)

STARR COUNTY, TEXAS
DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
EXPENDITURES				
Commissioner Pct. 4:				
Salary of foreman	30,784	32,784	34,045	(1,261)
Salary of office manager	31,158	33,658	34,953	(1,295)
Salary of assistant foreman	23,780	24,962	-	24,962
Other salaries	344,408	419,758	437,840	(18,082)
Payroll taxes	40,456	42,573	44,302	(1,729)
Employee retirement	40,984	38,904	40,214	(1,310)
Uniform rental	10,000	13,000	11,863	1,137
Office supplies	6,000	3,500	3,277	223
Fuel and oil	85,000	43,200	42,564	636
Telephone	12,000	16,500	16,373	127
Travel and seminars	1,000	3,300	3,136	164
Bonds and insurance	1,000	200	200	-
Repairs and maint-equipment	74,500	67,500	55,017	12,483
Repairs and maint-roads & bridges	79,000	114,000	136,858	(22,858)
Lease payments-machinery	70,000	48,000	48,000	-
Miscellaneous	38,200	24,083	22,339	1,744
Fire protection	25,000	-	-	-
Parks and community centers	20,000	318	-	318
Contingencies	29,000	55,300	53,551	1,749
Capital outlay	67,158	55,158	53,016	2,142
Total commissioner pct. 4	<u>1,128,126</u>	<u>1,138,126</u>	<u>1,140,749</u>	<u>(2,623)</u>
Flood control:				
Precinct #1 channels	9,000	60	-	60
Precinct #2 channels	7,900	7,900	7,800	100
Precinct #3 channels	15,000	7,500	7,500	-
Precinct #4 channels	10,000	-	-	-
Total flood control	<u>41,900</u>	<u>15,460</u>	<u>15,300</u>	<u>160</u>
Road & bridge fund county wide:				
Appraisal district fees	8,750	8,750	-	8,750
Breathalyzer services	10,000	10,000	10,000	-
Bidding and notices	100	100	38	62
Utilities	800,000	800,000	882,533	(82,533)
Dues and subscriptions	9,000	10,000	9,224	776
Suspension bridge match	10,000	10,000	-	10,000
Right-of-ways and emergency	110,000	109,000	-	109,000
Total road & bridge fund county wide	<u>947,850</u>	<u>947,850</u>	<u>901,795</u>	<u>46,055</u>
Total expenditures	<u>5,668,804</u>	<u>5,668,805</u>	<u>5,697,391</u>	<u>(28,586)</u>

STARR COUNTY, TEXAS

**DETAILED SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL**

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1</u>	<u>-</u>	<u>(696,593)</u>	<u>(696,593)</u>
FUND BALANCE (DEFICIT), BEGINNING	(923,084)	(923,084)	(923,084)	-
FUND BALANCE (DEFICIT), ENDING	<u>\$ (923,083)</u>	<u>\$ (923,084)</u>	<u>\$ (1,619,677)</u>	<u>\$ (696,593)</u>

**REQUIRED SUPPLEMENTAL
INFORMATION**

STARR COUNTY, TEXAS
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>2015</u>
Total Pension Liability	
Service cost	\$ 1,234,402
Interest on total pension liability	2,752,024
Effect of plan changes	(280,132)
Effect of assumptions changes or inputs	339,122
Effect of economic/demographic (gains) or losses	(278,622)
Benefit payments/refunds of contributions	<u>(1,526,926)</u>
Net change in total pension liability	2,239,868
Total pension liability, beginning	<u>34,090,097</u>
Total pension liability, ending (a)	<u>36,329,965</u>
Fiduciary Net Position	
Employer contributions	1,125,290
Member contributions	725,994
Investment income net of investment expenses	(355,847)
Benefit payments/refunds of contributions	(1,526,926)
Administrative expenses	(22,353)
Other	<u>26,980</u>
Net change in fiduciary net position	(26,862)
Fiduciary net position, beginning	<u>31,027,700</u>
Fiduciary net position, ending (b)	<u>31,000,838</u>
Net pension liability/(asset), ending (a) - (b)	<u>5,329,127</u>
Fiduciary net position as a % of total pension liability	85.33%
Pensionable covered payroll	\$ 14,519,872
Net pension liability as a % of covered payroll	36.70%

STARR COUNTY, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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	7.5%
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%
2015	1,125,290	1,125,290	-	14,519,872	7.7%

STARR COUNTY, TEXAS
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar basis as of December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	
Smoothing period	5 years
Recognition Method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	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.
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Starr County are not considered substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Experience-based table of rates that are specific to the County's plan of benefits.
Turnover	Rates vary by length of service, entry-age group (age at hire) and gender. No termination after eligibility for retirement is assumed.
Mortality	<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 projected to 20104 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that.</p> <p>Service retirees, beneficiaries and non-depositing members- RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with a one year set-forward for males and no age adjustment for females.</p> <p>Disabled retirees - RP-2000 Disabled Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and a two-year set-forward for females.</p>

SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

FIDUCIARY FUNDS

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	Special Revenue Funds		
	Self-Help Center	Operation Joint Investigation DA & ICE	CACST 5310
ASSETS			
Cash	\$ 1,723	\$ 16	\$ 2,446
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	2,279	-
Due from other governments	-	-	-
Total assets	<u>\$ 1,723</u>	<u>\$ 2,295</u>	<u>\$ 2,446</u>
LIABILITIES			
Accounts payable	\$ 40	\$ -	\$ -
Other liabilities	-	-	-
Accrued liabilities	-	-	-
Due to other funds	105,700	2,295	2,446
Due to other governments	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>105,740</u>	<u>2,295</u>	<u>2,446</u>
FUND BALANCE			
Assigned	-	-	-
Restricted	<u>(104,017)</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>(104,017)</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,723</u>	<u>\$ 2,295</u>	<u>\$ 2,446</u>

EXHIBIT H-1

Archives Management Fee Fund	US Department of Agriculture FHA Grant Housing Preservation	HIDTA Grants District Attorney	Surcharge Fund
\$ 65,500	\$ 6,825	\$ 67,126	\$ 20,446
-	-	-	-
-	-	-	-
4,695	-	-	4,777
-	-	132,056	-
<u>\$ 70,195</u>	<u>\$ 6,825</u>	<u>\$ 199,182</u>	<u>\$ 25,223</u>
3,000	-	-	168
-	-	-	-
-	-	-	-
901	-	190,951	1,890
-	-	-	-
-	6,825	8,231	-
<u>3,901</u>	<u>6,825</u>	<u>199,182</u>	<u>2,058</u>
-	-	-	-
<u>66,295</u>	<u>-</u>	<u>-</u>	<u>23,165</u>
<u>66,295</u>	<u>-</u>	<u>-</u>	<u>23,165</u>
<u>\$ 70,195</u>	<u>\$ 6,825</u>	<u>\$ 199,182</u>	<u>\$ 25,223</u>

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	Special Revenue Funds		
	Law Library Fund	Courthouse Security Fund	Border Prosecution Unit
ASSETS			
Cash	\$ 237,937	\$ 260,846	\$ 39,106
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	1,734	1,837	-
Due from other governments	-	-	21,440
Total assets	<u>\$ 239,671</u>	<u>\$ 262,683</u>	<u>\$ 60,546</u>
LIABILITIES			
Accounts payable	\$ 274	\$ -	\$ -
Other liabilities	-	-	-
Accrued liabilities	-	-	4,281
Due to other funds	-	-	56,265
Due to other governments	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>274</u>	<u>-</u>	<u>60,546</u>
FUND BALANCE			
Assigned	-	-	-
Restricted	<u>239,397</u>	<u>262,683</u>	<u>-</u>
Total fund balance	<u>239,397</u>	<u>262,683</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 239,671</u>	<u>\$ 262,683</u>	<u>\$ 60,546</u>

EXHIBIT H-1

Management & Preservation Fund	LEOSE Fund	Starr Co Violent Crimes Unit Border Star	Los Olmos Watershed Project
\$ 84,741	\$ 22,994	\$ 90,527	\$ 205,389
-	-	-	-
-	-	-	-
1,961	-	21,314	-
-	-	9,368	-
<u>\$ 86,702</u>	<u>\$ 22,994</u>	<u>\$ 121,209</u>	<u>\$ 205,389</u>
\$ -	\$ -	\$ -	\$ -
-	-	37,237	-
-	-	1,138	-
659	52	74,189	-
-	-	5,000	-
-	-	2,439	205,389
<u>659</u>	<u>52</u>	<u>120,003</u>	<u>205,389</u>
-	-	-	-
86,043	22,942	1,206	-
86,043	22,942	1,206	-
<u>\$ 86,702</u>	<u>\$ 22,994</u>	<u>\$ 121,209</u>	<u>\$ 205,389</u>

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	Special Revenue Funds		
	GLO Contract #DRS220179 Round 2.2	Community Facilities Loan & Grant San Isidro Project	BEC/NADB SWEP Grant #TX0360
ASSETS			
Cash	\$ 43	\$ 4,850	\$ 17,997
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	6,390	-	-
 Total assets	\$ 6,433	\$ 4,850	\$ 17,997
 LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Other liabilities	1	4,840	-
Accrued liabilities	-	-	-
Due to other funds	6,432	10	-
Due to other governments	-	-	-
Unearned revenue	-	-	17,997
 Total liabilities	6,433	4,850	17,997
 FUND BALANCE			
Assigned	-	-	-
Restricted	-	-	-
 Total fund balance	-	-	-
 Total liabilities and fund balance	\$ 6,433	\$ 4,850	\$ 17,997

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
\$ 4,896	\$ 186	\$ 4	\$ 73,559
-	-	-	-
-	-	-	-
-	-	-	-
890	-	4,333	89
-	6,518	43,326	-
<u>\$ 5,786</u>	<u>\$ 6,704</u>	<u>\$ 47,663</u>	<u>\$ 73,648</u>
\$ -	\$ -	\$ 3,936	\$ -
-	-	-	-
-	821	2,076	-
13,272	5,883	41,651	15
-	-	-	-
-	-	-	-
<u>13,272</u>	<u>6,704</u>	<u>47,663</u>	<u>15</u>
-	-	-	-
<u>(7,486)</u>	<u>-</u>	<u>-</u>	<u>73,633</u>
<u>(7,486)</u>	<u>-</u>	<u>-</u>	<u>73,633</u>
<u>\$ 5,786</u>	<u>\$ 6,704</u>	<u>\$ 47,663</u>	<u>\$ 73,648</u>

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	Special Revenue Funds		
	Homeland Security Grants	GLO Contract #DRS210179	Crime Victims Asst. Program
ASSETS			
Cash	\$ 45	\$ 1	\$ 3
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	2,017
Due from other governments	-	-	84,653
Total assets	<u>\$ 45</u>	<u>\$ 1</u>	<u>\$ 86,673</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 19,188
Other liabilities	-	1	-
Accrued liabilities	-	-	3,122
Due to other funds	45	-	64,363
Due to other governments	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>45</u>	<u>1</u>	<u>86,673</u>
FUND BALANCE			
Assigned	-	-	-
Restricted	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 45</u>	<u>\$ 1</u>	<u>\$ 86,673</u>

EXHIBIT H-1

TDHCA Home Program HRA #1001652	United Way Impact Grant	OPSG 2015 Fund	BEC/NADB SWEP Grant TX0360 Fund
\$ -	4,312	\$ -	\$ 118,711
-	-	-	-
-	-	-	-
-	-	-	-
-	-	91,694	-
<u>\$ -</u>	<u>4,312</u>	<u>91,694</u>	<u>118,711</u>
<u>\$ -</u>	<u>\$ 4,312</u>	<u>\$ 91,694</u>	<u>\$ 118,711</u>
\$ -	\$ 1,387	\$ -	\$ -
-	-	-	1
-	-	-	-
-	9	91,694	-
-	-	-	-
-	<u>2,916</u>	-	<u>\$ 118,710</u>
<u>-</u>	<u>4,312</u>	<u>91,694</u>	<u>118,711</u>
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 4,312</u>	<u>\$ 91,694</u>	<u>\$ 118,711</u>

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	Special Revenue Funds		
	TXDOT Border Colonia Access 3rd Call	Joint Law Enforcement Operations - Sheriff & US Marshalls	Drainage District Fund
ASSETS			
Cash	\$ 8	\$ 12	\$ 194,261
Investments	-	-	1,602,794
Taxes receivable (net of allowance)	-	-	150,548
Accounts receivable	-	-	1,212
Due from other funds	-	880	3,727
Due from other governments	<u>271,217</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 271,225</u>	<u>\$ 892</u>	<u>\$ 1,952,542</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Other liabilities	-	-	-
Accrued liabilities	-	-	-
Due to other funds	242,464	892	-
Due to other governments	-	-	-
Unearned revenue	<u>28,761</u>	<u>-</u>	<u>148,655</u>
Total liabilities	<u>271,225</u>	<u>892</u>	<u>148,655</u>
FUND BALANCE			
Assigned	-	-	-
Restricted	<u>-</u>	<u>-</u>	<u>1,803,887</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>1,803,887</u>
Total liabilities and fund balance	<u>\$ 271,225</u>	<u>\$ 892</u>	<u>\$ 1,952,542</u>

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
\$ 1,822	\$ -	\$ -	\$ 494
-	-	-	-
-	-	-	-
-	4,400	-	-
-	-	-	-
<u>\$ 1,822</u>	<u>\$ 4,400</u>	<u>\$ -</u>	<u>\$ 494</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
4	-	-	-
-	-	-	-
1,818	4,400	-	-
<u>1,822</u>	<u>4,400</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	494
-	-	-	494
<u>\$ 1,822</u>	<u>\$ 4,400</u>	<u>\$ -</u>	<u>\$ 494</u>

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	<u>Special Revenue Funds</u>		
	<u>OPSG 2014 Fund</u>	<u>TXDOT CTIF Project</u>	<u>LBSP 2016 DA Fund</u>
ASSETS			
Cash	\$ 106,136	\$ 577	\$ -
Investments	-	-	-
Taxes receivable (net of allowance)	-	-	-
Accounts receivable	-	-	-
Due from other funds	40,856	24,603	-
Due from other governments	-	120,665	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 146,992</u>	<u>\$ 145,845</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Other liabilities	-	1	-
Accrued liabilities	-	-	-
Due to other funds	146,992	145,844	-
Due to other governments	-	-	-
Unearned revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>146,992</u>	<u>145,845</u>	<u>-</u>
FUND BALANCE			
Assigned	-	-	-
Restricted	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 146,992</u>	<u>\$ 145,845</u>	<u>\$ -</u>

EXHIBIT H-1

LBSP 2016 Fund	RSP 2013-0046 Home	Olmito Garcia Site 7 Watershed Rehab Project	Total Special Revenue Funds
24,847	\$ 4,352	\$ 4,957	\$ 1,667,695
-	-	-	1,602,794
-	-	-	150,548
-	-	-	1,213
-	-	-	120,392
-	29,327	2,466	819,120
<u>\$ 24,847</u>	<u>\$ 33,679</u>	<u>\$ 7,423</u>	<u>\$ 4,361,762</u>
\$ -	\$ 33,676	\$ 4,875	\$ 66,544
-	-	1	42,082
-	-	-	11,438
24,847	3	2,547	1,222,315
-	-	-	5,000
-	-	-	546,141
<u>24,847</u>	<u>33,679</u>	<u>7,423</u>	<u>1,893,520</u>
-	-	-	-
-	-	-	<u>2,468,242</u>
-	-	-	2,468,242
<u>\$ 24,847</u>	<u>\$ 33,679</u>	<u>\$ 7,423</u>	<u>\$ 4,361,762</u>

STARR COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	Capital Projects Fund Construction 2004	Total Nonmajor Governmental Funds
ASSETS		
Cash	\$ 280,820	\$ 1,948,515
Investments	-	1,602,794
Taxes receivable (net of allowance)	-	150,548
Accounts receivable	-	1,213
Due from other funds	291,921	412,313
Due from other governments	-	819,120
	<hr/>	<hr/>
Total assets	\$ <u>572,741</u>	\$ <u>4,934,503</u>
LIABILITIES		
Accounts payable	\$ -	\$ 66,544
Other liabilities	-	42,082
Accrued liabilities	-	11,438
Due to other funds	-	1,222,315
Due to other governments	-	5,000
Unearned revenue	-	546,141
	<hr/>	<hr/>
Total liabilities	-	<u>1,893,520</u>
FUND BALANCE		
Assigned	572,741	572,741
Restricted	-	<u>2,468,242</u>
	<hr/>	<hr/>
Total fund balance	<u>572,741</u>	<u>3,040,983</u>
	<hr/>	<hr/>
Total liabilities and fund balance	\$ <u>572,741</u>	\$ <u>4,934,503</u>

STARR COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue Funds		
	Self-Help Center	Operation Joint Investigation DA & ICE	CACST 5310
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	14,864	2,564
Fines and forfeitures	-	-	-
Interest income	44	-	-
Miscellaneous	-	2,279	-
	<u>-</u>	<u>2,279</u>	<u>-</u>
Total revenues	<u>44</u>	<u>17,143</u>	<u>2,564</u>
EXPENDITURES			
Highways and streets	-	-	-
Health and welfare	104,061	944	2,564
Public safety	-	16,199	-
Public facilities	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>104,061</u>	<u>17,143</u>	<u>2,564</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(104,017)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES			
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(104,017)</u>	<u>-</u>	<u>-</u>
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ (104,017)</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
\$ -	\$ -	\$ -	\$ -
-	-	438,925	-
57,736	-	-	58,385
111	-	-	43
-	-	-	-
<u>57,847</u>	<u>-</u>	<u>438,925</u>	<u>58,428</u>
-	-	-	-
-	-	-	-
-	-	438,925	-
<u>31,542</u>	<u>-</u>	<u>-</u>	<u>68,068</u>
<u>31,542</u>	<u>-</u>	<u>438,925</u>	<u>68,068</u>
<u>26,305</u>	<u>-</u>	<u>-</u>	<u>(9,640)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
26,305	-	-	(9,640)
39,990	-	-	32,805
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 66,295</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,165</u>

STARR COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue Funds		
	Law Library Fund	Courthouse Security Fund	Border Prosecution Unit
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	249,864
Fines and forfeitures	23,886	21,861	-
Interest income	459	506	-
Miscellaneous	-	-	-
Total revenues	<u>24,345</u>	<u>22,367</u>	<u>249,864</u>
EXPENDITURES			
Highways and streets	-	-	-
Health and welfare	-	-	-
Public safety	-	-	249,864
Public facilities	<u>2,632</u>	<u>4,563</u>	<u>-</u>
Total expenditures	<u>2,632</u>	<u>4,563</u>	<u>249,864</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>21,713</u>	<u>17,804</u>	<u>-</u>
OTHER FINANCING SOURCES			
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	21,713	17,804	-
FUND BALANCE, BEGINNING OF YEAR	217,684	244,879	-
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 239,397</u>	<u>\$ 262,683</u>	<u>\$ -</u>

EXHIBIT H-2

Management & Preservation Fund	LEOSE Fund	Starr Co Violent Crimes Unit Border Star	Los Olmos Watershed Project
\$ -	\$ -	\$ -	\$ -
-	7,643	44,114	-
24,263	-	-	-
162	-	-	-
-	-	-	-
<u>24,425</u>	<u>7,643</u>	<u>44,114</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	44,114	-
<u>16,282</u>	<u>9,464</u>	<u>-</u>	<u>-</u>
<u>16,282</u>	<u>9,464</u>	<u>44,114</u>	<u>-</u>
<u>8,143</u>	<u>(1,821)</u>	<u>-</u>	<u>-</u>
-	-	-	-
8,143	(1,821)	-	-
77,900	24,763	1,206	-
-	-	-	-
<u>\$ 86,043</u>	<u>\$ 22,942</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, 2016

	Special Revenue Funds		
	GLO Contract #DRS220179 Round 2.2	Community Facilities Loan & Grant San Isidro Project	BEC/NADB SWEP Grant #TX0360
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	276,815	-	-
Fines and forfeitures	-	-	-
Interest income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>276,815</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Highways and streets	276,815	-	-
Health and welfare	-	-	-
Public safety	-	-	-
Public facilities	-	-	-
Total expenditures	<u>276,815</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES			
Operating transfers in (out)	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
PRIOR PERIOD ADJUSTMENT	-	-	-
FUND BALANCE, END OF YEAR	<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
\$ -	\$ -	\$ -	\$ -
-	47,716	128,806	-
10,373	-	-	32,400
-	-	-	122
-	-	-	-
<u>10,373</u>	<u>47,716</u>	<u>128,806</u>	<u>32,522</u>
-	-	-	-
-	-	-	-
17,859	47,716	128,806	8,298
-	-	-	-
<u>17,859</u>	<u>47,716</u>	<u>128,806</u>	<u>8,298</u>
(7,486)	-	-	24,224
-	-	-	-
(7,486)	-	-	24,224
13,254	-	-	49,409
(13,254)	-	-	-
<u>\$ (7,486)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,633</u>

STARR COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue Funds		
	Homeland Security Grants	GLO Contract #DRS210179	Crime Victims Asst. Program
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	81,345	-	227,281
Fines and forfeitures	-	-	16,216
Interest income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>81,345</u>	<u>-</u>	<u>243,497</u>
EXPENDITURES			
Highways and streets	-	-	-
Health and welfare	-	-	-
Public safety	81,345	-	243,497
Public facilities	-	-	-
Total expenditures	<u>81,345</u>	<u>-</u>	<u>243,497</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES			
Operating transfers in (out)	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
PRIOR PERIOD ADJUSTMENT	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</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, 2016

	Special Revenue Funds		
	TXDOT Border Colonia Access 3rd Call	Joint Law Enforecement Operations - Sheriff & US Marshalls	Drainage District Fund
REVENUES			
Taxes	\$ -	\$ -	\$ 198,442
Intergovernmental	41,224	6,913	-
Fines and forfeitures	-	-	-
Interest income	-	-	4,775
Miscellaneous	-	-	-
Total revenues	<u>41,224</u>	<u>6,913</u>	<u>203,217</u>
EXPENDITURES			
Highways and streets	41,224	-	-
Health and welfare	-	-	-
Public safety	-	6,913	-
Public facilities	-	-	-
Total expenditures	<u>41,224</u>	<u>6,913</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>203,217</u>
OTHER FINANCING SOURCES			
Operating transfers in (out)	-	-	-
NET CHANGE IN FUND BALANCES	-	-	203,217
FUND BALANCE, BEGINNING OF YEAR	-	-	1,600,670
PRIOR PERIOD ADJUSTMENT	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,803,887</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
\$ -	\$ -	\$ -	\$ -
206	-	5,530	-
-	-	-	-
-	-	-	1
-	-	-	-
<u>206</u>	<u>-</u>	<u>5,530</u>	<u>1</u>
-	-	-	-
-	-	-	-
206	-	5,530	-
-	-	-	-
<u>206</u>	<u>-</u>	<u>5,530</u>	<u>-</u>
-	-	-	1
-	-	-	-
-	-	-	-
-	-	-	1
-	-	-	493
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 494</u>

STARR COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue Funds		
	OPSG 2014 Fund	TXDOT CTIF Project	LBSP 2016 DA Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	1,463,173	989,282	24,983
Fines and forfeitures	-	-	-
Interest income	-	-	-
Miscellaneous	-	-	-
	<u>1,463,173</u>	<u>989,282</u>	<u>24,983</u>
Total revenues	<u>1,463,173</u>	<u>989,282</u>	<u>24,983</u>
EXPENDITURES			
Highways and streets	-	989,282	-
Health and welfare	-	-	-
Public safety	1,463,173	-	24,983
Public facilities	-	-	-
	<u>1,463,173</u>	<u>989,282</u>	<u>24,983</u>
Total expenditures	<u>1,463,173</u>	<u>989,282</u>	<u>24,983</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES			
Operating transfers in (out)	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-2

LBSP 2016 Fund	RSP 2013-0046 Home	Olmito Garcia Site 7 Watershed Rehab Project	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ 198,442
173,061	50,101	57,891	4,425,382
-	-	-	245,120
-	-	-	6,223
-	-	-	2,279
<u>173,061</u>	<u>50,101</u>	<u>57,891</u>	<u>4,877,446</u>
-	-	-	1,307,321
-	50,101	-	157,670
173,061	-	57,891	3,101,461
-	-	-	132,551
<u>173,061</u>	<u>50,101</u>	<u>57,891</u>	<u>4,699,003</u>
-	-	-	178,443
-	-	-	-
-	-	-	178,443
-	-	-	2,303,053
-	-	-	(13,254)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,468,242</u>

STARR COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Capital Projects Fund Construction 2004	Total Nonmajor Governmental Funds
REVENUES		
Taxes	\$ -	\$ 198,442
Intergovernmental	-	4,425,382
Fines and forfeitures	-	245,120
Interest income	728	6,951
Miscellaneous	-	2,279
	<hr/>	<hr/>
Total revenues	728	4,878,174
	<hr/>	<hr/>
EXPENDITURES		
Highways and streets	-	1,307,321
Health and welfare	-	157,670
Public safety	-	3,101,461
Public facilities	-	132,551
	<hr/>	<hr/>
Total expenditures	-	4,699,003
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	728	179,171
	<hr/>	<hr/>
OTHER FINANCING SOURCES		
Operating transfers in (out)	-	-
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	728	179,171
FUND BALANCE, BEGINNING OF YEAR	572,013	2,875,066
PRIOR PERIOD ADJUSTMENT	-	(13,254)
	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	\$ 572,741	\$ 3,040,983
	<hr/>	<hr/>

FIDUCIARY FUNDS

STARR COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

SEPTEMBER 30, 2016

	229th Judicial District Probation Fund	Juvenile Probation & Restitution Fund	County Attorney Fund
ASSETS			
Cash	\$ 42,463	\$ 12,389	\$ 157,704
Investments	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	7,503	-
Due from other governments	-	-	-
Other assets	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 42,463</u>	<u>\$ 19,892</u>	<u>\$ 157,704</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	4,596
Due to other governments	36,107	-	-
Funds held for others	-	-	-
Other liabilities	6,357	19,892	153,108
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 42,463</u>	<u>\$ 19,892</u>	<u>\$ 157,704</u>

EXHIBIT H-3

District Attorney Fund	County Clerk Fund	Detention Center Fund	Motor Vehicle Tax Fund	Tax Assessor Collector Fund
\$ 1,061,383	\$ 940,413	\$ 116,048	\$ 507,965	\$ 249,915
145,109	-	-	-	-
-	-	-	81,137	-
230,127	-	-	182	150,670
-	-	-	-	-
-	-	-	234,327	237,635
<u>\$ 1,436,619</u>	<u>\$ 940,413</u>	<u>\$ 116,048</u>	<u>\$ 823,611</u>	<u>\$ 638,220</u>
\$ 12,931	\$ -	\$ -	\$ -	\$ -
43,947	82,058	-	221,341	311,136
-	-	-	602,270	149,484
515,496	352,716	51,619	-	-
864,245	505,639	64,429	-	177,600
<u>\$ 1,436,619</u>	<u>\$ 940,413</u>	<u>\$ 116,048</u>	<u>\$ 823,611</u>	<u>\$ 638,220</u>

STARR COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

SEPTEMBER 30, 2016

	District Clerk's Fund	District Clerk's Investment Trust Fund	Sheriff's Department Fund
ASSETS			
Cash	\$ 1,285,359	\$ -	\$ 530,256
Investments	-	1,813,844	200,921
Accounts receivable	-	-	-
Due from other funds	-	-	175,175
Due from other governments	-	-	-
Other assets	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,285,359</u>	<u>\$ 1,813,844</u>	<u>\$ 906,352</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	26,599	-	50
Due to other governments	-	-	-
Funds held for others	1,258,761	1,813,844	203,652
Other liabilities	-	-	702,650
	<u>-</u>	<u>-</u>	<u>702,650</u>
Total liabilities	<u>\$ 1,285,359</u>	<u>\$ 1,813,844</u>	<u>\$ 906,352</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	\$ 95,358	\$ 2,124	\$ 72,528	\$ 448
-	-	-	-	-
75	-	-	-	-
-	36,227	225,543	-	270
-	-	-	-	-
-	-	-	-	-
<u>\$ 218</u>	<u>\$ 131,585</u>	<u>\$ 227,667</u>	<u>\$ 72,528</u>	<u>\$ 718</u>
\$ 75	\$ -	\$ -	\$ -	\$ -
143	33,995	2,124	52,155	1
-	97,590	225,543	-	590
-	-	-	-	-
-	-	-	20,374	127
<u>\$ 218</u>	<u>\$ 131,585</u>	<u>\$ 227,667</u>	<u>\$ 72,528</u>	<u>\$ 718</u>

STARR COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

SEPTEMBER 30, 2016

	TNRCC Inspection Fees Fund	Jury Fund	Tertiary Care Fund
ASSETS			
Cash	\$ 3,692	\$ (7,904)	\$ 1,822
Investments	-	-	-
Accounts receivable	410	140	-
Due from other funds	-	-	110
Due from other governments	-	-	-
Other assets	-	8,800	-
	<u>-</u>	<u>8,800</u>	<u>-</u>
Total assets	<u>\$ 4,102</u>	<u>\$ 1,036</u>	<u>\$ 1,932</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	7	1,036	954
Due to other governments	-	-	978
Funds held for others	-	-	-
Other liabilities	4,095	-	-
	<u>4,095</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 4,102</u>	<u>\$ 1,036</u>	<u>\$ 1,932</u>

EXHIBIT H-3

Border Area Narcotics		
Force Forfeiture Fund	Scholarship Fund	Total
\$ 14,438	\$ 4,528	\$ 5,091,073
-	-	2,159,874
-	-	81,762
71,500	-	897,307
-	-	-
-	-	480,762
<u>\$ 85,938</u>	<u>\$ 4,528</u>	<u>\$ 8,710,778</u>
\$ -	\$ -	\$ 13,006
-	-	780,142
-	-	1,112,562
-	-	4,196,087
85,938	4,528	2,608,981
<u>\$ 85,938</u>	<u>\$ 4,528</u>	<u>\$ 8,710,778</u>

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2016

229th JUDICIAL DISTRICT PROBATION FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 41,544	\$ 405,570	\$ 404,651	\$ 42,463
Total assets	<u>\$ 41,544</u>	<u>\$ 405,570</u>	<u>\$ 404,651</u>	<u>\$ 42,463</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other governments	35,317	36,107	35,318	36,107
Other liabilities	<u>6,227</u>	<u>369,463</u>	<u>369,334</u>	<u>6,357</u>
Total liabilities	<u>\$ 41,544</u>	<u>\$ 405,570</u>	<u>\$ 404,651</u>	<u>\$ 42,463</u>

JUVENILE PROBATION & RESTITUTION FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 29,943	\$ 31,434	\$ 48,988	\$ 12,389
Due from other funds	<u>-</u>	<u>7,503</u>	<u>-</u>	<u>7,503</u>
Total assets	<u>\$ 29,943</u>	<u>\$ 38,937</u>	<u>\$ 48,988</u>	<u>\$ 19,892</u>
LIABILITIES				
Other liabilities	<u>\$ 29,943</u>	<u>\$ 38,937</u>	<u>\$ 48,988</u>	<u>\$ 19,892</u>
Total liabilities	<u>\$ 29,943</u>	<u>\$ 38,937</u>	<u>\$ 48,988</u>	<u>\$ 19,892</u>

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2016

COUNTY ATTORNEY FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 157,290	\$ 535,604	\$ 535,190	\$ 157,704
Total assets	<u>\$ 157,290</u>	<u>\$ 535,604</u>	<u>\$ 535,190</u>	<u>\$ 157,704</u>
LIABILITIES				
Due to other funds	\$ 7,935	\$ 263	\$ 3,602	\$ 4,596
Other liabilities	<u>149,355</u>	<u>535,342</u>	<u>531,589</u>	<u>153,108</u>
Total liabilities	<u>\$ 157,290</u>	<u>\$ 535,605</u>	<u>\$ 535,191</u>	<u>\$ 157,704</u>

DISTRICT ATTORNEY FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 1,143,761	\$ 1,252,306	\$ 1,334,684	\$ 1,061,383
Investments	144,698	411	-	145,109
Due from other funds	<u>220,117</u>	<u>45,690</u>	<u>35,680</u>	<u>230,127</u>
Total assets	<u>\$ 1,508,576</u>	<u>\$ 1,298,406</u>	<u>\$ 1,370,364</u>	<u>\$ 1,436,619</u>
LIABILITIES				
Accounts payable	\$ 6,712	\$ 12,933	\$ 6,714	\$ 12,931
Due to other funds	29,394	35,579	21,026	43,947
Funds held for others	523,029	495,828	503,361	515,496
Other liabilities	<u>949,441</u>	<u>754,067</u>	<u>839,263</u>	<u>864,245</u>
Total liabilities	<u>\$ 1,508,576</u>	<u>\$ 1,298,406</u>	<u>\$ 1,370,364</u>	<u>\$ 1,436,619</u>

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2016

COUNTY CLERK FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 915,499	\$ 802,705	\$ 777,791	\$ 940,413
Total assets	<u>\$ 915,499</u>	<u>\$ 802,705</u>	<u>\$ 777,791</u>	<u>\$ 940,413</u>
LIABILITIES				
Due to other funds	\$ 93,336	\$ 58,085	\$ 69,363	\$ 82,058
Due to other governments	-	-	-	-
Funds held for others	319,544	49,213	16,041	352,716
Other liabilities	<u>502,619</u>	<u>695,406</u>	<u>692,386</u>	<u>505,639</u>
Total liabilities	<u>\$ 915,499</u>	<u>\$ 802,704</u>	<u>\$ 777,790</u>	<u>\$ 940,413</u>

DETENTION CENTER FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 175,481	\$ 834,400	\$ 893,833	\$ 116,048
Total assets	<u>\$ 175,481</u>	<u>\$ 834,400</u>	<u>\$ 893,833</u>	<u>\$ 116,048</u>
LIABILITIES				
Funds held for others	\$ 14,213	\$ 561,632	\$ 524,226	\$ 51,619
Other liabilities	<u>161,268</u>	<u>272,768</u>	<u>369,607</u>	<u>64,429</u>
Total liabilities	<u>\$ 175,481</u>	<u>\$ 834,400</u>	<u>\$ 893,833</u>	<u>\$ 116,048</u>

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2016

MOTOR VEHICLE TAX FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 420,911	\$ 9,492,806	\$ 9,405,752	\$ 507,965
Accounts receivable	79,209	81,136	79,208	81,137
Due from other funds	182	-	-	182
Other assets	<u>205,297</u>	<u>29,030</u>	<u>-</u>	<u>234,327</u>
Total assets	<u>\$ 705,599</u>	<u>\$ 9,602,972</u>	<u>\$ 9,484,960</u>	<u>\$ 823,611</u>
LIABILITIES				
Due to other funds	\$ 108,812	\$ 139,214	\$ 26,685	\$ 221,341
Due to other governments	596,787	627,761	622,278	602,270
Other liabilities	<u>-</u>	<u>8,835,997</u>	<u>8,835,997</u>	<u>-</u>
Total liabilities	<u>\$ 705,599</u>	<u>\$ 9,602,972</u>	<u>\$ 9,484,960</u>	<u>\$ 823,611</u>

TAX ASSESSOR COLLECTOR FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 355,033	\$ 24,778,280	\$ 24,883,398	\$ 249,915
Due from other funds	77,744	72,926	-	150,670
Other assets	<u>76,925</u>	<u>160,710</u>	<u>-</u>	<u>237,635</u>
Total assets	<u>\$ 509,702</u>	<u>\$ 25,011,916</u>	<u>\$ 24,883,398</u>	<u>\$ 638,220</u>
LIABILITIES				
Due to other funds	\$ 330,678	\$ 170,634	\$ 190,176	\$ 311,136
Due to other governments	92,146	136,380	79,042	149,484
Other liabilities	<u>86,878</u>	<u>24,704,902</u>	<u>24,614,180</u>	<u>177,600</u>
Total liabilities	<u>\$ 509,702</u>	<u>\$ 25,011,916</u>	<u>\$ 24,883,398</u>	<u>\$ 638,220</u>

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2016

DISTRICT CLERK'S FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 1,164,032	\$ 679,616	\$ 558,289	\$ 1,285,359
Total assets	<u>\$ 1,164,032</u>	<u>\$ 679,616</u>	<u>\$ 558,289</u>	<u>\$ 1,285,359</u>
LIABILITIES				
Due to other funds	\$ 29,006	\$ 26,598	\$ 29,005	\$ 26,599
Due to other governments	-	-	-	-
Funds held for others	<u>1,135,027</u>	<u>653,017</u>	<u>529,283</u>	<u>1,258,761</u>
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 1,164,032</u>	<u>\$ 679,615</u>	<u>\$ 558,288</u>	<u>\$ 1,285,359</u>

DISTRICT CLERK'S INVESTMENT TRUST FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Investments	\$ 1,824,754	\$ 98,909	\$ 109,819	\$ 1,813,844
Total assets	<u>\$ 1,824,754</u>	<u>\$ 98,909</u>	<u>\$ 109,819</u>	<u>\$ 1,813,844</u>
LIABILITIES				
Funds held for others	\$ 1,824,754	\$ 98,909	\$ 109,819	\$ 1,813,844
Total liabilities	<u>\$ 1,824,754</u>	<u>\$ 98,909</u>	<u>\$ 109,819</u>	<u>\$ 1,813,844</u>

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2016

SHERIFF'S DEPARTMENT FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 617,035	\$ 490,923	\$ 577,702	\$ 530,256
Investments	200,418	503	-	200,921
Due from other funds	138,690	125,824	89,339	175,175
Total assets	<u>\$ 956,143</u>	<u>\$ 617,250</u>	<u>\$ 667,041</u>	<u>\$ 906,352</u>
LIABILITIES				
Due to other funds	\$ 50	\$ -	\$ -	\$ 50
Funds held for others	214,385	1,767	12,500	203,652
Other liabilities	741,708	615,483	654,541	702,650
Total liabilities	<u>\$ 956,143</u>	<u>\$ 617,250</u>	<u>\$ 667,041</u>	<u>\$ 906,352</u>

PLANNING DEPARTMENT FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 143	\$ 563	\$ 563	\$ 143
Accounts receivable	100	75	100	75
Total assets	<u>\$ 243</u>	<u>\$ 638</u>	<u>\$ 663</u>	<u>\$ 218</u>
LIABILITIES				
Accounts payable	\$ -	\$ 75	\$ -	\$ 75
Due to other funds	143	563	563	143
Due to other governments	100	-	100	-
Total liabilities	<u>\$ 243</u>	<u>\$ 638</u>	<u>\$ 663</u>	<u>\$ 218</u>

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2016

CONSOLIDATED COURT COST FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 233,139	\$ 426,180	\$ 563,961	\$ 95,358
Due from other funds	34,543	36,227	34,543	36,227
Total assets	<u>\$ 267,682</u>	<u>\$ 462,407</u>	<u>\$ 598,504</u>	<u>\$ 131,585</u>
LIABILITIES				
Due to other funds	\$ 169,570	\$ 33,995	\$ 169,570	\$ 33,995
Due to other governments	98,112	97,591	98,113	97,590
Other liabilities	-	-	-	-
Total liabilities	<u>\$ 267,682</u>	<u>\$ 131,586</u>	<u>\$ 267,683</u>	<u>\$ 131,585</u>

RETIREMENT SYSTEM FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 1,717	\$ 2,003,530	\$ 2,003,123	\$ 2,124
Due from other funds	145,901	225,543	145,901	225,543
Total assets	<u>\$ 147,618</u>	<u>\$ 2,229,073</u>	<u>\$ 2,149,024</u>	<u>\$ 227,667</u>
LIABILITIES				
Due to other funds	\$ 1,717	\$ 407	-	\$ 2,124
Due to other governments	145,901	2,228,665	2,149,023	225,543
Total liabilities	<u>\$ 147,618</u>	<u>\$ 2,229,072</u>	<u>\$ 2,149,023</u>	<u>\$ 227,667</u>

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2016

JUSTICE OF THE PEACE FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 69,044	\$ 535,194	\$ 531,710	\$ 72,528
Total assets	<u>\$ 69,044</u>	<u>\$ 535,194</u>	<u>\$ 531,710</u>	<u>\$ 72,528</u>
LIABILITIES				
Due to other funds	\$ 45,930	\$ 43,377	\$ 37,152	\$ 52,155
Due to other governments	-	-	-	-
Other liabilities	<u>23,114</u>	<u>491,817</u>	<u>494,557</u>	<u>20,374</u>
Total liabilities	<u>\$ 69,044</u>	<u>\$ 535,194</u>	<u>\$ 531,710</u>	<u>\$ 72,528</u>

FOURTH COURT OF APPEALS FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 450	\$ 3,515	\$ 3,517	\$ 448
Due from other funds	<u>355</u>	<u>270</u>	<u>355</u>	<u>270</u>
Total assets	<u>\$ 805</u>	<u>\$ 3,785</u>	<u>\$ 3,872</u>	<u>\$ 718</u>
LIABILITIES				
Due to other funds	\$ 2	\$ 1	\$ 2	\$ 1
Due to other governments	675	590	675	590
Other liabilities	<u>128</u>	<u>3,195</u>	<u>3,196</u>	<u>127</u>
Total liabilities	<u>\$ 805</u>	<u>\$ 3,786</u>	<u>\$ 3,873</u>	<u>\$ 718</u>

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2016

TNRCC INSPECTION FEES FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 3,202	\$ 1,257	\$ 767	\$ 3,692
Accounts receivable	70	410	70	410
Total assets	<u>\$ 3,272</u>	<u>\$ 1,667</u>	<u>\$ 837</u>	<u>\$ 4,102</u>
LIABILITIES				
Due to other funds	\$ 7	\$ 7	\$ 7	\$ 7
Due to other governments	-	-	-	-
Other liabilities	3,265	1,660	830	4,095
Total liabilities	<u>\$ 3,272</u>	<u>\$ 1,667</u>	<u>\$ 837</u>	<u>\$ 4,102</u>

JURY FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 1,247	\$ 41,682	\$ 50,833	\$ (7,904)
Accounts receivables	-	140	-	140
Due from other funds	-	8,800	-	8,800
Total assets	<u>\$ 1,247</u>	<u>\$ 50,622</u>	<u>\$ 50,833</u>	<u>\$ 1,036</u>
LIABILITIES				
Due to other funds	\$ 1,247	\$ 50,622	\$ 50,833	\$ 1,036
Total liabilities	<u>\$ 1,247</u>	<u>\$ 50,622</u>	<u>\$ 50,833</u>	<u>\$ 1,036</u>

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2016

TERTIARY CARE FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 10,338	\$ 1,870	\$ 10,386	\$ 1,822
Due from other funds	10	100	-	110
	<u>10,348</u>	<u>1,970</u>	<u>10,386</u>	<u>1,932</u>
Total assets	<u>\$ 10,348</u>	<u>\$ 1,970</u>	<u>\$ 10,386</u>	<u>\$ 1,932</u>
LIABILITIES				
Due to other funds	\$ 8,332	\$ 992	\$ 8,370	\$ 954
Due to other governments	2,016	978	2,016	978
Other liabilities	-	-	-	-
	<u>10,348</u>	<u>1,970</u>	<u>10,386</u>	<u>1,932</u>
Total liabilities	<u>\$ 10,348</u>	<u>\$ 1,970</u>	<u>\$ 10,386</u>	<u>\$ 1,932</u>

BORDER AREA NARCOTICS TASK FORCE FORFEITURE FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 14,409	\$ 29	\$ -	\$ 14,438
Due from other funds	71,500	-	-	71,500
	<u>85,909</u>	<u>29</u>	<u>-</u>	<u>85,938</u>
Total assets	<u>\$ 85,909</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 85,938</u>
LIABILITIES				
Other liabilities	\$ 85,909	\$ 29	\$ -	\$ 85,938
	<u>85,909</u>	<u>29</u>	<u>-</u>	<u>85,938</u>
Total liabilities	<u>\$ 85,909</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 85,938</u>

STARR COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 2016

SCHOLARSHIP FUND

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 26	\$ 7,502	\$ 3,000	\$ 4,528
Total assets	<u>\$ 26</u>	<u>\$ 7,502</u>	<u>\$ 3,000</u>	<u>\$ 4,528</u>
LIABILITIES				
Other liabilities	\$ 26	\$ 7,502	\$ 3,000	\$ 4,528
Total liabilities	<u>\$ 26</u>	<u>\$ 7,502</u>	<u>\$ 3,000</u>	<u>\$ 4,528</u>

TOTAL ALL AGENCY FUNDS

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
ASSETS				
Cash	\$ 5,354,245	\$ 42,324,967	\$ 42,588,138	\$ 5,091,074
Investments	2,169,870	99,823	109,819	2,159,874
Accounts receivable	79,379	81,761	79,378	81,762
Due from other funds	689,041	522,883	305,818	906,106
Other assets	<u>282,224</u>	<u>189,740</u>	<u>-</u>	<u>471,964</u>
Total assets	<u>\$ 8,574,759</u>	<u>\$ 43,219,173</u>	<u>\$ 43,083,153</u>	<u>\$ 8,710,780</u>
LIABILITIES				
Accounts payable	\$ 6,712	\$ 13,008	\$ 6,714	\$ 13,006
Due to other funds	826,159	560,337	606,354	780,142
Due to other governments	971,056	3,128,072	2,986,465	1,112,664
Funds held for others	4,030,952	1,860,366	1,695,230	4,196,087
Other liabilities	<u>2,739,881</u>	<u>37,326,568</u>	<u>37,457,468</u>	<u>2,608,981</u>
Total liabilities	<u>\$ 8,574,759</u>	<u>\$ 42,888,351</u>	<u>\$ 42,752,231</u>	<u>\$ 8,710,880</u>

STATISTICAL SECTION

STARR COUNTY, TEXAS

GOVERNMENT-WIDE EXPENSES BY FUNCTION

LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General government	\$ 5,398,103	\$ 4,631,605	\$ 5,231,548	\$ 4,866,748	\$ 4,375,255
Public safety	9,813,033	8,718,450	8,351,576	8,597,869	6,884,896
Judicial	2,012,469	2,032,265	2,336,631	2,136,621	1,853,411
Highways and streets	6,926,438	5,559,755	5,052,794	4,741,061	5,608,780
Public facilities	381,669	366,357	379,469	323,617	1,313,641
Financial administration	970,101	965,956	1,050,370	1,028,686	1,003,118
Legal	974,248	900,589	904,533	818,802	842,171
Health and welfare	1,155,693	1,155,973	1,612,754	1,421,863	2,469,430
Conservation and agriculture	133,300	128,203	140,847	139,753	135,432
Culture and recreation	-	-	-	-	-
Debt service - interest on debt	156,719	119,287	121,555	118,407	135,227
Debt service - bond issuance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 27,921,773</u>	<u>\$ 24,578,440</u>	<u>\$ 25,182,077</u>	<u>\$ 24,193,427</u>	<u>\$ 24,621,361</u>

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 4,404,871	\$ 4,300,927	\$ 4,129,942	\$ 2,267,203	\$ 3,045,557
8,856,855	9,638,550	7,210,242	8,416,981	8,083,472
1,894,959	1,789,592	1,687,339	1,682,336	1,580,355
5,215,276	4,303,463	5,515,096	4,018,216	6,796,427
187,595	504,138	615,719	269,806	243,087
1,012,007	959,983	868,642	936,030	909,359
877,144	872,656	879,804	906,133	781,420
2,034,081	2,114,439	1,585,616	1,186,481	1,435,914
137,870	138,473	126,889	132,642	127,661
-	-	-	-	31,695
149,418	163,794	179,343	194,307	206,963
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 24,770,076</u>	<u>\$ 24,786,015</u>	<u>\$ 22,798,632</u>	<u>\$ 20,010,135</u>	<u>\$ 23,241,910</u>

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
2016	\$ 6,173,840	\$ 5,249,706	\$ 16,489,087	\$ 32,828	\$ 1,130,808	\$ 236,742
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

STARR COUNTY, TEXAS

**EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES**

**LAST TEN FISCAL YEARS
(Unaudited)**

FUNCTION	2016	2015	2014	2013
General administration	\$ 5,134,645	\$ 4,619,668	\$ 4,901,319	\$ 4,605,559
Judicial & elections	2,035,211	2,024,826	2,172,874	1,997,058
Financial administration	981,064	962,401	976,758	959,204
Legal	985,258	897,250	865,841	765,232
Public facilities	385,982	366,647	360,957	330,653
Public safety	9,923,928	8,723,787	8,375,165	8,246,260
Health and welfare	1,168,753	1,155,134	1,588,261	1,348,624
Culture and recreation	-	-	-	-
Conservation-agriculture	134,805	127,664	130,976	129,618
Highways and streets (maintenance of county roads and bridges)	7,004,712	5,617,013	5,991,760	6,224,048
Debt service	<u>2,157,719</u>	<u>665,048</u>	<u>587,555</u>	<u>568,407</u>
Totals	<u>\$ 29,912,077</u>	<u>\$ 25,159,438</u>	<u>\$ 25,951,466</u>	<u>\$ 25,174,663</u>

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	4,213,406	\$ 4,149,013	\$ 4,024,041	\$ 3,879,843	\$ 2,645,769	\$ 3,026,064
	1,723,080	1,777,550	1,674,382	1,585,159	1,581,696	1,495,697
	932,579	949,369	898,181	816,038	878,133	860,657
	789,206	833,176	860,782	826,530	853,054	788,795
	1,321,541	426,286	488,704	639,526	607,847	2,158,352
	8,071,321	8,992,178	7,698,821	8,345,403	8,027,559	7,755,892
	2,401,066	2,081,892	2,057,292	1,577,451	1,193,659	1,394,654
	-	-	-	-	-	30,000
	125,909	129,315	129,558	119,205	122,481	120,809
	6,102,386	6,739,625	7,751,392	7,853,428	8,421,327	7,259,489
	<u>570,227</u>	<u>564,418</u>	<u>568,794</u>	<u>579,343</u>	<u>584,307</u>	<u>206,963</u>
\$	<u><u>26,250,721</u></u>	<u><u>26,642,822</u></u>	<u><u>26,151,947</u></u>	<u><u>26,221,926</u></u>	<u><u>24,915,832</u></u>	<u><u>25,097,372</u></u>

STARR COUNTY, TEXAS

**REVENUES BY SOURCES
ALL GOVERNMENTAL FUND TYPES**

**LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year Ended</u>	<u>Taxes</u>	<u>Intergovernmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Total</u>
2016	\$ 15,438,922	\$ 5,249,706	\$ 5,370,904	\$ 802,936	\$ 32,828	\$ 236,742	27,132,038
2015	13,605,007	4,236,238	6,106,852	1,001,225	28,515	274,186	25,252,023
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

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 & Fiscal Charges</u>	<u>Total Debt Services</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
2016	\$ 480,000	\$ 82,207	\$ 562,207	\$ 18,936,438	2.97%
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%

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>
2016	\$ 0.5410	\$ 0.0100	\$ 0.5510	\$ 0.2174	\$ 0.0100	\$ 0.7784
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	0.5204	0.1788	-	0.6992
2009	0.4740	0.0400	0.5140	0.1852	-	0.6992
2008	0.4740	0.0400	0.5140	0.1852	-	0.6992
2007	0.4010	0.0400	0.4410	0.1682	-	0.6092

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
2016	\$ -	\$ -	\$ -	\$ 2,103,216,110
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

STARR COUNTY, TEXAS

DEMOGRAPHIC INFORMATION

Year Ended September 30, 2016
(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).

FEDERAL AWARDS SECTION



PATTILLO, 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, 2016, 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 September 14, 2017.

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. We did identify 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 [2016-01 and 2016-02].

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Starr County, Texas, in a separate letter dated September 14, 2017.

Starr County, Texas' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Starr County, Texas' response was not subjected to the auditing procedures applied in the audit of the financial statements 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.



Brownsville, Texas
September 14, 2017



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

INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

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) Compliance Supplement* and the State of Texas *Uniform Grants Management Standards* that could have a direct and material effect on each of Starr County, Texas’ major federal and state programs for the year ended September 30, 2016. Starr County, Texas major federal and state 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 and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Starr County, Texas’ major federal and state 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State of Texas *Uniform Grant Management Standards* (UGMS). Those standards, the Uniform Guidance, and UGMS 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 or state 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 and state program. However, our audit does not provide a legal determination of Starr County, Texas’ compliance.

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Opinion on Each Major Federal and State 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 and state programs for the year ended September 30, 2016.

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 and state program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, 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 or state 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 or state 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 or state 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 the Uniform Guidance and UGMS. Accordingly, this report is not suitable for any other purpose.

Pattillo, Brown & Hill, LLP

Brownsville, Texas
September 14, 2017

STARR COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

I. Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? None reported

Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? None

Federal and State Awards:

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major federal and state programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of Uniform Guidance or Texas Uniform Grant Management Standards? None

Identification of major federal and state programs:

Dollar threshold used to distinguish between type A and type B federal programs \$ 750,000

Dollar threshold used to distinguish between type A and B type state programs \$ 300,000

Auditee qualified as low-risk auditee: No

CFDA Number:

97.067
State

Name of Federal or State Program:

Homeland Security Grant (OPSG)
Transportation Infrastructure Grant

STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

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>
<i>Finding 2016-01</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>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.
<i>Views of Responsible Officials and Planned Corrective Actions:</i>	The County agrees with this finding and will adhere to the corrective action plan on page 122 in this audit report.

STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

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>
<i>Finding 2016-02</i>	<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 known 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.
<i>Views of Responsible Officials and Planned Corrective Actions:</i>	The County agrees with this finding and will adhere to the corrective action plan on page 122 in this audit report.

STARR COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

III. Findings and Questioned Costs for Federal Awards

None.

STARR COUNTY, TEXAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Program

Findings/Noncompliance

Finding 2015-01

Agency Funds

Criteria:

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.

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.

Effect:

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.

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 2016-01

STARR COUNTY, TEXAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

<u>Program</u>	<u>Findings/Noncompliance</u>
<i><u>Finding 2015-02</u></i>	<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 known 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.
<i>Current Year Status:</i>	Finding 2016-02

STARR COUNTY, TEXAS

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Program

Findings/Noncompliance

Finding 2015-03

Public Funds Investment Act

Criteria:

The management of Starr County, Texas is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations and contracts.

Condition:

The investment Quarterly report were not all approved through the fiscal year.

Questioned Cost:

Questioned costs could not be quantified because the finding does not relate to specific dollar amounts.

Effect:

The County is not in compliance with the Public Funds Investment Act.

Recommendation:

We recommend that the County ensure that all the investment quarterly reports are approved on a quarterly basis the Public Funds Investment Act.

Current Year Status:

Item corrected.



Eloy Vera
Starr County Judge

Starr County Courthouse Annex
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Starr County
Corrective Action Plan
For the Year Ended September 30, 2016

Finding 2016-01: Agency Funds

The Agency Fund in question has no general ledger on the County's Computerized Accounting System and is under the control of the Tax Assessor/Collector. The newly appointed County Auditor, Mr. Boyd Carter, is aware and has spoken with the newly elected Tax Assessor/Collector, Mrs. Ameida Salinas, who has agreed to use the Alio system starting October 1st, 2017 so that there can be a general ledger for the Tax Office and the Motor Vehicle Department. The Tax Assessor/Collector has taken steps to maintain a general ledger for the Tax Office as per the help of the County Treasurer, Mr. Fernando Pena. The County Auditor staff will continue to request general ledgers to be submitted, with bank reconciliations, in a timely manner.

Persons Responsible for Implementation:

Tax Assessor/Collector
County Auditor

Estimated date of Completion:

October 31, 2017

Finding 2016-02: Office of the Tax Assessor / Collector

At the time of the finding, the Tax Assessor/Collector, Mr. Juan Cantu, failed to maintain a general ledger for the Tax Office. As previously stated, the current Tax Assessor/Collector, Mr. Ameida Salinas, is working diligently with the County Treasurer, Mr. Fernando Pena, to maintain Daily Reconciliation Reports, so that the collected revenues can and will be distributed to the proper entities in a timely manner.

Person Responsible for Implementation:

Tax Assessor/Collector

Estimated date of completion:

October 31, 2017

STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

<u>Federal Grantor/ Pass Through Entity</u>	<u>CFDA Numbers</u>	<u>Contract Number</u>	<u>Total Expenditures</u>
FEDERAL AWARDS			
U.S. Department of Housing and Urban Development			
<i>Pass through Texas General Land Office</i>			
GLO Contract (Round 2.2)	14.228	DRS220179	\$ <u>276,815</u>
Total Texas General Land Office			<u>276,815</u>
 <i>Pass through the Texas Department of Housing and Community Affairs</i>			
TDHCA Contract (Home Investment Partnerships Program)	14.239	1002269	<u>50,101</u>
Total Texas Department of Housing and Community Affairs			<u>50,101</u>
Total U.S. Department of Housing and Urban Development			<u>326,916</u>
 U.S. Department of Justice			
<i>Pass through the Office of the Governor - Criminal Justice Division</i>			
Crime Victims Assistance Program	16.575	1903409	227,281
Victims of Domestic Violence Assistance Program	16.575	2877501	<u>128,806</u>
Total Office of the Governor - Criminal Justice Division			<u>356,087</u>
 <i>Pass through the Office of the Governor - Criminal Justice Division</i>			
JAG Program Cluster			
Starr County Border Interdiction Unit - Border Star	16.738	1842810	47,716
229th Judicial District Tri-County Violent Crime Unit	16.738	2281907	<u>44,114</u>
Total Office of the Governor - Criminal Justice Division - JAG Program Cluster			<u>91,830</u>
 <i>Other U.S. Department of Justice</i>			
Customs and Border Patrol-ICE (Sheriff)	16.111	-	206
Customs and Border Patrol-ICE (D.A.)	16.111	-	14,864
United States Marshals Service (Sheriff)	16.111	M-16-D79-0-000207	<u>6,913</u>
Total Other U.S. Department of Justice			<u>21,983</u>
Total U.S. Department of Justice			<u>469,900</u>

STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

<u>Federal Grantor/ Pass Through Entity</u>	<u>CFDA Numbers</u>	<u>Contract Number</u>	<u>Total Expenditures</u>
U.S. Department of Transportation			
<i>Pass through Texas Department of Transportation</i>			
TXDot Border Colonia Access-3rd Call	20.205	8BCF5005	41,224
Starr County Federal 5310 ED	20.513	51529F7115	<u>2,564</u>
Total U.S. Department of Transportation			<u>43,788</u>
Executive Office of the President			
<i>Pass through the Office of National Drug Control Policy & through the South Texas HIDTA Assistance Center</i>			
HIDTA Task Force Grant	95.001	G15SS0004A	255,807
HIDTA Task Force Grant	95.001	G16SS0004A	<u>183,118</u>
Total Executive Office of the President			<u>438,925</u>
U.S. Department of Health and Human Services			
<i>Pass through the Texas Health & Human Service Commission through the Rio Grande Valley Empowerment Zone Corporation:</i>			
Olmito Garcia Site 7 Watershed Rehab Project	93.585	BM#10.54/10.48	<u>56,878</u>
Total U.S. Department of Health and Human Services			<u>56,878</u>
U.S. Department of Homeland Security			
<i>Pass through the Office of the Governor - Emergency Management Division</i>			
Homeland Security Grants (OPSG 2014)	97.067	EMW-2014-SS-00029	1,463,173
Homeland Security Grants (OPSG 2015)	97.067	EMW-2015-SS-00080	91,694
Homeland Security Grants - HSGP	97.067	EMW-2015-SS-00080-S01	<u>81,345</u>
Total U.S. Department of Homeland Security			<u>1,636,212</u>
 TOTAL FEDERAL AWARDS			 <u>\$ 2,972,619</u>

STARR COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

<u>Federal Grantor/ Pass Through Entity</u>	<u>CFDA Numbers</u>	<u>Contract Number</u>	<u>Total Expenditures</u>
STATE AWARDS			
Texas Department of Transportation			
<i>Direct Program:</i>			
Starr 2014 County Transportation Infrastructure Fund Grant		CTIF-01-214	<u>851,242</u>
Total Texas Department of Transportation			<u>851,242</u>
Texas Department of Public Safety			
<i>Passed through Texas Homeland Security State Administrative Agency</i>			
Local Border Security Program - 2016 (Sheriff)		2994701	173,061
Local Border Security Program - 2016 (DA)		2993101	<u>24,983</u>
Total Department of Public Safety			<u>198,044</u>
Texas Office of the Governor			
<i>Passed through Office of the Governor-Criminal Justice Division</i>			
CH-Border Procecuton Unit		2536105	228,424
<i>Passed through Homeland Security Grants Division</i>			
Border Procecuton Unit-BPU		2536106	<u>21,440</u>
Total Texas Office of the Governor			<u>249,864</u>
Texas Secretary of State			
<i>Direct Funding:</i>			
Chapter 19 Voter Registration		-	<u>5,530</u>
Total Texas Secretary of State			<u>5,530</u>
TOTAL STATE AWARDS			<u>1,304,680</u>
Other Awards			
<i>Pass through United Way of South Texas Serving Hidalgo & Starr County</i>			
United Way of South Texas			<u>1,387</u>
Total Other Awards			<u>1,387</u>
TOTAL FEDERAL, STATE AND OTHER AWARDS			<u>\$ 4,278,686</u>

STARR COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SEPTEMBER 30, 2016

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.