

**COUNTY OF HIDALGO
COUNTY AUDITOR'S OFFICE
COMMISSIONERS' COURT AGENDA REQUEST FORM**

No: 31231

DATE: February 27, 2012 MEETING DATE REQUEST: March 6, 2012
DEADLINE FOR ACTION: A.S.A.P. CONTACT PERSON: RAYMUNDO EUFRACIO
DEPARTMENT: AUDITOR'S OFFICE PHONE: (956) 318-2511 FAX: (956) 318-2577
[Signature]
RAYMUNDO EUFRACIO, COUNTY AUDITOR

CAPTION: REGULAR AGENDA

1. Certification of revenues for interest earned in 2012 for Certificates of Obligation, Series 2001 (Fund 1431) and Refunding Bonds, Series 2006 (Fund 1437).
2. Approval of 2012 interfund transfer from Certificates of Obligation, Series 2001 (Fund 1431) and Refunding Bonds, Series 2006 (Fund 1437) to Refunding Bonds, Series 2007 (Fund 1438) in the total amount of \$143,145.97 to close out retired debt service funds (Funds 1431 and 1437).

BACKGROUND: (Briefly summarize your request, if needed use separate sheets or attach supporting documentation.)
All bond principal and interest related to Certificates of Obligation, Series 2001 (Fund 1431) and Refunding Bonds, Series 2006 (Fund 1437) have been paid.

BUDGETARY IMPACT: Fund 1431 <\$85,100.66>, Fund 1437 <\$58,024.52>, and Fund 1438 \$143,145.97

PLEASE INITIAL FOR APPROVAL:

LEGAL COUNCIL: _____ BUDGET: _____ HUMAN RESOURCES: _____
DEPT/FUND NO: _____ AMT EXPENDED: \$ _____ FUNDS/STAFFING BUDGETED: Yes _____ No _____
ACCOUNT CODE: _____ IMPACT ON FUTURE BUDGET: YES _____ No _____

COMMENTS:

ACTION TAKEN BY COMMISSIONERS' COURT:

APPROVED ON: _____ (DATE) TABLED ON: _____ (DATE) DENIED ON: _____ (DATE)
MOTION MADE BY: _____ SECONDED BY: _____ VOTE: _____

Balance Sheet Summary

<u>Account No/Description</u>		<u>Beginning Balance</u>	<u>Current Balance</u>	<u>YTD Balance</u>	<u>Ending Balance</u>
Fund 1431	CERT OF OBLIG,SERIES 2001				
	2-1431-101-00-000-000-0-000 CERT OF OBLIG,2001-CASH	46,416.76	18,015.59	29,044.55	75,461.31
	2-1431-103-00-000-000-0-000 CERT OF OBLIG,2001-TIME DEPOSITS	.00	.00	.00	.00
	2-1431-103-10-000-000-0-000 CERT OF OBLIG,2001-TIME DEP/FLEXICASH	18,006.86	-18,000.00	-18,006.86	.00
	2-1431-104-00-000-000-0-000 CERT OF OBLIG,2001-INTEREST RECEIVABLE	.00	.00	.00	.00
	2-1431-105-00-000-000-0-000 CERT OF OBLIG,2001-TAXES RECV-CURRENT	56,683.11	.00	.00	56,683.11
	2-1431-105-10-000-000-0-000 CERT OF OBLIG,2001-RSRV UNCOLL TAXES-CUR	-10,116.06	.00	.00	-10,116.06
	2-1431-107-00-000-000-0-000 CERT OF OBLIG,2001-TAXES RECV-DELINQ	-8,228.83	.00	.00	-8,228.83
	2-1431-107-10-000-000-0-000 CERT OF OBLIG,2001-RSRV UNCOLL TAXES-DEL	-177,194.76	.00	.00	-177,194.76
	2-1431-130-01-000-100-0-000 DUE FROM/TO GENERAL FUND	20,677.04	.00	-11,028.96	9,648.08
	2-1431-130-01-000-331-0-000 DUE FROM/TO CERT OF OBLIG,2001-CIP	.00	.00	.00	.00
	2-1431-130-01-000-435-0-000 DUE FROM/TO REF BONDS, 2005	.00	.00	.00	.00
	Total Assets	-53,755.88	15.59	8.73	-53,747.15

Balance Sheet Summary

Account No/Description	Beginning Balance	Current Balance	YTD Balance	Ending Balance
Fund 1431 CERT OF OBLIG,SERIES 2001				
2-1431-202-00-000-000-0-000 CERT OF OBLIG,2001-ACCOUNTS PAYABLE	.00	.00	.00	.00
2-1431-223-00-000-000-0-000 CERT OF OBLIG,2001-DEFERRED REVENUE	-138,856.54	.00	.00	-138,856.54
Total Liabilities	-138,856.54	.00	.00	-138,856.54
2-1431-270-00-000-000-0-000 CERT OF OBLIG,2001-BUDGETED FUND BALANCE	.00	.00	.00	.00
2-1431-253-00-000-000-0-000 CERT OF OBLIG,2001-FUND BALANCE	85,100.66	.00	.00	85,100.66
Total Equity	85,100.66	.00	.00	85,100.66
2-1431-275-00-000-000-0-000 CERT OF OBLIG,2001-ESTIMATED REVENUES	.00	.00	.00	.00
2-1431-276-00-000-000-0-000 CERT OF OBLIG,2001-REVENUES	.00	15.59	8.73	8.73
2-1431-271-00-000-000-0-000 CERT OF OBLIG,2001-APPROPRIATIONS	.00	.00	.00	.00
2-1431-272-00-000-000-0-000 CERT OF OBLIG,2001-EXPENDITURE CONTROL	.00	.00	.00	.00
2-1431-273-00-000-000-0-000 CERT OF OBLIG,2001-ENCUMBRANCE CONTROL	.00	.00	.00	.00
2-1431-274-00-000-000-0-000 CERT OF OBLIG,2001-RESERVE ENCUMBRANCES	.00	.00	.00	.00
Total Controls	.00	15.59	8.73	8.73
Total Equity and Control	85,100.66	15.59	8.73	85,109.39
Total Liabilities and Equity	-53,755.88	15.59	8.73	-53,747.15
*Fund is in Balance	.00			

0.*
 85,100.66+
 8.73+
 002
 85,109.39*

Balance Sheet Summary

Account No/Description		Beginning Balance	Current Balance	YTD Balance	Ending Balance
Fund 1437	REFUNDING BONDS, SERIES 2006				
	2-1437-101-00-000-000-0-000 REF BONDS,2006-CASH	9,442.88	44,033.90	46,427.41	55,870.29
	2-1437-103-00-000-000-0-000 REF BONDS,2006-TIME DEPOSITS	.00	.00	.00	.00
	2-1437-103-10-000-000-0-000 REF BONDS,2006-TIME DEP/FLEXICASH	44,021.84	-44,000.00	-44,021.84	.00
	2-1437-105-00-000-000-0-000 REF BONDS,2006-TAXES RECV-CURRENT	.00	.00	.00	.00
	2-1437-105-10-000-000-0-000 REF BONDS,2006-RSRV UNCOLL TAXES-CURRENT	.00	.00	.00	.00
	2-1437-107-00-000-000-0-000 REF BONDS,2006-TAXES RECV-DELINQ	82,561.86	.00	.00	82,561.86
	2-1437-107-10-000-000-0-000 REF BONDS,200-RSRV UNCOLL TAXES-DELINQ	-34,277.46	.00	.00	-34,277.46
	2-1437-130-01-000-100-0-000 DUE FROM/TO GENERAL FUND	4,559.80	.00	-2,393.51	2,166.29
	2-1437-130-01-000-430-0-000 DUE FROM/TO CERT OF OBLIG,2000	.00	.00	.00	.00
	Total Assets	106,308.92	33.90	12.06	106,320.98

Balance Sheet Summary

Account No/Description	Beginning Balance	Current Balance	YTD Balance	Ending Balance
Fund 1437 REFUNDING BONDS,SERIES 2006				
2-1437-202-00-000-000-0-000 REF BONDS,2006-ACCOUNTS PAYABLE	.00	.00	.00	.00
2-1437-223-00-000-000-0-000 REF BONDS,2006-DEFERRED REVENUE	48,284.40	.00	.00	48,284.40
Total Liabilities	48,284.40	.00	.00	48,284.40
2-1437-270-00-000-000-0-000 REF BONDS,2006-BUDGETED FUND BALANCE	.00	.00	.00	.00
2-1437-253-00-000-000-0-000 REF BONDS,2006-FUND BALANCE	58,024.52	.00	.00	58,024.52
Total Equity	58,024.52	.00	.00	58,024.52
2-1437-275-00-000-000-0-000 REF BONDS,2006-ESTIMATED REVENUES	.00	.00	.00	.00
2-1437-276-00-000-000-0-000 REF BONDS,2006-REVENUES	.00	33.90	12.06	12.06
2-1437-271-00-000-000-0-000 REF BONDS,2006-APPROPRIATIONS	.00	.00	.00	.00
2-1437-272-00-000-000-0-000 REF BONDS,2006-EXPENDITURES	.00	.00	.00	.00
2-1437-273-00-000-000-0-000 REF BONDS,2006-ENCUMBRANCE CONTROL	.00	.00	.00	.00
2-1437-274-00-000-000-0-000 REF BONDS,2006-RESERVE FOR ENCUMBR	.00	.00	.00	.00
Total Controls	.00	33.90	12.06	.00
Total Equity and Control	58,024.52	33.90	12.06	12.06
Total Liabilities and Equity	106,308.92	33.90	12.06	106,320.98
*Fund is in Balance	.00			

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 58,024.52+
 12.06+
 002
 58,036.58*

Jesus Ramirez

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Jose R. Guerrero
Robert Schell

February 23, 2012

Ms. Linda Fong
First Assistant Auditor
County Auditor's Office
Hidalgo County

Ms. Fong:

Generally, the answer is yes. The only cautions typically applicable are these:

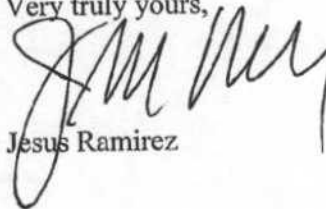
1. Make sure none of the money that you are transferring constitutes bond sales proceeds (sometimes we deposit accrued interest to the I & S fund. But under our documents, that money is out FIFO to pay interest within no later than one year from issuance. So, you typically will not have this problem.

2. The other caution is record-keeping. As you know, you have the 5 year arbitrage review. You want to make certain that you formally record that certain monies in the I & S Fund are no longer allocable to Series X, but are no allocable to Series Y. Since you advise that the bonds have been paid off, then the disallocation has already occurred by virtue of the final defeasance of that series.

3. Overabundance of caution: assure yourself that the monies constitute entirely local taxes, penalties and interest.

Let me know if I can be of further service.

Very truly yours,



Jesus Ramirez

Linda Fong

From: Linda Fong [linda.fong@auditor.co.hidalgo.tx.us]
Sent: Friday, February 17, 2012 4:37 PM
To: Jesus Ramirez (jramirez@rg-legal.com)
Cc: David Cepeda (dcepeda@rg-legal.com)
Subject: Transfer of Surplus in Debt Service Fund

Follow Up Flag: Follow up
Due By: Wednesday, February 22, 2012 1:00 PM
Flag Status: Completed

Good Afternoon Chuy,

Is it permissible to transfer the surplus in a debt service fund for COs and/or Refunding Bonds for which all principal and interest has been paid in full to other debt service funds of outstanding COs and/or Refunding Bonds? If you have previously opined on this matter, I would greatly appreciate a copy of the opinion. If not, could you give me your thoughts on this matter. I requested an opinion from Atlas & Hall but they referred me to bond counsel.

Thank you for your time and attention to this matter. If you have any questions please call me at 318-2511 ext. 4668.

Linda Fong
First Assistant Auditor
Hidalgo County Auditor's Office