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Sent: Friday, September 04, 2015 2:36 PM
To: Paul Villarreal
Cc: Ray Eufrazio; Linda Fong; Arcy Duran; Yvonne Torres; Eva Mireles; Julio Espinosa
Subject: Review of July 2015 Hidalgo County Taxes Collected

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**To: The Honorable Pablo (Paul) Villarreal, Jr., RTA
Hidalgo County Tax Assessor/Collector**
**From: Ray Eufrazio, CPA
Hidalgo County Auditor**
RE: Review of July 2015 Hidalgo County Taxes Collected

During our review of the July 2015 "Hidalgo County Taxes Collected Monthly Report", we noted that a taxpayer was issued a refund check for the overpayment of taxes resulting from an appeal that decreased the property owner's tax liability. Since the check was not issued in a timely manner, a check for the accrued interest was issued. The accrued interest was paid from the current collections instead of the Tax Office's budget, in error. Therefore, an under transfer in the amount of \$113.89 was made to the General Fund.

Pursuant to section 4 of the agreed judgment, "the parties acknowledge that Section 42.43, Texas Property Code, provides for payment of interest on any refund made as a result of a final determination of an appeal which decreases a property owner's tax liability. Plaintiffs hereby waive any such applicable right to receive interest on any refund generated as a result of this agreed judgment provided any such refund is paid within 90 days from the date hereof."

Please ensure that County collections are not reduced to pay for accrued interest on a refund. Instead, interest should be paid from the Tax Office's budgeted expenditure funds (i.e., 5-1100-415-15-140-001-0-890 Tax Off-Other). A line-item-transfer may be required if sufficient funds to cover the expense are not available.

In addition, please submit to the County Auditor's Office a request that the General Fund be reimbursed \$113.89 for the under transfer. The reimbursement should be charged to the Tax Office's budgeted expenditure funds. Submittal of the reimbursement request should be made by September 18, 2015.

If you have any questions, feel free to call Abigail Guajardo, MSA, Internal Auditor I, at 318-2511 ext. 4652, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

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