

COUNTY of HIDALGO

COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

September 1, 2016

The Honorable Ramon Garcia
Hidalgo County Judge
302 W. University Drive
Edinburg, Texas 78539

Dear Judge Garcia:

Pursuant to Local Government Code Section 114.044 and/or Local Government Code Section 115.0035 (c), we are submitting for your review the following monthly reports and/or letters:

Department	Fees/Costs	Description
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	\$ 7,567,706.43	March 2016 Monthly Report
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	\$ 3,934,213.56	April 2016 Monthly Report
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	\$ 3,722,736.32	May 2016 Monthly Report
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	\$ 2,944,252.33	June 2016 Monthly Report
The Hon. A.C. Cuellar, Jr., Commissioner Precinct No. 1	\$ 32,500.00	June 2016 Monthly Report/Letter Sanitation Program

Department	Description
The Hon. Ricardo Rodriguez, Jr. Hidalgo County Criminal District Attorney	Review of Hot Checks Processing Fees Reports and Supporting Documentation For the Month of June 2016
The Hon. Ricardo Rodriguez, Jr. Hidalgo County Criminal District Attorney	Review of Hot Checks Processing Fees Reports and Supporting Documentation For the Month of July 2016
The Hon. Ricardo Rodriguez, Jr. Hidalgo County Criminal District Attorney	Review of the HIDTA H.B. 65 Financial Statements For the months of April 2016 and May 2016
The Hon. Ricardo Rodriguez, Jr. Hidalgo County Criminal District Attorney	Review of the Hot Checks Balance Sheet For the months of April 2016 and May 2016
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Review of Delinquent Tax Attorney Payment Request – July 2016 Report No. 2016-51
The Hon. Celestino Avila Jr. Constable Precinct No. 1	Cash Count Report No. 2016-44
The Hon. Eddie Guerra, Hidalgo County Sheriff	Sheriff's Office East Substation Cash Count Report No. 2016-45
The Hon. A.C. Cuellar, Jr., Commissioner Precinct No. 1	Delta Lake Park – Cash Count Report No. 2016-46
The Hon. Arturo Guajardo, Jr. Hidalgo County Clerk	McAllen Substation – Cash Count Report No. 2016-534
The Hon. Charlie Espinoza, Justice of the Peace Pct.4 Pl. 1	Cash Count Report No. 2016-541
Mr. Eduardo Olivarez, Chief Administrator Officer Hidalgo County Health and Human Services Department	Pulmonary Health Clinic – Cash Count Report No. 2016-551

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 131ST D.C.

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

JUAN R. PARTIDA
JUDGE, 273RD D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 379TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 349TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

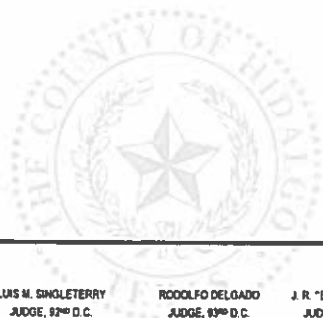
JESSE CONTRERAS
JUDGE, 449TH D.C.

The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Elsa Tax Office – Cash Count Report No. 2016-562
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Elsa Motor Vehicle – Cash Count Report No. 563

Respectfully,


Ray Zufracio, CPA
Hidalgo County Auditor

Attachments



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 208TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

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JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

Prepared By: Abigail G. *HL*
Date: 07/06/16
Reviewed By: *47* 8/5/16
Approved By: _____

**Hidalgo County Tax Office
Collections Summary
For the Month ended March 31, 2016**

Hidalgo County Tax Collections	7,549,688.07✓	M1-1
2016 Hospital District Funding	-	M1-1
Administrative Fees Collected	17,953.94✓	M1-1
Road District # 2 Collections	-	M2-1
Road District # 5 Collections	61.36✓	M3-1
Road District # 15 Collections	3.06✓	M4-1
State District Collections	<u>-</u>	M5-1
Total Collections	<u><u>7,567,706.43</u></u> <i>+</i>	

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
HIDALGO COUNTY TAXES COLLECTED
MARCH 2016
REVISED *PEC*

COMPARATIVE RATE OF COLLECTIONS

HIDALGO COUNTY GHD	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
2015 TAX ROLL	✓178,719,088.17 <i>MI-10</i>	✓162,819,583.52 <i>MI-10</i>	-	✓546,073.63 <i>MI-10</i>	✓16,445,578.28 <i>MI-10</i>	90.83%	90.68%
2014 & PRIOR YRS ROLLBACK	✓31,346,653.45 <i>MI-10</i>	✓7,904,004.05 <i>MI-10</i>	-	✓(853,196.48) <i>MI-10</i>	✓22,589,452.92 <i>MI-10</i>	25.92%	27.65%
	✓100,394.43 <i>MI-11</i>	✓408,750.86 <i>MI-11</i>	-	✓17,031.27 <i>MI-11</i>	✓108,674.84 <i>MI-11</i>	79.00%	77.45%
TOTALS	✓210,166,136.05 <i>MI-12</i>	✓171,132,338.43 <i>MI-12</i>	-	✓109,908.42 <i>MI-12</i>	✓39,143,706.04 <i>MI-12</i>		

#DIV/0!

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF MARCH 2016

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	✓6,832,808.13 <i>MI-5</i>	✓(150,989.50) CURRENT <i>MI-10</i>
CURRENT YEAR-P&I	✓453,779.21 <i>MI-5</i>	
PRIOR YEARS-BASE TAX	✓760,768.75 <i>MI-5</i>	✓(56,544.27) PRIOR <i>MI-10</i>
PRIOR YEARS-P&I	✓334,438.19 <i>MI-5</i>	
ROLLBACK BASE	✓21,906.12 <i>MI-6</i>	
ROLLBACK P&I	✓189.94 <i>MI-6</i>	✓45,683.52 ROLLBACK <i>MI-11</i>
ATTORNEY FEES	✓145,797.73 <i>MI-9</i>	
HOSPITAL DISTRICT FUNDING		
HOSPITAL DISTRICT P&I		
SPECIAL INVENTORY FINE		
SPECIAL INVENTORY PENALTY		
TAX CERTIFICATE FEES		
SERVICE CHG FEES		
MISC FEES		
TOTAL COLLECTIONS	✓7,549,688.07 <i>MI-5</i>	
LESS HCAD COMM REND. PEN. (CURR)	✓657.33 <i>MI-24</i>	17,953.94 <i>MI-12</i>
LESS HCAD COMM REND. PEN. (DELQ)	✓78.57 <i>MI-24</i>	
LESS TRANSFERRED	✓5,370,300.92 <i>MI-3, MI-55</i>	
LESS IN TRANSIT	✓1,997,624.74 <i>MI-2, MI-55</i>	
LESS DUE TO DEL TAX ATTY FEES	✓145,797.73 <i>MI-2, MI-55</i>	17,953.94 <i>MI-54</i>
LESS DUE TO CO TREASURER		
LESS COURT ORDER INTEREST		
BALANCE	36,328.84	0.00

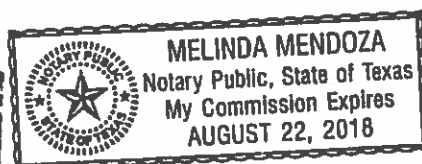
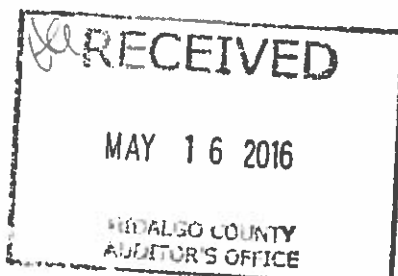
.....AFFIDAVIT.....

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO
SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR
THE MONTH OF MARCH 2016 IS CORRECT.

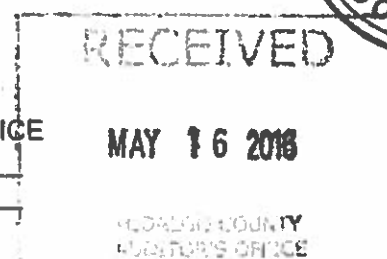
Pablo Villarreal Jr.
ASSESSOR-COLLECTOR OF TAXES FOR HIDALGO COUNTY, TEXAS

SWORN AND SUBSCRIBED BEFORE ME THIS 22ND DAY OF APRIL 2016 A.D.

Melinda Mendoza
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *HO up*
DATE: *07/01/16* *8/5/16*



MI-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 2 TAXES COLLECTED
MARCH 2016

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 2
RD2

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1981 & PRIOR YRS	60.90	-	-	-	60.90	0.00%	0.00%
TOTALS	60.90	4M2-3	4M2-3	4M2-3	60.90	4M2-4	4M2-4

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF MARCH 2016

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- CURRENT
CURRENT YEAR-P&I	-
PRIOR YEARS-BASE TAX	- PRIOR
PRIOR YEARS-P&I	-
ROLLBACK BASE	- ROLLBACK
ROLLBACK P&I	-
ATTORNEY FEES	-
TOTAL COLLECTIONS	- 4M2-4
LESS HCAD COMM REND. PEN.	-
LESS TRANSFERRED	-
LESS IN TRANSIT	-
LESS DUE TO DEL TAX ATTY FEES	-
LESS DUE TO CO TREASURER	-
BALANCE	- 4M2-2

*****AFFIDAVIT*****

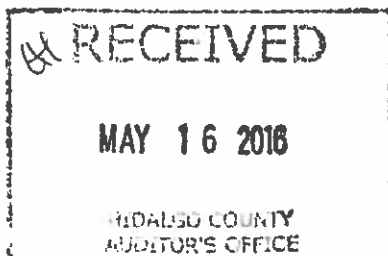
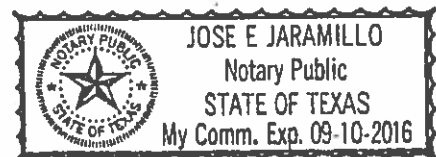
I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO
SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR
THE MONTH OF MARCH 2016 IS CORRECT.

Pablo (Paul) Villarreal Jr.
ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 2



SWORN AND SUBSCRIBED BEFORE ME THIS 14TH DAY OF APRIL 2016 A.D.

Jose E. Jaramillo
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *HCI*
DATE: *4/15/16*

1-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 5 TAXES COLLECTED
MARCH 2016
HSC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 5
RD5

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1999 & PRIOR YRS	8,796.99	251.25	-	(572.87)	7,972.87	3.06%	4.33%
TOTALS	✓ 8,796.99 M3-5	251.25 M3-5	-	✓ (572.87) M3-5	7,972.87 M3-6		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF MARCH 2016

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	-
CURRENT YEAR-P&I	-
PRIOR YEARS-BASE TAX	✓ 17.07 d M3-3
PRIOR YEARS-P&I	✓ 36.60 d M3-3
ROLLBACK BASE	-
ROLLBACK P&I	-
ATTORNEY FEES	✓ 7.69 d M3-4
TOTAL COLLECTIONS	✓ 61.36 d
LESS HCAD COMM REND. PEN.	-
LESS TRANSFERRED	✓ 18.72 d M3-2, M1-55
LESS IN TRANSIT	✓ 34.95 d M3-2, M1-55
LESS DUE TO DEL TAX ATTY FEES	✓ 7.69 d M3-2, M1-52
LESS DUE TO CO TREASURER	-
BALANCE	-

*****AFFIDAVIT*****

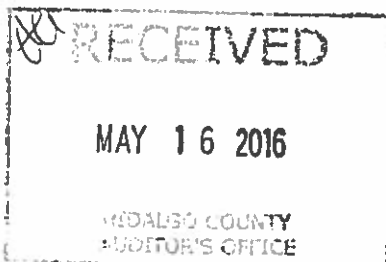
I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF MARCH 2016 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 5

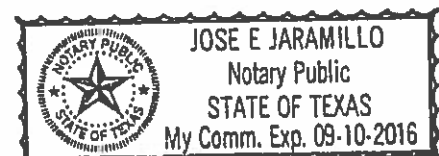


SWORN AND SUBSCRIBED BEFORE ME THIS 11TH DAY OF APRIL 2016 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: [Signature]
DATE: 07/05/16 8/5/16



M3-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 15 TAXES COLLECTED
MARCH 2016
PBC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 15 RD15	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1993 & PRIOR YRS ROLLBACK	914.87	34.03	-	(174.24)	706.60	4.59%	2.09%
	-	-	-	-	-	0.00%	0.00%
TOTALS	914.87 $\neq$ M4-5 ✓	34.03 $\neq$ M4-5 ✓	-	(174.24) $\neq$ M4-5	706.60 $\neq$ M4-6 ✓		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF MARCH 2016

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	-	- CURRENT
CURRENT YEAR-P&I	-	-
PRIOR YEARS-BASE TAX	✓ 0.72 $\neq$ M4-3	✓ (0.32) PRIOR M4-6
PRIOR YEARS-P&I	✓ 1.95 $\neq$ M4-3	-
ROLLBACK BASE	-	- ROLLBACK
ROLLBACK P&I	-	-
ATTORNEY FEES	✓ 0.39 $\neq$ M4-4	-
TOTAL COLLECTIONS	✓ 3.06 $\neq$ M4-4	(0.32)
LESS HCAD COMM REND. PEN.	-	$\neq$
LESS TRANSFERRED	✓ 2.11 $\neq$ M4-2; M4-5	
LESS IN TRANSIT	✓ 0.56 $\neq$ M4-2; M4-5	
LESS DUE TO DEL TAX ATTY FEES	✓ 0.39 $\neq$ M4-2; M4-5	
LESS DUE TO CO TREASURER	-	
BALANCE	-	

*****AFFIDAVIT*****

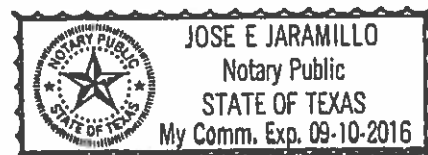
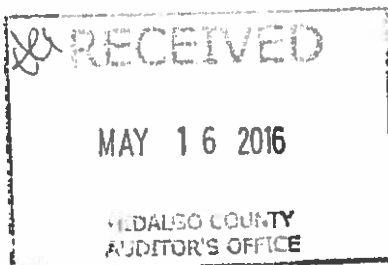
I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO
SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR
THE MONTH OF MARCH 2016 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 15



SWORN AND SUBSCRIBED BEFORE ME THIS 11TH DAY OF APRIL 2016 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: [Signature]
DATE: 07/05/16 8/5/16

M41

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
STATE DIST TAXES COLLECTED
MARCH 2016
PBC

COMPARATIVE RATE OF COLLECTIONS

STATE DIST TEX	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1979 & PRIOR YRS	24.77 ✓	-	-	(4.30) ✓	20.47 ✓	0.00%	0.00%
TOTALS	24.77 ~~415-3~~	- ~~415-3~~	-	(4.30) ~~415-3~~	20.47 ~~415-4~~		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF MARCH 2016

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- CURRENT
CURRENT YEAR-P&I	-
PRIOR YEARS-BASE TAX	- PRIOR
PRIOR YEARS-P&I	-
ROLLBACK BASE	- ROLLBACK
ROLLBACK P&I	-
ATTORNEY FEES	-
TOTAL COLLECTIONS	- ~~415-2~~
LESS HCAD COMM REND. PEN.	- ~~415-4~~
LESS TRANSFERRED	-
LESS IN TRANSIT	-
LESS DUE TO DEL TAX ATTY FEES	-
LESS DUE TO CO TREASURER	-
BALANCE	- ~~415-2~~

*****AFFIDAVIT*****

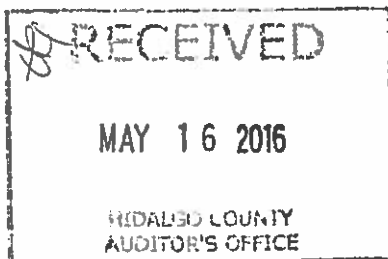
I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF MARCH 2016 IS CORRECT.

Pablo Villarreal Jr.
ASSESSOR-COLLECTOR OF TAXES FOR STATE DIST TAXES

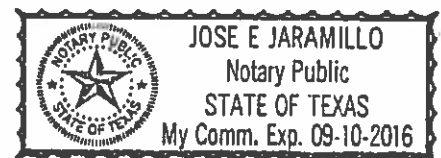


SWORN AND SUBSCRIBED BEFORE ME THIS 11TH DAY OF APRIL 2016 A.D.

Jose E. Jaramillo
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *HE*
DATE: 07/05/16 *47* *8/5/16*



Prepared By: Abigail G. *AG*
Date: 07/12/16
Reviewed By: *wt 8/5/16*
Approved By: _____

**Hidalgo County Tax Office
Collections Summary
For the Month ended April 30, 2016**

Hidalgo County Tax Collections	3,924,922.41 ✓	M1-1
2016 Hospital District Funding	-	M1-1
2015 Tax Year Subdivision Light Fee	1,188.16 ✓	M1-1
Administrative Fees Collected	8,034.85 ✓	M1-1
Road District # 2 Collections	-	M2-1
Road District # 5 Collections	65.79 ✓	M3-1
Road District # 15 Collections	2.35 ✓	M4-1
State District Collections	-	M5-1
Total Collections	<u>3,934,213.56</u>	

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PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
HIDALGO COUNTY TAXES COLLECTED
APRIL 2016
PRC

COMPARATIVE RATE OF COLLECTIONS

HIDALGO COUNTY GHD	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
2015 TAX ROLL	✓ 178,719,088.17 MHO	165,323,356.58 MHO ✓	-	✓ 557,573.42 MHO	13,953,305.01 MHO	✓ 92.22%	91.93%
2014 & PRIOR YRS ROLLBACK	✓ 31,346,653.45 MHO	8,549,432.79 MHO ✓	-	✓ 897,746.38 MHO	21,899,474.28 MHO	✓ 28.08%	29.35%
	✓ 100,394.43 MHI	455,412.25 MHI ✓	-	✓ 647,275.47 MHI	192,257.65 MHI	✓ 70.32%	79.03%
TOTALS	210,166,136.05 MHO	✓ 174,328,201.62 MHI ✓	-	✓ 207,102.51 MHO	36,045,036.94 MHI ✓		

#DIV/01

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF APRIL 2016

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	✓ 2,503,773.06 d MHI	✓ 11,499.79 CURRENT MHO
CURRENT YEAR-P&I	✓ 251,366.46 d MHI	
PRIOR YEARS-BASE TAX	✓ 645,428.74 MHI	✓ (44,549.90) PRIOR MHO
PRIOR YEARS-P&I	✓ 830,231.44 MHI	
ROLLBACK BASE	✓ 46,661.39 d MHI	✓ 130,244.20 ROLLBACK MHI
ROLLBACK P&I	✓ 40,360.00 MHI	
ATTORNEY FEES	✓ 147,420.96 d MHI	
HOSPITAL DISTRICT FUNDING		
HOSPITAL DISTRICT P&I		
STREET LIGHT ADMIN FEE	✓ 461.13 d MHI	
LIGHT FEE - SUBDIVISIONS	✓ 1,188.16 d MHI	
SPECIAL INVENTORY FINE	✓ 983.09 d MHI	
SPECIAL INVENTORY PENALTY	✓ 2,278.22 d MHI	
TAX CERTIFICATE FEES	✓ 740.00 d MHI	
SERVICE CHG FEES	✓ 1,766.41 d MHI	
MISC FEES	✓ 1,806.00 d MHI	
TOTAL COLLECTIONS	✓ 3,924,922.41 d MHI	✓ 97,194.09 MHI ✓
LESS HCAD COMM REND. PEN. (CURR)	✓ 348.30 d MHI	
LESS HCAD COMM REND. PEN. (DELO)	✓ 110.98 d MHI	
LESS TRANSFERRED	✓ 455,172.34 MHI	
LESS IN TRANSIT	✓ 2,491,101.15 MHI	
LESS DUE TO DEL TAX ATTY FEES	✓ 1,321,269.83 d MHI	✓ 9,223.01 d MHI
LESS DUE TO CO TREASURER	✓ 147,420.96 d MHI	
LESS COURT ORDER INTEREST		
BALANCE	(35,328.81)	0.00

*****AFFIDAVIT*****

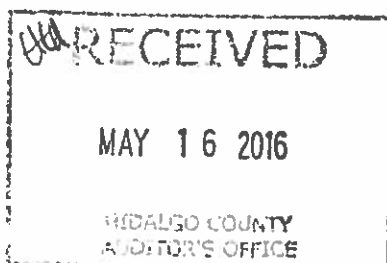
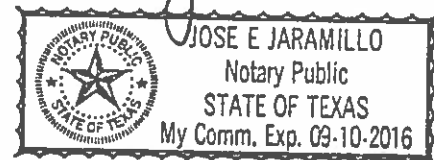
I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO
SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR
THE MONTH OF APRIL 2016 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR HIDALGO COUNTY, TEXAS



SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF MAY 2016 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: [Signature]
DATE: 07/15/16

MHI

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 2 TAXES COLLECTED
APRIL 2016
PBC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 2
RD2

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1981 & PRIOR YRS	60.90	-	-	-	60.90	0.00%	0.00%
TOTALS	60.90	4M23	4M23	4M23	60.90	M24	41

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF APRIL 2016

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- CURRENT
CURRENT YEAR-P&I	-
PRIOR YEARS-BASE TAX	- PRIOR
PRIOR YEARS-P&I	-
ROLLBACK BASE	- ROLLBACK
ROLLBACK P&I	-
ATTORNEY FEES	-
TOTAL COLLECTIONS	- 4M24
LESS HCAD COMM REND. PEN.	-
LESS TRANSFERRED	-
LESS IN TRANSIT	-
LESS DUE TO DEL TAX ATTY FEES	-
LESS DUE TO CO TREASURER	-
BALANCE	- 4M22

*****AFFIDAVIT*****

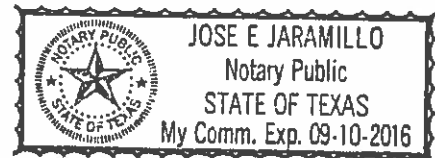
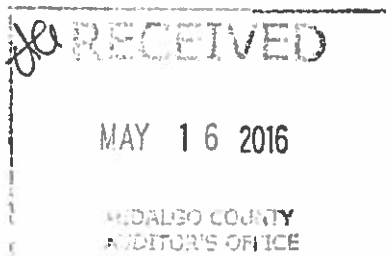
I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF APRIL 2016 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 2



SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF MAY 2016 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: HA
DATE: 07/11/16 8/5/16

121

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 5 TAXES COLLECTED
APRIL 2016
PBC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 5
RD5

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1999 & PRIOR YRS	8,796.99	268.49	-	(572.87)	7,955.63	3.26%	5.27%
TOTALS	✓8,796.99 + M3-7	✓268.49 + M3-7	-	✓(572.87) + M3-7	✓7,955.63 M3-8		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF APRIL 2016

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	-	- CURRENT
CURRENT YEAR-P&I	-	
PRIOR YEARS-BASE TAX	✓47.24 + M3-4	- PRIOR
PRIOR YEARS-P&I	✓40.46 + M3-3	
ROLLBACK BASE	-	- ROLLBACK
ROLLBACK P&I	-	
ATTORNEY FEES	✓8.09 + M3-5	
TOTAL COLLECTIONS	✓65.79 +	- + M3-8
LESS HCAD COMM REND. PEN.	-	
LESS TRANSFERRED	✓38.61 + to M3-3, M1-65	
LESS IN TRANSIT	✓19.09 + to M3-3, M1-65	
LESS DUE TO DEL TAX ATTY FEES	✓8.09 + to M3-3, M1-62	
LESS DUE TO CO TREASURER	-	
BALANCE	✓	

*****AFFIDAVIT*****

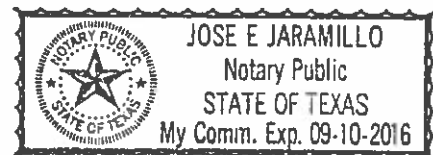
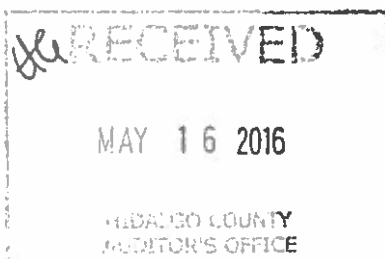
I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO
SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR
THE MONTH OF APRIL 2016 IS CORRECT.

Pablo (Paul) Villarreal Jr.
ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 5



SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF MAY 2016 A.D.

Jose E. Jaramillo
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE

APPROVED BY: *[Signature]*
DATE: 07/11/16 7/15/16

M3-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 15 TAXES COLLECTED
APRIL 2016
PEC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 15
RD15

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1993 & PRIOR YRS ROLLBACK	914.87	34.60	-	(174.24)	706.03	4.67%	2.09%
	-	-	-	-	-	0.00%	0.00%
TOTALS	✓914.87 + M4-5	✓34.60 + M4-5	-	✓(174.24) + M4-5	706.03 M4-6 ✓		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF APRIL 2016

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- CURRENT
CURRENT YEAR-P&I	-
PRIOR YEARS-BASE TAX	- PRIOR
PRIOR YEARS-P&I	-
ROLLBACK BASE	- ROLLBACK
ROLLBACK P&I	-
ATTORNEY FEES	-
TOTAL COLLECTIONS	-
LESS HCAD COMM REND. PEN.	-
LESS TRANSFERRED	-
LESS IN TRANSIT	-
LESS DUE TO DEL TAX ATTY FEES	-
LESS DUE TO CO TREASURER	-
BALANCE	-

*****AFFIDAVIT*****

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO
SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR
THE MONTH OF APRIL 2016 IS CORRECT.

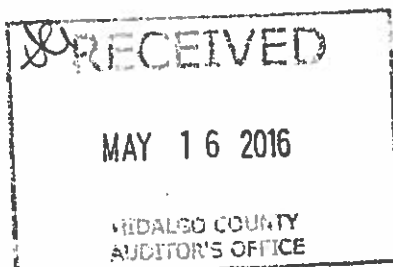
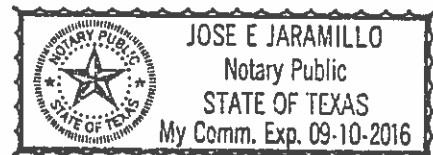
ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 15



SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF MAY 2016 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS

JOSE E. JARAMILLO



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: [Signature]
DATE: 07/11/16 8/5/16

M41

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
STATE DIST TAXES COLLECTED
APRIL 2016
PBC

COMPARATIVE RATE OF COLLECTIONS

STATE DIST
TEX

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1979 & PRIOR YRS	24.77	-	-	(4.30)	20.47	0.00%	0.00%
TOTALS	24.77	4 M5-3	4 M5-3	(4.30)	4 M5-3	20.47	4 M5-4

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF APRIL 2016

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- CURRENT
CURRENT YEAR-P&I	-
PRIOR YEARS-BASE TAX	- PRIOR
PRIOR YEARS-P&I	-
ROLLBACK BASE	- ROLLBACK
ROLLBACK P&I	-
ATTORNEY FEES	-
TOTAL COLLECTIONS	- 4 M5-2
LESS HCAD COMM REND. PEN.	- 4 M5-4
LESS TRANSFERRED	-
LESS IN TRANSIT	-
LESS DUE TO DEL TAX ATTY FEES	-
LESS DUE TO CO TREASURER	-
BALANCE	- 4 M5-2

*****AFFIDAVIT*****

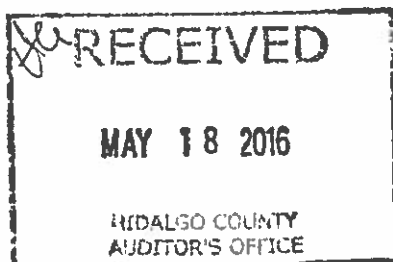
I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF APRIL 2016 IS CORRECT.

Pablo Villarreal Jr.
ASSESSOR-COLLECTOR OF TAXES FOR STATE DIST TAXES

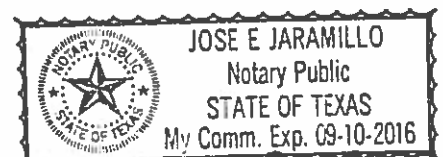


SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF MAY 2016 A.D.

Jose E. Jaramillo
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *[Signature]*
DATE: 07/11/14 9/5/16



M5-1

Prepared By: Abigail G. 
Date: 07/21/16
Reviewed By: 4/22/16
Approved By: _____

**Hidalgo County Tax Office
Collections Summary
For the Month ended May 31, 2016**

Hidalgo County Tax Collections	2,515,977.78✓	M1-1
2016 Hospital District Funding - 2nd & 3rd Qtr	1,189,236.82✓	M1-1
2015 Tax Year Subdivision Light Fee	2,017.71✓	M1-1
Administrative Fees Collected	15,422.93✓	M1-1
Road District # 2 Collections	- ✓	M2-1
Road District # 5 Collections	79.35✓	M3-1
Road District # 15 Collections	1.73✓	M4-1
State District Collections	<u>-</u>	M5-1
Total Collections	<u><u>3,722,736.32</u></u>	



PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
HIDALGO COUNTY TAXES COLLECTED
MAY 2016

COMPARATIVE RATE OF COLLECTIONS

HIDALGO COUNTY GHD	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
2015 TAX ROLL	✓178,719,088.17	MI-10 166,876,426.71	MI-10 ✓	-	✓556,564.62	MI-10 12,399,226.08	MI-10 ✓ 93.08%
2014 & PRIOR YRS ROLLBACK	✓31,346,653.45	MI-10 9,008,271.66	MI-10 ✓	-	✓(939,126.37)	MI-10 21,399,255.42	MI-10 ✓ 29.63%
	✓100,394.43	MI-11 ✓464,285.57	MI-11 ✓	-	✓627,801.33	MI-11 263,910.19	MI-11 ✓ 63.76%
TOTALS	✓210,166,136.05	MI-12 176,348,983.94	MI-12 ✓	-	✓245,239.58	MI-12 34,062,391.69	MI-12 ✓ 84.18%

#DIV/01

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF MAY 2016

CURRENT YEAR-BASE TAX		MONTHLY MODIFICATIONS
CURRENT YEAR-P&I	✓1,553,070.13	✓(1,008.80) CURRENT MI-10
PRIOR YEARS-BASE TAX	✓170,379.71	✓(41,379.99) PRIOR MI-10
PRIOR YEARS-P&I	✓458,838.87	✓80,525.86 ROLLBACK MI-11
ROLLBACK BASE	✓221,812.76	
ROLLBACK P&I	✓8,873.32	
ATTORNEY FEES	✓832.27	
HOSPITAL DISTRICT FUNDING	✓102,170.72	
HOSPITAL DISTRICT P&I		
STREET LIGHT ADMIN FEE		
LIGHT FEE - SUBDIVISIONS		
SPECIAL INVENTORY FINE		
SPECIAL INVENTORY PENALTY		
TAX CERTIFICATE FEES		
SERVICE CHG FEES		
MISC FEES		
TOTAL COLLECTIONS	✓2,515,977.78	✓1,175,546.00
LESS HCAD COMM REND. PEN. (CURR)	✓142.46	✓13,690.82
LESS HCAD COMM REND. PEN. (DELQ)	✓81.01	✓623.71
LESS TRANSFERRED	✓1,573,989.54	✓2,017.71
LESS IN TRANSIT	✓839,594.05	✓1,682.91
LESS DUE TO DEL TAX ATTY FEES	✓102,170.72	✓9,565.69
LESS DUE TO CO TREASURER		✓510.00
LESS COURT ORDER INTEREST		✓1,037.62
BALANCE	0.00	2,003.00

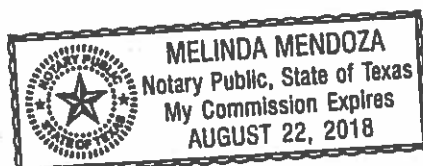
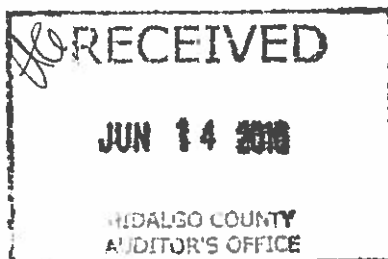
*****AFFIDAVIT*****

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THE MONTH OF MAY 2016 IS CORRECT.

Pablo (Paul) Villarreal Jr.
ASSESSOR-COLLECTOR OF TAXES FOR HIDALGO COUNTY, TEXAS

SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF JUNE 2016 A.D.

Melinda Mendoza
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *[Signature]*
DATE: 07/20/16 7/8/16

MI-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 2 TAXES COLLECTED
MAY 2016
PEC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 2
RD2

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1981 & PRIOR YRS	60.90	-	-	-	60.90	0.00%	0.00%
TOTALS	60.90	4M2-3	4M2-3	4M2-3	60.90 M2-4 +1		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF MAY 2016

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- CURRENT
CURRENT YEAR-P&I	-
PRIOR YEARS-BASE TAX	- PRIOR
PRIOR YEARS-P&I	-
ROLLBACK BASE	- ROLLBACK
ROLLBACK P&I	-
ATTORNEY FEES	-
TOTAL COLLECTIONS	-
LESS HCAD COMM REND. PEN.	-
LESS TRANSFERRED	-
LESS IN TRANSIT	-
LESS DUE TO DEL TAX ATTY FEES	-
LESS DUE TO CO TREASURER	-
BALANCE	-

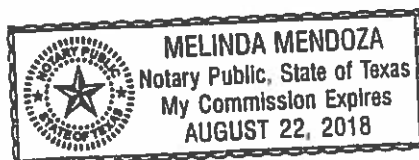
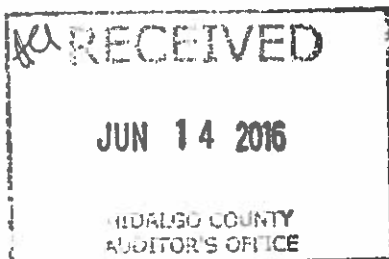
*****AFFIDAVIT*****

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THE MONTH OF MAY 2016 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 2

SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF JUNE 2016 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: GU 47
DATE: 07/13/16 8/8/16

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 5 TAXES COLLECTED
MAY 2016
PBC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 5
RD5

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1999 & PRIOR YRS	8,796.99	288.62	-	(561.64)	7,946.73	3.50%	5.71%
TOTALS	✓ 8,796.99 M3-7	288.62 M3-7 ✓	-	(561.64) M3-7	7,946.73 M3-8 ✓		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF MAY 2016

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX		
CURRENT YEAR-P&I		~~(1.34)~~ CURRENT
PRIOR YEARS-BASE TAX		
PRIOR YEARS-P&I	✓ 20.13 M3-4	X 11.23 12-57 PRIOR M3-8
ROLLBACK BASE	✓ 49.04 M3-3	
ROLLBACK P&I		- ROLLBACK
ATTORNEY FEES		
TOTAL COLLECTIONS	✓ 10.18 M3-5	
LESS HCAD COMM REND. PEN.	✓ 279.35	11.23
LESS TRANSFERRED		✓
LESS IN TRANSIT	✓ 15.32 M3-2, M1-72	
LESS DUE TO DEL TAX ATTY FEES	✓ 53.85 M3-2, M1-72	
LESS DUE TO CO TREASURER	✓ 10.18 M3-2, M1-72	
BALANCE		

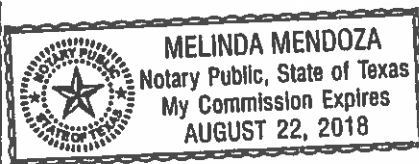
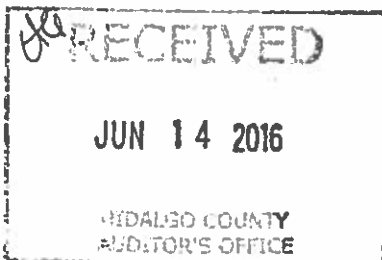
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Pablo (Paul) Villarreal Jr.
ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 5

SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF JUNE 2016 A.D.

Melinda Mendoza
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *[Signature]*
DATE: 07/13/16 8/8/16

M3-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 15 TAXES COLLECTED
MAY 2016
PBC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 15
RD15

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1993 & PRIOR YRS ROLLBACK	914.87	35.01	-	(174.24)	705.62	4.73% 0.00%	2.11% 0.00%
TOTALS	✓ 914.87 M4-5	✓ 35.01 M4-5	-	✓ (174.24) M4-5	705.62 M4-6 ✓		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF MAY 2016

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- d	- CURRENT
CURRENT YEAR-P&I	- d	
PRIOR YEARS-BASE TAX	✓ 0.41d	✓ - PRIOR
PRIOR YEARS-P&I	✓ 1.11d	- ROLLBACK
ROLLBACK BASE	-	
ROLLBACK P&I	-	
ATTORNEY FEES	✓ 0.21d	
TOTAL COLLECTIONS	✓ 1.73d	- d M4-6
LESS HCAD COMM REND. PEN.	-	
LESS TRANSFERRED	✓ 0.57d	
LESS IN TRANSIT	✓ 0.95d	
LESS DUE TO DEL TAX ATTY FEES	✓ 0.21d	
LESS DUE TO CO TREASURER	-	
BALANCE		

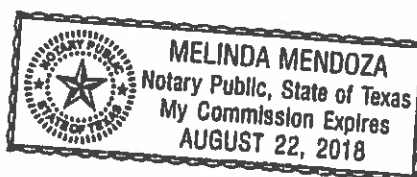
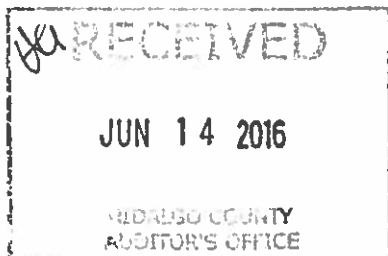
AFFIDAVIT

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THE MONTH OF MAY 2016 IS CORRECT

ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 15

SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF JUNE 2016 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: 66 47
DATE: 07/13/16 8/8/16

M4-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
STATE DIST TAXES COLLECTED
MAY 2016
PBC

COMPARATIVE RATE OF COLLECTIONS

STATE DIST
TEX

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1979 & PRIOR YRS	24.77	-	-	(4.30)	20.47	0.00%	0.00%
TOTALS	24.77	4M5-3 ✓	- 4M5-3	(4.30)	4M5-3 ✓ 20.47 4A ✓ MS-4 ✓		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF MAY 2016

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- CURRENT
CURRENT YEAR-P&I	-
PRIOR YEARS-BASE TAX	- PRIOR
PRIOR YEARS-P&I	-
ROLLBACK BASE	- ROLLBACK
ROLLBACK P&I	-
ATTORNEY FEES	-
TOTAL COLLECTIONS	- 4M5-2
LESS HCAD COMM REND. PEN.	- 4M5-4
LESS TRANSFERRED	-
LESS IN TRANSIT	-
LESS DUE TO DEL TAX ATTY FEES	-
LESS DUE TO CO TREASURER	-
BALANCE	- 4M5-2

*****AFFIDAVIT*****

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO
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THE MONTH OF MAY 2016 IS CORRECT.

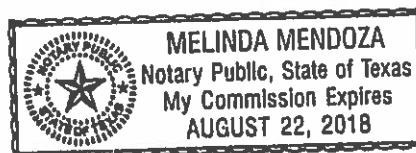
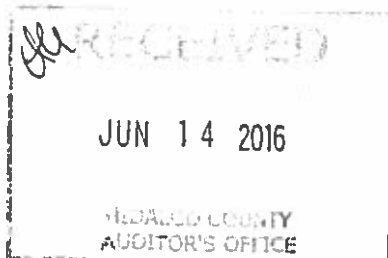
Pablo (Paul) Villarreal Jr.
ASSESSOR-COLLECTOR OF TAXES FOR STATE DIST TAXES

SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF JUNE 2016 A.D.

Melinda Mendoza
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *[Signature]*
DATE: 07/13/16 8/8/16



M5-1

Prepared By: Abigail G. 
Date: 08/08/16
Reviewed By: 475/14/16
Approved By: _____

**Hidalgo County Tax Office
Collections Summary
For the Month ended June 30, 2016**

Hidalgo County Tax Collections	2,912,339.74 ✓	M1-1
2016 Hospital District Funding	-	M1-1
2015 Tax Year Subdivision Light Fee	7,118.61 ✓	M1-1
Administrative Fees Collected	24,569.95 ✓	M1-1
Road District # 2 Collections	-	M2-1
Road District # 5 Collections	220.88 ✓	M3-1
Road District # 15 Collections	3.15 ✓	M4-1
State District Collections	-	M5-1
Total Collections	<u>2,944,252.33</u>	



PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
 HIDALGO COUNTY TAXES COLLECTED
 JUNE 2016
 FDC

COMPARATIVE RATE OF COLLECTIONS

HIDALGO COUNTY GHD	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
2015 TAX ROLL	✓ 178,719,088.17 MHO	168,649,063.62 M1-10 ✓	-	✓ 520,244.90 MHO	10,590,269.45 MHO	✓ 94.09%	93.98%
2014 & PRIOR YRS ROLLBACK	✓ 31,346,653.45 MHO	9,477,101.44 M1-10 ✓	-	✓ (997,050.15) MHO	20,872,501.86 MHO	✓ 31.23%	33.17%
	✓ 100,394.43 M1-11	507,204.82 M1-11 ✓	-	✓ 638,133.56 M1-11	231,323.17 M1-11	✓ 68.68%	85.20%
TOTALS	✓ 210,166,136.05 M1-12	178,633,369.88 M1-12 ✓	-	✓ 161,328.31 MHO	31,694,094.48 M1-12 ✓		

#DIV/01

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JUNE 2016

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	✓ 1,772,636.91 d	✓ (36,319.72) CURRENT MHO
CURRENT YEAR-P&I	✓ 256,435.55 d	
PRIOR YEARS-BASE TAX	✓ 468,829.78 d	✓ (57,923.78) PRIOR MHO
PRIOR YEARS-P&I	✓ 253,613.33 d	
ROLLBACK BASE	✓ 42,919.25 d	✓ 10,332.23 ROLLBACK M1-11
ROLLBACK P&I	✓ 611.34 d	
ATTORNEY FEES	✓ 117,293.58 d M1-9	
HOSPITAL DISTRICT FUNDING		
HOSPITAL DISTRICT P&I		
STREET LIGHT ADMIN FEE		
LIGHT FEE - SUBDIVISIONS		
SPECIAL INVENTORY FINE		
SPECIAL INVENTORY PENALTY		
TAX CERTIFICATE FEES		
SERVICE CHG FEES		
MISC FEES		
TOTAL COLLECTIONS	✓ 2,912,339.74 d M1-9	
LESS HCAD COMM REND. PEN. (CURR)	✓ 180.07 d M1-18	
LESS HCAD COMM REND. PEN. (DELQ)	✓ 60.25 d	
LESS TRANSFERRED	✓ 1,645,865.99 d M1-2, M1-3	
LESS IN TRANSIT	✓ 1,148,939.85 d M1-2, M1-3	
LESS DUE TO DEL TAX ATTY FEES	✓ 117,293.58 d M1-2, M1-60	
LESS DUE TO CO TREASURER		
LESS COURT ORDER INTEREST		
BALANCE	0.00	0.00

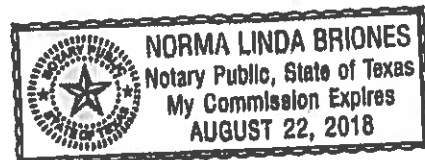
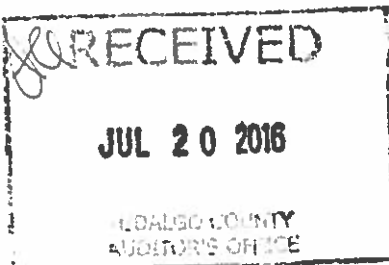
*****AFFIDAVIT*****

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO
 SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR
 THE MONTH OF JUNE 2016 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR HIDALGO COUNTY, TEXAS

SWORN AND SUBSCRIBED BEFORE ME THIS 13TH DAY OF JULY 2016 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
 APPROVED BY: [Signature]
 DATE: 08/08/16

M1-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 2 TAXES COLLECTED
JUNE 2016
FPC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 2
RD2

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1981 & PRIOR YRS	60.90	-	-	-	60.90	0.00%	0.00%
TOTALS	60.90	4M2-3 ✓	4M2-3	-	4M2-3	60.90 M2-4 ✓ 7A	

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JUNE 2016

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- CURRENT
CURRENT YEAR-P&I	-
PRIOR YEARS-BASE TAX	- PRIOR
PRIOR YEARS-P&I	-
ROLLBACK BASE	- ROLLBACK
ROLLBACK P&I	-
ATTORNEY FEES	-
TOTAL COLLECTIONS	- 4M2-4
LESS HCAD COMM REND. PEN.	-
LESS TRANSFERRED	-
LESS IN TRANSIT	-
LESS DUE TO DEL TAX ATTY FEES	-
LESS DUE TO CO TREASURER	-
BALANCE	- 4M2-2

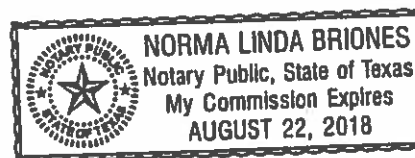
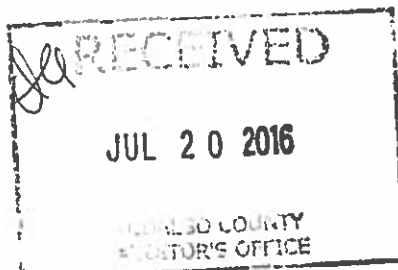
*****AFFIDAVIT*****

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF JUNE 2016 IS CORRECT.

Pablo Villarreal Jr.
ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 2

SWORN AND SUBSCRIBED BEFORE ME THIS 13TH DAY OF JULY 2016 A.D.

[Signature]
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *[Signature]*
DATE: 08/10/16 5/19/16

M2-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 5 TAXES COLLECTED
JUNE 2016
B3C

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 5
RD5

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1999 & PRIOR YRS	8,796.99	344.85	-	(561.64)	7,890.50	4.19%	6.87%
TOTALS	✓ 8,796.99 ~~4M3-7~~	344.85 ~~4M3-7~~ ✓	-	✓ (561.64) ~~4M3-7~~	7,890.50 ~~4M3-8~~ ✓		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JUNE 2016

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- CURRENT
CURRENT YEAR-P&I	
PRIOR YEARS-BASE TAX	- PRIOR
PRIOR YEARS-P&I	
ROLLBACK BASE	- ROLLBACK
ROLLBACK P&I	
ATTORNEY FEES	
TOTAL COLLECTIONS	✓ - ~~4M3-8~~
LESS HCAD COMM REND. PEN.	
LESS TRANSFERRED	
LESS IN TRANSIT	
LESS DUE TO DEL TAX ATTY FEES	
LESS DUE TO CO TREASURER	
BALANCE	

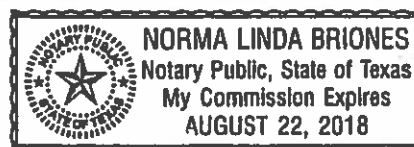
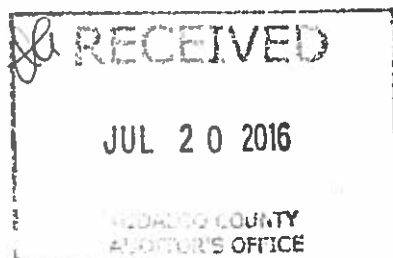
*****AFFIDAVIT*****

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF JUNE 2016 IS CORRECT.

Pablo (Paul) Villarreal
ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 5

SWORN AND SUBSCRIBED BEFORE ME THIS 13TH DAY OF JULY 2016 A.D.

[Signature]
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *[Signature]*
DATE: 08/02/16 8/19/16

M3-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 15 TAXES COLLECTED
JUNE 2016
PBC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 15
RD15

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1993 & PRIOR YRS ROLLBACK	914.87	35.76	-	(174.24)	704.87	4.83%	5.25%
	-	-	-	-	-	0.00%	0.00%
TOTALS	✓ 914.87 M4-5	✓ 35.76 M4-5	-	✓ (174.24) M4-5	✓ 704.87 M4-6 #A		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JUNE 2016

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- d	- CURRENT
CURRENT YEAR-P&I	- d	
PRIOR YEARS-BASE TAX	✓ 0.75 d	- PRIOR
PRIOR YEARS-P&I	✓ 2.01 d	
ROLLBACK BASE	-	- ROLLBACK
ROLLBACK P&I	-	
ATTORNEY FEES	✓ 0.39 d	
TOTAL COLLECTIONS	43.15 d	- M4-6
LESS HCAD COMM REND. PEN.		
LESS TRANSFERRED	✓ 0.97 d M4-2, M1-63	
LESS IN TRANSIT	✓ 1.79 d M4-2, M1-63	
LESS DUE TO DEL TAX ATTY FEES	✓ 0.39 d M4-2, M1-60	
LESS DUE TO CO TREASURER	-	
BALANCE		

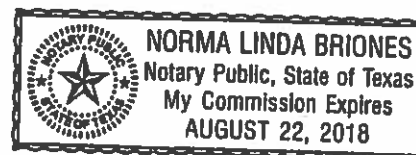
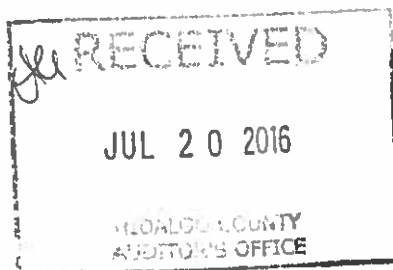
*****AFFIDAVIT*****

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO
SOLENNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR
THE MONTH OF JUNE 2016 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 15

SWORN AND SUBSCRIBED BEFORE ME THIS 13TH DAY OF JULY 2016 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: [Signature] 47
DATE: 08/02/16 8/19/16

M41

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
STATE DIST TAXES COLLECTED
JUNE 2016
PBC

COMPARATIVE RATE OF COLLECTIONS

STATE DIST
TEX

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1979 & PRIOR YRS	24.77	-	-	(4.30)	20.47	0.00%	0.00%
TOTALS	24.77	4M5-3 ✓	4M5-3	(4.30)	4M5-3 20.47 MS-4 ✓		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JUNE 2016

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- CURRENT
CURRENT YEAR-P&I	-
PRIOR YEARS-BASE TAX	- PRIOR
PRIOR YEARS-P&I	-
ROLLBACK BASE	- ROLLBACK
ROLLBACK P&I	-
ATTORNEY FEES	-
TOTAL COLLECTIONS	-
LESS HCAD COMM REND. PEN.	- 4M5-2
LESS TRANSFERRED	-
LESS IN TRANSIT	-
LESS DUE TO DEL TAX ATTY FEES	-
LESS DUE TO CO TREASURER	-
BALANCE	- 4M5-2

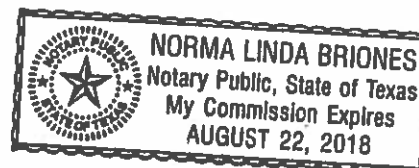
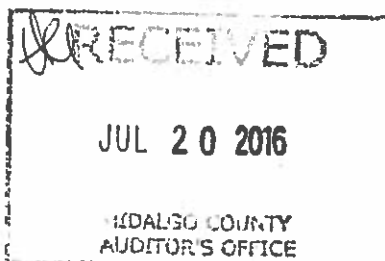
*****AFFIDAVIT*****

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO
SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR
THE MONTH OF JUNE 2016 IS CORRECT.

Pablo Villarreal Jr.
ASSESSOR-COLLECTOR OF TAXES FOR STATE DIST TAXES

SWORN AND SUBSCRIBED BEFORE ME THIS 13TH DAY OF JULY 2016 A.D.

[Signature]
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *[Signature]*
DATE: 08/02/16 8/19/16

M5-1

DATE: 8/10/16

J. C. 8/15/16
Jun-16

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF RECIPITS AND DEPOSITS FOR THE MONTH OF:
PRECINCT 1, SANITATION PROGRAM

Receipt Date	Receipt # Sequence		Total Collected	Credit Card Amount (Direct Deposit)	LONE STAR NATIONAL BANK			COUNTY TREASURER			OVER/ (SHORT)
	BEG #	END #			Deposit Amount	Date of Deposit	Deposit Slip Number	Receipt Date	Receipt Number	Diff on Dates	
1	1-Jun	14047	14070	\$ 775.00		\$ 775.00	6/01/16	212	00361	6/16/2016	15 \$ -
2	2-Jun	14071	14088	\$ 475.00		\$ 475.00	6/02/16	212	00362	6/16/2016	14 \$ -
3	3-Jun	14089	14109	\$ 675.00		\$ 675.00	6/03/16	212	00363	6/16/2016	13 \$ -
4	4-Jun			\$ -		\$ -		212			0 \$ -
5	5-Jun							212			0 \$ -
6	6-Jun	14110	14130	\$ 625.00		\$ 625.00	6/06/16	212	00364	6/16/2016	10 \$ -
7	7-Jun	14131	14153	\$ 675.00		\$ 675.00	6/07/16	212	00365	6/16/2016	9 \$ -
8	8-Jun	14154	14162	\$ 250.00	\$ 25.00	\$ 225.00	6/08/16	212	00366	6/16/2016	8 \$ -
9	9-Jun	14163	14193	\$ 975.00	\$ 125.00	\$ 850.00	6/09/16	212	00367	6/16/2016	7 \$ -
10	10-Jun	14194	14218	\$ 725.00	\$ 75.00	\$ 650.00	6/10/16	212	00368	6/16/2016	6 \$ -
11	11-Jun			770.00				212			0 \$ -
12	12-Jun							212			0 \$ -
13	13-Jun	14219	14244	\$ 950.00	\$ 150.00	\$ 800.00	6/13/16	212	00369	6/16/2016	3 \$ -
14	14-Jun	14245	14263	\$ 550.00	\$ 75.00	\$ 475.00	6/14/16	212	00370	6/23/2016	9 \$ -
15	15-Jun	14264	14288	\$ 825.00	\$ 125.00	\$ 700.00	6/15/16	212	00371	6/23/2016	8 \$ -
16	16-Jun	14289	14313	\$ 825.00	\$ 100.00	\$ 725.00	6/16/16	212	00372	6/23/2016	7 \$ -
17	17-Jun	14314	14346	\$ 1,225.00	\$ 275.00	\$ 950.00	6/17/16	212	00373	6/23/2016	6 \$ -
18	18-Jun							212			0 \$ -
19	19-Jun							212			0 \$ -
20	20-Jun	14347	14401	\$ 1,900.00	\$ 225.00	\$ 1,675.00	6/20/16	212	00374	6/29/2016	9 \$ -
21	21-Jun	14402	14449	\$ 2,225.00	\$ 850.00	\$ 1,375.00	6/21/16	212	00375	6/29/2016	8 \$ -
22	22-Jun	14450	14491	\$ 1,950.00	\$ 325.00	\$ 1,625.00	6/22/16	212	00376	6/29/2016	7 \$ -
23	23-Jun	14492	14544	\$ 2,025.00	\$ 625.00	\$ 1,400.00	6/23/16	212	00377	6/29/2016	6 \$ -
24	24-Jun	14545	14628	\$ 3,500.00	\$ 900.00	\$ 2,600.00	6/24/16	212	00378	6/29/2016	5 \$ -
25	25-Jun							212			0 \$ -
26	26-Jun							212			0 \$ -
27	27-Jun	14630	14752	\$ 5,375.00	\$ 975.00	\$ 4,400.00	6/27/16	212	00379	6/29/2016	2 \$ 5.00
28	28-Jun	14753	14817	\$ 2,300.00	\$ 400.00	\$ 1,900.00	6/28/16	212	00380	7/1/2016	3 \$ -
29	29-Jun	14818	14861	\$ 1,475.00	\$ 350.00	\$ 1,125.00	6/29/16	212	00381	7/1/2016	2 \$ -
30	30-Jun	14862	14918	\$ 2,225.00	\$ 850.00	\$ 1,375.00	6/30/16	212	00382	7/1/2016	1 \$ -
31	1-Jul							212			0 \$ -

TOTALS \$ 32,525.00 \$ 6,375.00 \$ 26,150.00

32,500.00 6,350 2

TOTAL AMOUNT DUE TO GENERAL FUND-----1100-322-70-121-000-0-000	\$ 32,500	-32,525.00
LESS: TOTAL AMOUNT REMITTED TO GENERAL FUND (DIRECT DEPOSIT)	\$ (6,350)	-6,375.00
TOTAL FUNDS DUE TO THE COUNTY TREASURER	\$ 26,150	-26,150.00

** Overage of \$5.00 on 6/27/16 by user #10.

PREPARED BY: Neemi de la Riva

THIS REPORT HAS BEEN PERSONALLY REVIEWED BY ME AND I CERTIFY IT TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

[Signature]
APPROVED BY

RECEIVED

JUL 05 2016

7/5/16
DATE

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) WORKING DAY OF THE FOLLOWING MONTH

COUNTY AUDITOR'S FORM RE-PCT.1-005 REVISED

For \$50.00

Hidalgo County
AUDITORS OFFICE

* Voided receipt #212-13736 on June 9, 2016 and reissued receipt #212-14194 for the correct amount of \$2500 (that was originally charged in May 9th).

COUNTY *of* HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 15, 2016

Honorable A.C. Cuellar, Jr.
Hidalgo County Commissioner Pct. No. 1
1902 Joe Stephens Suite 101
Weslaco, Texas 78596

Re: Review of the Precinct 1 Sanitation Program *Monthly Fees Report* and Supporting Documentation
For the month of June 2016

Dear Commissioner Cuellar:

We conducted a limited scope review of the Precinct 1 Sanitation Program *Monthly Fees Report* and all supporting documentation for the month of June 2016 pursuant to Local Government Code §115.002 (a), and §115.002 (b). The objective of the review was to determine if fees collected were properly accounted and reported.

Scope:

The scope of our review was limited to collections reported on the Precinct 1 Sanitation Program *Monthly Fees Report* for the month of June 2016. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

The purpose of this report is to furnish management independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Methodology:

In planning and performing our review, we reviewed applicable statutes and fee schedules. The following procedures were performed:

- Reviewed the submittal date of the Precinct 1 Sanitation Program *Monthly Fees Report* and applicable supporting documentation to the County Auditor's Office to determine if the report and applicable supporting documentation were received within five days after
- the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified the signature on the Precinct 1 Sanitation Program *Monthly Fees Report* to ensure that the report was signed by an authorized signatory as documented on the "Authorized Signatories Form."

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 208TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 322ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 489TH D.C.

- Verified the mathematical accuracy of the Precinct 1 Sanitation Program *Monthly Fees Report* by footing and cross-footing the report.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified that receipts and permits issued followed a sequential order.
- Verified that procedures for voided receipts and permits were properly followed.
- Reviewed *Cashier's Daily Close-Out Reports/Daily Remittance Forms (Close-Out Report)* to determine whether fees collected were properly accounted & deposited with the County Treasurer on a daily basis.
- Verified that the collections per the Precinct 1 Sanitation Program *Monthly Fees Report* agreed to total receipts issued and the deposits made with the County Treasurer.
- Verified the *Close-Out Report Forms* and the Precinct 1 Sanitation Program *Monthly Fees Report* were properly completed.

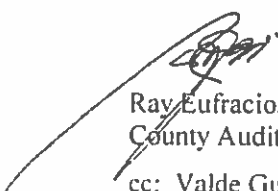
Conclusion:

Total collections for the month of June 2016 were \$32,500.00. Based on the results of our review, we have concluded that fees collected were generally properly accounted and reported.

On January 2016 and February 2016, we noted the Sanitation Precinct 1 Program had two missing permits. The County Auditor's Office requested that \$50.00 for the two missing permits be replenished and deposited with the County Treasurer. As of today, the funds have not been deposited. The \$50.00 should be immediately deposited with the County Treasurer.

If you should have any questions, please do not hesitate to call Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, or Arcy B. Duran, CPA, Director of Audit, at ext. 4645.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

COUNTY *of* HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
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PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 15, 2016

The Honorable Ricardo Rodriguez, Jr.
Hidalgo County Criminal District Attorney
100 N. Closner, 3rd Floor
Edinburg, Texas 78539

Re: Review of *Hot Checks Processing Fees Reports* and Supporting Documentation
For the Month of June 2016

Dear Mr. Rodriguez:

We have conducted a limited scope review of the *Hot Checks Processing Fees Report (Processing Fees Report)* and all supporting documentation for the month of June 2016 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if collections were properly accounted and reported.

Scope:

The scope of our review was limited to collections reported by your office on the *Processing Fees Report* for the month of June 2016. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

The purpose of this report is to furnish management independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Methodology:

In planning and performing our review, we reviewed applicable statutes, the *Processing Fees Report*, and fee schedules. The following procedures were performed:

- Reviewed the submittal dates of the *Processing Fees Report* to the County Auditor's Office to determine if the report was received within five days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified the signature on the *Processing Fees Report* to ensure that the report was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Processing Fees Report* by footing and cross-footing the report.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 322ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

- Verified that the sequence of receipts and checks issued per the *Processing Fees Report* agreed to *Odyssey's DA Receipt Journal Report* and *Check Transaction Register Report*. In addition, verified that receipts and checks issued followed a sequential order.
- Verified collections and disbursements per the *Processing Fees Report* agreed to *Odyssey's Hot Checks Receipt Journal Report*.
- Verified that collections received from the Community Supervision and Corrections Department were receipted and included on the *Processing Fees Report*.
- Verified that the collections per the *Processing Fees Report* agreed to total receipts issued and the deposits made to the Hot Check bank account.
- Verified that the processing fees per the *Processing Fees Report* were remitted to the County Treasurer's Office in a timely manner.
- Verified that procedures for voided receipts and checks were properly followed.
- Reviewed a random sample of receipts to ensure processing and merchant fees were properly collected and reported as required by Code of Criminal Procedures §102.007 and Business and Commerce Code §3.506 (b) .
- Reviewed a random sample of receipts to determine if court costs collected were remitted to the applicable Justice of the Peace courts and receipted.

Conclusion:

Total collections for the month of June 2016 were \$84,396.83. Based on the results of the review, we have concluded that collections were generally properly accounted and reported. However, improvements could be made to the system of internal controls as noted in the following observation.

Observation No. 1:

We randomly selected 8 of 79 receipts issued during the period of review to determine if processing and merchant fees were properly collected and reported as required by Code of Criminal Procedures §102.007 and Business and Commerce Code § 3.506 (b) .

The results of our review revealed that the processing fees and merchant fees for all 8 receipts were properly collected and reported. However, we noted that the District Attorney's Office does not have a formal policy that details the amount of merchant fee to be collected. According to the Check Fraud Division Supervisor, the District Attorney verbally requested that a \$25.00 merchant fee be collected for hot checks received by the District Attorney's Office on or after January 1, 2015.

Pursuant to Code of Criminal Procedures §102.007 (b), a District Attorney may collect a processing fee from any person who is a party to an offense described in Code of Criminal Procedures §102.007 (a). Pursuant to Code of Criminal Procedures 102.007 (c), the amount of the fee may not exceed:

- \$10 if the face amount of the check or sight order does not exceed \$10;
- \$15 if the face amount of the check or sight order is greater than \$10 but does not exceed \$100;
- \$30 if the face amount of the check or sight order is greater than \$100 but does not exceed \$300;
- \$50 if the face amount of the check or sight order is greater than \$300 but does not exceed \$500; and
- \$75 if the face amount of the check or sight order is greater than \$500.

Pursuant to Business and Commerce Code § 3.506 (b), on return of a payment device to the holder following dishonor of the payment device by a payor, the holder, the holder's assignee, agent, or representative, or any other person retained by the holder to seek collection of the face value of the dishonored payment device may charge the drawer or endorser a maximum (merchant) fee of \$30.

Recommendation:

Management should implement formal policies and procedures detailing the merchant fee to be collected pursuant to Business Commerce Code 3.506 (b).

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 13TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 396TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

Please provide a written management response to the observations noted above by August 26, 2016.

If you should have any questions or would like to schedule a meeting to discuss this report, please do not hesitate to call Reynaldo Cantu III, Internal Auditor I, at 318-2511 ext. 4653, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Eufracio, CPA
County Auditor

cc: Mr. Valde Guerra, County Executive Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

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JUDGE, 394TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

COUNTY *of* HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 17, 2016

The Honorable Ricardo Rodriguez, Jr.
Hidalgo County Criminal District Attorney
100 N. Clossner, 3rd Floor
Edinburg, Texas 78539

Re: Review of *Hot Checks Processing Fees Reports* and Supporting Documentation
For the Month of July 2016

Dear Mr. Rodriguez:

We have conducted a limited scope review of the *Hot Checks Processing Fees Report (Processing Fees Report)* and all supporting documentation for the month of July 2016 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if collections were properly accounted and reported.

Scope:

The scope of our review was limited to collections reported by your office on the *Processing Fees Report* for the month of July 2016. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

The purpose of this report is to furnish management independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Methodology:

In planning and performing our review, we reviewed applicable statutes, the *Processing Fees Report*, and fee schedules. The following procedures were performed:

- Reviewed the submittal dates of the *Processing Fees Report* to the County Auditor's Office to determine if the report was received within five days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified the signature on the *Processing Fees Report* to ensure that the report was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Processing Fees Report* by footing and cross-footing the report.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. BINGUETERO
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 12th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

POMER GUERRA REYNA
JUDGE, 13th D.C.

ALAN R. PARTIDA
JUDGE, 17th D.C.

MANO E. RAMIREZ, JR.
JUDGE, 17th D.C.

ACE GONZALEZ
JUDGE, 17th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 18th D.C.

ADA SALINAS FLORES
JUDGE, 18th D.C.

ISRAEL RAMON, JR.
JUDGE, 19th D.C.

JESSE CONTRERAS
JUDGE, 19th D.C.

- Verified that the sequence of receipts and checks issued per the *Processing Fees Report* agreed to *Odyssey's DA Receipt Journal Report* and *Check Transaction Register Report*. In addition, verified that receipts and checks issued followed a sequential order.
- Verified collections and disbursements per the *Processing Fees Report* agreed to *Odyssey's Hot Checks Receipt Journal Report*.
- Verified that collections received from the Community Supervision and Corrections Department were receipted and included on the *Processing Fees Report*.
- Verified that the collections per the *Processing Fees Report* agreed to total receipts issued and the deposits made to the Hot Check bank account.
- Verified that the processing fees per the *Processing Fees Report* were remitted to the County Treasurer's Office in a timely manner.
- Verified that procedures for voided receipts and checks were properly followed.
- Reviewed a random sample of receipts to ensure processing and merchant fees were properly collected and reported as required by Code of Criminal Procedures §102.007 and Business and Commerce Code §3.506 (b) .
- Reviewed a random sample of receipts to determine if court costs collected were remitted to the applicable Justice of the Peace courts and receipted.

Conclusion:

Total collections for the month of July 2016 were \$84,727.28. Based on the results of the review, we have concluded that collections were generally properly accounted and reported. However, improvements could be made to the system of internal controls as noted in the following observation.

Observation No. 1:

We randomly selected 12 of 113 receipts issued during the period of review to determine if processing and merchant fees were properly collected and reported as required by Code of Criminal Procedures §102.007 and Business and Commerce Code § 3.506 (b) . In addition, we reviewed the month's collection remittances, to ensure that they were made in a timely manner.

The results of our review revealed that the processing fees and merchant fees for all 12 receipts were properly collected and reported. However, we noted that the District Attorney's Office does not have a formal policy that details the amount of merchant fee to be collected. According to the Check Fraud Division Supervisor, the District Attorney verbally requested that a \$25.00 merchant fee be collected for hot checks received by the District Attorney's Office on or after January 1, 2015. In addition, we noted that the remittances to the Treasurer's Office were not made in a timely manner. Remittances were made 8 to 12 business days after the collections day.

Pursuant to Code of Criminal Procedures §102.007 (b), a District Attorney may collect a processing fee from any person who is a party to an offense described in Code of Criminal Procedures §102.007 (a). Pursuant to Code of Criminal Procedures 102.007 (c), the amount of the fee may not exceed:

- \$10 if the face amount of the check or sight order does not exceed \$10;
- \$15 if the face amount of the check or sight order is greater than \$10 but does not exceed \$100;
- \$30 if the face amount of the check or sight order is greater than \$100 but does not exceed \$300;
- \$50 if the face amount of the check or sight order is greater than \$300 but does not exceed \$500; and
- \$75 if the face amount of the check or sight order is greater than \$500.

Pursuant to Business and Commerce Code § 3.506 (b), on return of a payment device to the holder following dishonor of the payment device by a payor, the holder, the holder's assignee, agent, or representative, or any other person retained by the holder to seek collection of the face value of the dishonored payment device may charge the drawer or endorser a maximum (merchant) fee of \$30.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. BINGLITERRY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 17th D.C.

J. R. "BOBBY" FLORES
JUDGE, 18th D.C.

ROSE GUERRA REYNA
JUDGE, 20th D.C.

JUAN R. PARTIDA
JUDGE, 21st D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 22nd D.C.

NOE GONZALEZ
JUDGE, 23rd D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 24th D.C.

ANITA SALINAS FLORES
JUDGE, 25th D.C.

ISRAEL RAMON, JR.
JUDGE, 26th D.C.

JESSE CONTRERAS
JUDGE, 44th D.C.

The Honorable Ricardo Rodriguez, Jr.
August 17, 2016
Page 3 of 3

Furthermore, The County Auditor's Office requires that remittances to the Treasurer's Office be done on a daily basis, and not to exceed on week after the last day of collections being remitted.

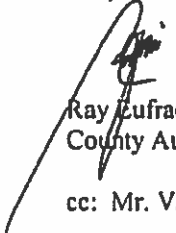
Recommendation:

Management should implement formal policies and procedures detailing the merchant fee to be collected pursuant to Business Commerce Code 3.506 (b). In addition, management should ensure that all remittances are made in a timely manner; specifically deposits should be remitted within a week.

Please provide a written management response to the observations noted above by August 26, 2016.

If you should have any questions or would like to schedule a meeting to discuss this report, please do not hesitate to call Reynaldo Cantu III, Internal Auditor I, at 318-2511 ext. 4653, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,


Ray Cufracio, CPA
County Auditor

cc: Mr. Valde Guerra, County Executive Office



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SMOLETSKY
JUDGE, 91ST D.C.

RODOLFO DELGADO
JUDGE, 91ST D.C.

J. R. "BOBBY" FLORES
JUDGE, 134TH D.C.

ROSE GUERRA REYNA
JUDGE, 306TH D.C.

JUAN R. PARTIDA
JUDGE, 311TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 312TH D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 345TH D.C.

ANGA SALINAS FLORES
JUDGE, 346TH D.C.

ISRAEL RAMON, JR.
JUDGE, 432ND D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 17, 2016

Honorable Ricardo Rodriguez, Jr.
Hidalgo County Criminal District Attorney
100 N. Closner, 3rd Floor
Edinburg, Texas 78539

Re: Review of the HIDTA H.B. 65 Financial Statements
For the months of April 2016 and May 2016

Dear Mr. Rodriguez:

We conducted a limited scope review of the HIDTA H.B. 65 financial statements for the months of April 2016 and May 2016 pursuant to Local Government Code §112.006 (b), §115.001, §115.002 (b), and §115.901. The objective of the review was to obtain limited assurance whether any material modifications needed to be made to the financial statements.

Management is responsible for the preparation of the financial statements and for designing, implementing, and maintaining internal control relevant to the preparation of the financial statements. Our responsibility is to perform procedures to obtain limited assurance that there are no material modifications that need to be made to the financial statements.

Based on our review, nothing came to our attention that caused us to believe that the financial statements contained any material misstatements. However, we noted that the system of internal controls for the accounting of funds requires improvements as noted below:

1. HIDTA Task Force Bank Account

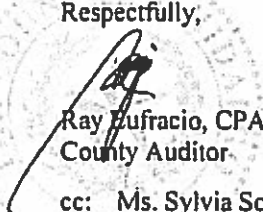
The HIDTA Task Force bank account is utilized to deposit funds seized when a final disposition is rendered. The funds are disbursed by the District Attorney's Accountant from the HIDTA Task Force bank account pursuant to the court order.

We recommend that the HIDTA Task Force bank account be closed unless an agreement exists requiring HIDTA to maintain a separate bank account. If the HIDTA bank account is closed, funds should be deposited to the District Attorney's HB65 bank account once a final disposition is rendered. The funds should be disbursed from the District Attorney's HB65 bank account pursuant to the court order.

Please provide a management response to item 1 above by September 2, 2016.

If you should have any questions, do not hesitate to contact Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,


Ray Zufracio, CPA
County Auditor

cc: Ms. Sylvia Solis, Accountant, District Attorney's Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SMOLETTKY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 12th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA REYNA
JUDGE, 14th D.C.

JUAN R. PARTIDA
JUDGE, 17th D.C.

SAUL E. RAMIREZ, JR.
JUDGE, 21st D.C.

NOE GONZALEZ
JUDGE, 17th D.C.
OVERSEEN

LITHIA LOPEZ
JUDGE, 14th D.C.

ADA ELLINAS FLORES
JUDGE, 14th D.C.

ISRAEL RAMON, JR.
JUDGE, 13th D.C.

JESSE CONTRERAS
JUDGE, 14th D.C.

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 17, 2016

Honorable Ricardo Rodriguez, Jr.
Hidalgo County Criminal District Attorney
100 N. Closner, 3rd Floor
Edinburg, Texas 78539

Re: Review of the Hot Checks Balance Sheet
For the months of April 2016 and May 2016

Dear Mr. Rodriguez:

We have conducted a limited scope review of the statements of net assets (balance sheets) and applicable supporting documentation of the Hot Checks Account for the months of April 2016 and May 2016 pursuant to Local Government Code §112.006 (b), §115.001, §115.002 (b), and §115.901. The objective of the review was to obtain limited assurance whether any material modifications needed to be made to the financial statements.

Management is responsible for the preparation of the financial statements and for designing, implementing, and maintaining internal control relevant to the preparation of the financial statements. Our responsibility is to perform procedures to obtain limited assurance that there are no material modifications that need to be made to the financial statements.

Based on our review, we are not aware of any material modifications that should be made to the statements of net assets (balance sheets) and applicable supporting documentation.

If you should have any questions, do not hesitate to contact Reynaldo Cantu III, Internal Auditor I, at 318-2511 ext. 4653, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at 4604.

Respectfully,


Ray Eufrazio, CPA
County Auditor

cc: Ms. Sylvia Solis, Accountant, District Attorney's Office



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. CHOLESTURY
JUDGE, 1st D.C.

RODOLFO DELGADO
JUDGE, 1st D.C.

J. R. "BOBBY" FLORES
JUDGE, 1st D.C.

ROSE GUERRA REYNA
JUDGE, 1st D.C.

JUAN R. PARTIDA
JUDGE, 1st D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 1st D.C.

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JUDGE, 1st D.C.

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JUDGE, 1st D.C.

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JUDGE, 1st D.C.

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JUDGE, 1st D.C.

COUNTY of HIDALGO

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Edinburg, Texas 78539-6243
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WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 22, 2016

The Honorable Pablo Villarreal, Jr., RTA
Hidalgo County Tax Assessor/Collector
2804 S. Business Hwy. 281
Edinburg, Texas 78539

Ref: Review of Delinquent Tax Attorney Payment Request - July 2016
Report No. 2016-51

Dear Mr. Villarreal:

We have completed a limited scope review of the July 2016 payment request prepared by your office for delinquent tax attorney (DTA) fees due to Linebarger, Goggan, Blair, and Sampson LLP ("LGBS") and related supporting documentation. The objective of our limited scope review was to determine if the payment request was accurate and properly authorized.

The scope of our review was limited to a review of the DTA fees collected by your office on behalf of the following entities: Hidalgo County (GHD), Road District 2 (RD2), Road District 5 (RD5), Road District 7 (RD7), Road District 11 (RD11), Road District 12 (RD12), Road District 14 (RD14), Road District 15, State of Texas (TEX); and the payment request prepared by your office for the month ended July 31, 2016. The County Auditor's Office did not review the tax accounts listed on the "Hidalgo County Tax Office Current Collection Report" and "Hidalgo County Tax Office Prior Collection Report" that reflected a refund since LGBS stated that they would not seek reimbursement for DTA fees previously paid to the prior DTA firm. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. The responsibility for sound internal controls rests with management.

As part of our review, we reviewed the payment request, the delinquent tax attorney contract, and various collection reports prepared by your office. The following procedures were performed:

- Verified that the payment request was signed and included a certification by the Hidalgo County Tax Assessor/Collector that the "payment represents 15% of the delinquent taxes and penalty and interest collections for the month of July 2016."
- Reviewed the "Hidalgo County Tax Office Current Collection Report" and "Hidalgo County Tax Office Prior Collection Report" to determine if the DTA fees were collected at the 15% rate specified in the contract.
- Reviewed the "Hidalgo County Tax Office Current Collection Report" and "Hidalgo County Tax Office Prior Collection Report" to determine if the total amount of DTA fees collected agree to the amount transferred to the Hidalgo County Treasurer's Office.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

PODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

The results of our review revealed that the payment request was generally accurate and properly authorized. More specifically, the following was noted:

- The payment request was signed and included a certification by the Hidalgo County Tax Assessor/Collector that the "payment represents 15% of the delinquent taxes and penalty and interest collections for the month of July 2016."
- Although DTA fees for 226 tax accounts were not collected at the 15% rate specified in the contract; we concluded that the differences in rates were attributed to tax deferrals (223 tax account) and small amounts collected (3 tax account) (see Exhibit A). The small amounts collected on the 3 tax accounts resulted in a net overage of \$.03.

We will proceed to process the July 2016 DTA payment request in the amount of \$280,119.20 to LGBS.

If you have any questions, please feel free to call Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
Hidalgo County Auditor

Enclosures

cc: Ms. Lucy Canales, Linebarger Goggan Blair & Sampson, LLP

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

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ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2015	T094002000016700	0.13	0.03	0.16	0.03
2	1	2014	S397507000001300	31.2	8.32	39.52	5.61
3	1	2014	C070000101001300	27.7	7.48	35.18	5.03
4	1	2014	B157005000013300	17.51	4.84	22.35	3.23
5	1	2013	A330000002002300	665.02	241.63	906.65	126.69
6	1	2013	L450004000010800	268.46	93.96	362.42	48.73
7	1	2013	B030000014000200	36.67	13.82	50.49	7.09
8	1	2013	M520000050000100	38.68	13.67	52.35	7.08
9	1	2013	L685000000001400	25.53	9.11	34.64	4.79
10	1	2013	C980000002000111	22.7	8.24	30.94	4.26
11	1	2013	I200001000014700	16.47	5.71	22.18	2.97
12	1	2013	D780000003000800	15.22	5.43	20.65	2.81
13	1	2013	C060300000001900	13.96	5.36	19.32	2.74
14	1	2013	W230000013000600	13.58	5.07	18.65	2.6
15	1	2013	B030000014000200	6.91	2.6	9.51	1.34
16	1	2013	A210000048001001	5.03	1.84	6.87	0.95
17	1	2013	P320002006001200	3.87	1.38	5.25	0.71
18	1	2013	J522000000002700	0.37	0.13	0.5	0.07
19	1	2012	T66000000A001000	301.11	142.53	443.64	60.52
20	1	2012	L450004000010800	200.86	94.4	295.26	40.07
21	1	2012	I200001000014700	92.13	42.99	135.12	18.24
22	1	2012	A036004000005700	61.19	29.37	90.56	12.48
23	1	2012	R325300000000600	41.54	18.13	59.67	7.66
24	1	2012	T260000000000402	36.52	15.33	51.85	6.46
25	1	2012	W380000462000008	21.6	10.51	32.11	4.47
26	1	2012	J522000000002700	18.59	9.3	27.89	3.96
27	1	2012	W380000507000016	16.89	7.5	24.39	3.17
28	1	2012	W380000462000008	-21.6	-10.51	-32.11	-4.47
29	1	2011	K240000000022301	127.62	65.08	192.7	23.16
30	1	2011	A180000064001602	90.48	45.25	135.73	16.02
31	1	2011	E310000021001100	78.41	42.08	120.49	15.17
32	1	2011	I200001000014700	48.5	28.45	76.95	10.48
33	1	2011	E330000322001200	48.15	28.09	76.24	10.47
34	1	2011	B030000026002300	48.41	27.27	75.68	9.95
35	1	2011	M500000003000310	43.58	24.12	67.7	8.76
36	1	2011	R319001000003800	42.09	22.03	64.12	8.02
37	1	2011	G821000000000200	38.83	19.55	58.38	6.93
38	1	2011	S367500007000600	29.88	17.81	47.69	6.58
39	1	2011	M480000151000800	34.05	18.03	52.08	6.48
40	1	2011	E850003010001900	28.03	14.67	42.7	5.26
41	1	2011	P840000000010437	27.61	14.08	41.69	5.09
42	1	2011	N861301000000900	20.32	12.47	32.79	4.7
43	1	2011	E810000009002300	17.55	10.59	28.14	3.92
44	1	2011	E810000009002300	17.56	10.59	28.15	3.92
45	1	2011	W475000000000500	18.51	10.43	28.94	3.81

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
46	1	2011	S180000002000900	17.25	10.3	27.55	3.8
47	1	2011	M155000000005100	14.21	8.47	22.68	3.13
48	1	2011	P910000004001300	5.05	2.97	8.02	1.09
49	1	2011	P910000004001300	3.37	1.97	5.34	0.73
50	1	2011	R012095000006300	0.37	0.26	0.63	0.1
51	1	2011	E330000322001200	-42.17	-24.6	-66.77	-9.17
52	1	2010	B030000026002300	253.52	173.23	426.75	56.66
53	1	2010	H140000000001100	247.56	154.31	401.87	48.65
54	1	2010	S170002037001800	91.07	57.07	148.14	18.03
55	1	2010	A210000050001500	74.68	45.05	119.73	14
56	1	2010	T66000000A001000	58.47	41.71	100.18	13.86
57	1	2010	N486000000002300	34.58	24.78	59.36	8.25
58	1	2010	D270000000001000	35.44	22.79	58.23	7.28
59	1	2010	T210000239000623	26.29	19.53	45.82	6.58
60	1	2010	K240000000029304	35.5	20.36	55.86	6.29
61	1	2010	E540000027003900	29.29	19.42	48.71	6.28
62	1	2010	G840000000000100	26.4	18.4	44.8	6.06
63	1	2010	N120003000001025	30.24	18.35	48.59	5.72
64	1	2010	C21100000002900	24.18	16.85	41.03	5.55
65	1	2010	E540000027003900	14.66	9.72	24.38	3.14
66	1	2010	C030000189001000	10.41	7.5	17.91	2.5
67	1	2010	M578500000007200	7.13	5.17	12.3	1.73
68	1	2010	L605000000035530	8.23	4.83	13.06	1.51
69	1	2010	F345000155000600	6.19	3.97	10.16	1.27
70	1	2010	A210000048001001	0.87	0.64	1.51	0.21
71	1	2010	H195000000020701	0.24	0.19	0.43	0.07
72	1	2010	L605000000035530	-8.23	-4.83	-13.06	-1.51
73	1	2009	I200002000001400	233.82	173.02	406.84	49.8
74	1	2009	L605000000005300	139.96	97.51	237.47	27.08
75	1	2009	L205000018000500	107.86	75.14	183	20.87
76	1	2009	S170002037001800	91.07	68	159.07	19.67
77	1	2009	L255002016001200	87.75	64.64	152.39	18.56
78	1	2009	K240000000029304	73.34	50.85	124.19	14.3
79	1	2009	V056000000012800	54.03	41.42	95.45	12.16
80	1	2009	W125000003001500	62.85	42.94	105.79	11.78
81	1	2009	K570000000000210	44.16	31.64	75.8	8.94
82	1	2009	W380000767000094	31.79	26.72	58.51	8.2
83	1	2009	C266700000001000	28.3	20.29	48.59	5.73
84	1	2009	L580602000014200	20.3	16.03	36.33	4.78
85	1	2009	C21100000002900	16.9	13.81	30.71	4.18
86	1	2009	G880000010001000	13.08	10.68	23.76	3.23
87	1	2009	H284000000013400	15.55	11.13	26.68	3.19
88	1	2009	B158504000009200	11.71	8.73	20.44	2.53
89	1	2009	H302000000000700	8.04	5.76	13.8	1.63
90	1	2009	A210000048001001	3.24	2.75	5.99	0.85

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
91	1	2009	P640000006000100	2.75	2.29	5.04	0.7
92	1	2008	S170002037001800	91.07	78.93	170	21.31
93	1	2008	A160003000006800	66.99	60.53	127.52	16.79
94	1	2008	N860000002005200	50.25	45.24	95.49	12.52
95	1	2008	O200500000001300	46.21	34.95	81.16	8.52
96	1	2008	N340000000303513	25.17	23.16	48.33	6.49
97	1	2008	W010000040001045	8.78	7.87	16.65	2.17
98	1	2007	E010001003000900	246.83	219.68	466.51	51.46
99	1	2007	S170002037001800	91.07	89.86	180.93	22.95
100	1	2007	O270003000003100	61.79	56.65	118.44	13.62
101	1	2007	L630601000007900	45.06	49.4	94.46	13.59
102	1	2007	W010000040001045	32.2	32.73	64.93	8.55
103	1	2007	L502500000005520	28.3	28.13	56.43	7.22
104	1	2007	E583002000000100	17.68	19.09	36.77	5.2
105	1	2007	C030000189001000	17.18	18.55	35.73	5.05
106	1	2007	O200500000001300	17.61	15.43	33.04	3.57
107	1	2007	P640000026000400	16.44	14.57	31.01	3.4
108	1	2007	O310009000001300	7.55	7.63	15.18	1.98
109	1	2007	B505000015001100	7.29	6.58	13.87	1.56
110	1	2007	U300001000003200	5.42	4.8	10.22	1.12
111	1	2006	W276103000011100	315.52	289.23	604.75	58.21
112	1	2006	O210000005000035	93.92	111.13	205.05	28.6
113	1	2006	C885000024001200	68.55	76.33	144.88	18.71
114	1	2006	M355000056001000	97.1	89.01	186.11	17.91
115	1	2006	S408000000005000	88.47	81.1	169.57	16.32
116	1	2006	H282500000001000	31.04	28.46	59.5	5.73
117	1	2006	L319000006000200	9.04	10.52	19.56	2.67
118	1	2006	E720000016001200	9.79	8.98	18.77	1.81
119	1	2006	B156007000004400	6.21	6.16	12.37	1.36
120	1	2006	D790001001000700	2.81	3.35	6.16	0.86
121	1	2005	W276103000011100	313.17	324.65	637.82	63.42
122	1	2005	E010001003000900	246.83	278.92	525.75	60.35
123	1	2005	M355000056001000	81.73	84.73	166.46	16.55
124	1	2005	A555000000000115	39.69	46.84	86.53	10.6
125	1	2005	S100000046001200	39.17	40.61	79.78	7.93
126	1	2005	M686000000004100	15.33	20.24	35.57	5.06
127	1	2005	P640000023000500	27.36	26.91	54.27	4.88
128	1	2005	S245000000001200	7.86	9.39	17.25	2.15
129	1	2005	W380000141000008	0.21	0.29	0.5	0.08
130	1	2004	E010001003000900	246.83	308.54	555.37	64.79
131	1	2004	S696501000002200	19.99	28.4	48.39	6.78
132	1	2004	L093000001001400	33.66	36.24	69.9	6.21
133	1	2004	J542000000000800	26.39	28.41	54.8	4.87
134	1	2004	S735000004000600	13.91	18.04	31.95	3.94
135	1	2004	S735000004000600	13.92	18.04	31.96	3.94

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
136	1	2004	W380000238000005	12.91	16.99	29.9	3.77
137	1	2004	B203500000004700	19.76	21.27	41.03	3.65
138	1	2004	S170002037001102	12.87	16.69	29.56	3.65
139	1	2004	H100000002000500	13.51	17.1	30.61	3.64
140	1	2004	F345000146000800	15.04	17.41	32.45	3.32
141	1	2004	A180000036000406	4.25	6.01	10.26	1.43
142	1	2004	G560000012002000	4.77	6.14	10.91	1.34
143	1	2004	H100000002000500	4.8	6.07	10.87	1.29
144	1	2004	H100000002000500	-13.51	-17.1	-30.61	-3.64
145	1	2003	E010001003000900	198.59	272.07	470.66	55.7
146	1	2003	L470000000001400	88.52	105.93	194.45	17.93
147	1	2003	E720000019000600	81.85	94.68	176.53	15.1
148	1	2003	K240000000008020	39.42	49.27	88.69	8.93
149	1	2003	K240000000008020	39.42	49.27	88.69	8.93
150	1	2003	T475002000001700	20.72	32.4	53.12	7.61
151	1	2003	H365003000001100	18.32	25.28	43.6	5.22
152	1	2003	H365003000001100	18.32	25.29	43.61	5.22
153	1	2003	H345003000000500	4	5.25	9.25	1.02
154	1	2003	S430000001001400	1.76	2.56	4.32	0.56
155	1	2003	J750000004000200	0.02	0.04	0.06	0.01
156	1	2003	K240000000008020	-39.42	-49.27	-88.69	-8.93
157	1	2002	J183503000005700	85.24	108.82	194.06	17.27
158	1	2002	D780000009000600	28.69	40.07	68.76	7.36
159	1	2002	W230000052000300	7.98	13.13	21.11	2.94
160	1	2002	B505000015000600	5.73	7.55	13.28	1.27
161	1	2002	T094002000000500	-23.94	-39.01	-62.95	-8.8
162	1	2001	W010000046000336	11.03	15.86	26.89	2.63
163	1	2001	S415002008001000	6.36	8.36	14.72	1.17
164	1	2001	T706000000000200	4.11	5.68	9.79	0.88
165	1	2000	G212000000000700	12.21	20.38	32.59	3.78
166	1	2000	W010000044001052	13.33	20.75	34.08	3.42
167	1	2000	V382000000000100	9.3	14.49	23.79	2.39
168	1	2000	V382000000000100	9.3	14.49	23.79	2.39
169	1	2000	E405002013002000	4.15	6.46	10.61	1.06
170	1	2000	M687000000002600	2.48	3.96	6.44	0.68
171	1	1999	S170002037001102	62.16	117.9	180.06	23.22
172	1	1999	A670000000001800	46.01	94.01	140.02	20.22
173	1	1999	S395000002000401	24.4	42.86	67.26	7.57
174	1	1999	L555000000000100	29.05	44.74	73.79	6.19
175	1	1999	E405002013002000	10.95	18.36	29.31	3.01
176	1	1999	T685000000005800	6.84	12.56	19.4	2.37
177	1	1999	T685000000005800	6.86	12.54	19.4	2.37
178	1	1999	G040000006000100	5.19	10.36	15.55	2.17
179	1	1999	H419500000006600	7.02	11.75	18.77	1.92
180	1	1999	H419500000006600	7.02	11.75	18.77	1.92

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
181	1	1998	S170002037001102	62.16	125.36	187.52	24.34
182	1	1998	A670000000001800	24.79	53.63	78.42	11.34
183	1	1998	W010000039001020	21.56	42.93	64.49	8.19
184	1	1998	C765000003002000	24.63	41.77	66.4	6.09
185	1	1998	V382000000006900	8.84	18.77	27.61	3.89
186	1	1998	S395000002000401	9.6	18.01	27.61	3.15
187	1	1998	C700000006000500	1.01	1.71	2.72	0.25
188	1	1997	H265000002003800	100.39	188.4	288.79	29.36
189	1	1997	S170002037001102	66.06	141.14	207.2	27.05
190	1	1997	C910000000001600	39.3	78.48	117.78	13.62
191	1	1997	W010000049001055	20.94	43.9	64.84	8.19
192	1	1997	R230002000003900	13.93	27.82	41.75	4.83
193	1	1997	S170003007001200	3.5	6.57	10.07	1.02
194	1	1996	S170002037001102	42.79	96.56	139.35	18.29
195	1	1996	E660000005000300	33.73	64.09	97.82	9.01
196	1	1996	A210000051001900	26.46	53.91	80.37	8.7
197	1	1996	C070000101001409	28.56	53.78	82.34	7.41
198	1	1996	M490000000009302	16.27	36.61	52.88	6.91
199	1	1996	A268000000003300	12.53	28.08	40.61	5.27
200	1	1996	M167002000004400	11.45	25.43	36.88	4.72
201	1	1996	G230000003000500	11.21	22.39	33.6	3.48
202	1	1996	H265000002003800	10.26	20.48	30.74	3.18
203	1	1996	G590001004002100	9.96	18.74	28.7	2.57
204	1	1996	R230002000003900	6	12.7	18.7	2.19
205	1	1996	S735000006000700	5.17	10.93	16.1	1.88
206	1	1995	A268000000003300	94.02	221.89	315.91	41.18
207	1	1995	H265000002003800	47.73	101.03	148.76	15.68
208	1	1995	M368000000004100	6.74	14.17	20.91	2.17
209	1	1995	E400000002000900	3.1	6.87	9.97	1.16
210	1	1994	R026300000001100	12.43	31.57	44	6
211	1	1993	E330000346000900	3.45	8.12	11.57	1.26
212	1	1992	C655000003002100	37.29	93.82	131.11	14.93
213	1	1991	C655000003002100	34.26	90.32	124.58	14.33
214	1	1991	C655000003002100	2.64	6.97	9.61	1.11
215	12	1998	W010000039001020	0.95	1.86	2.81	0.35
216	12	1996	E660000005000300	1.82	3.46	5.28	0.49
217	12	1996	M490000000009302	0.88	1.97	2.85	0.37
218	12	1996	A268000000003300	0.68	1.51	2.19	0.28
219	12	1996	G590001004002100	0.54	0.99	1.53	0.14
220	12	1995	A268000000003300	15.09	35.61	50.7	6.61
221	17	1993	E330000346000900	0.05	0.09	0.14	0.02
222	1	2010	M08050000G000400	85.15	55.36	140.51	17.76
223	1	2009	B355002000004800	85.84	59.23	145.07	16.35
224	1	2001	C045000004000200	91.19	156.84	248.03	33.37
225	1	2001	C045000004000200	12.62	21.7	34.32	4.62

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
226	1	2000	C045000004000200	9.33	17.16	26.49	3.58

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 19, 2016

Honorable Celestino Avila, Jr., Constable
Hidalgo County Precinct No. 1
1902 Joe Stephens Suite 303
Weslaco, Texas 78596

Re: Cash Count
Report No. 2016-44

Dear Constable Avila:

We conducted a surprise cash count of the cash held at your office on July 29, 2016, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$150.00. Based on the results of our review, we have determined that total cash on hand reconciled to the total receipts issued on July 28, 2016, the day prior to the cash count. Collections had not been made on July 29, 2016. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted during our review that the July 28, 2016 *Cashier's Daily Close-Out Report/Revenue Remittance* and deposit were not prepared on the day the collections were made but were prepared on the following day. According to staff, the *Cashier's Daily Close-Out Report/Revenue Remittance* and deposit were not prepared on the day of the collections because the computer was under maintenance.

In addition, we noted that the reconciliation of cash is not witnessed by another person. According to the Constable Precinct I Administrative Assistant, a witness may not always be available due to the number of staff; however, a witness is used when someone is available.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 273RD D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

The County Auditor's Office requires that each day, the cashier reconcile the cash drawer against receipts issued using the *Cashier's Daily Close-Out Report/Revenue Remittance*. The reconciliation must be witnessed by another person.

Failure to ensure that the *Cashier's Daily Close-Out Report/Revenue Remittance* is prepared each day and the reconciliation is witnessed by another person increases the risk of loss or misuse of County revenues.

Recommendation:

Management should ensure that the *Cashier's Daily Close-Out Report/Revenue Remittance* form is prepared each day and the reconciliation is witnessed by another person.

Observation No. 2:

We noted during our review that segregation of duties over the handling of collections requires improvement. In addition, compensating controls to cover the lack of basic internal controls have not been implemented. The Administrative Assistant II performs the following incompatible duties:

- Custody: Receives money, issues receipts, opens and lists mail receipts, balances copies of receipts against the cash drawer, maintains a cash drawer, prepares bank deposit, and has access to the inventory of unused receipts
- Recording: Accounts for numerical sequence of receipts, records receipts on cash received log, maintains inventory log of unused receipts, prepares reports of cash received, and prepares monthly report
- Authorization: Subsequently compares listed mail receipts to recorded receipts and verifies that voided and original receipts are kept and reviewed

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties prevents one individual from performing a transaction from beginning to end. In addition, it provides an individual with the opportunity to catch an error before a transaction is fully executed. Duties that should be segregated include: custody of assets, recording transactions, and authorization. The individual responsible for receiving money, issuing receipts, opening and listing mail receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, preparing bank deposit, and having access to the inventory of unused receipts should be different from the individual responsible for accounting for numerical sequence of receipts, recording receipts on cash received log, maintaining inventory log of unused receipts, preparing reports of cash received, and preparing the monthly report. In addition, the individuals previously noted should be different from the individual responsible for subsequently comparing listed mail receipts to recorded receipts and verifying that voided original receipts are kept and reviewed.

Maintaining segregation of duties is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, management needs to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations. Adequate and timely supervision is especially important in small departments, where limited personnel may inhibit a thorough segregation of duties.

Failure to ensure that incompatible duties are adequately segregated or that compensating controls are implemented increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that incompatible duties, such as those noted above, are adequately segregated. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Observation No. 3:

We noted during our review that not all employees responsible for handling cash are properly trained on performing the daily close-out procedures. According to the Precinct 1 Administrative Assistant, the employee responsible for handling cash was out of the office and he does not perform the close-out procedures frequently.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 13th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA REYNA
JUDGE, 20th D.C.

JUAN R. PARTIDA
JUDGE, 27th D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 32nd D.C.

NOE GONZALEZ
JUDGE, 37th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38th D.C.

AIDA SALINAS FLORES
JUDGE, 39th D.C.

ISRAEL RAMON, JR.
JUDGE, 43rd D.C.

JESSE CONTRERAS
JUDGE, 44th D.C.

The County Auditor's Office requires for backup personnel be trained properly in case the person in charge of preparing the daily close out report/revenue remittance form is not present.

Failure to ensure that all employees responsible for handling cash are properly trained on performing the daily close-out procedures may result in the loss of County funds.

Recommendation:

Management should ensure that all personnel with duties of receipting collections be adequately trained.

Please provide written management responses to the observations noted above by September 2, 2016.

In addition, management should develop and implement procedures for the handling of cash and cash equivalent transactions. A copy of the written procedures should be submitted to the County Auditor's Office by September 2, 2016. These procedures should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count, please contact Letty Chavez, Compliance Audit Supervisor, at (956) 318-2511 ext. 4651 or Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,


Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 91TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 135TH D.C.

ROSE GUERRA REYNA
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JUDGE, 332ND D.C.

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JUDGE, 370TH D.C.
OVERSEER

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AIDA SALINAS FLORES
JUDGE, 391TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

COUNTY *of* HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 19, 2016

The Honorable Eddie Guerra
Hidalgo County Sheriff
711 El Cibolo Rd.
Edinburg, Texas 78541

Re: Cash Count
Report No. 2016-45

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office East Substation (Fee Account) on July 29, 2016, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$52.00. Based on the results of our review, we have concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of \$50.00. However, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted during our review that security cameras were not utilized in areas where cash was receipted and safeguarded. According to staff, security cameras are located throughout the office; however, not in the area where money is receipted and safeguarded.

The County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 377TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

IDA SALINAS FLORES
JUDGE, 394TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to utilize security cameras in areas where cash is receipted and safeguarded increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that security cameras are utilized in areas where cash is receipted and safeguarded.

Observation No. 2:

We noted during our review that if a shift change is necessary and collections are transferred from one employee to another, the collections are not counted in the presence of both parties and a receipt is not signed by the employee who accepted custody. According to staff, they were aware that collections needed to be counted and a receipt be signed during a shift change, but were not instructed by the Sheriff's Office administration to do so.

The County Auditor's Office requires that when cash is transferred from one person to another, the cash is counted in the presence of both parties. The amount should be recorded on a receipt, and the receipt should be signed by the employee accepting custody. This is necessary for the purposes of establishing responsibility relating to a shortage.

Failure to ensure that a receipt is recorded and signed by the employee accepting custody of collections during the transfer of cash may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that the transfer of collections during a shift change is recorded on a receipt and the receipt is signed by the employee accepting custody.

Observation No. 3:

We noted during our review that a restrictively endorsement stamp "For deposit only" was not maintained by the cashier for money orders received. According to staff, an endorsement stamp has not been provided.

The County Auditor's Office requires that all checks, money orders, and/or cashier's checks be stamped with the restrictive endorsement "For Deposit Only" upon receipt.

Failure to ensure that checks, money orders, and/or cashier's checks are stamped with the restrictive endorsement "For Deposit Only" upon receipt increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that all checks, money orders, and/or cashier's checks are stamped with the restrictive endorsement "For Deposit Only" upon receipt. An endorsement stamp should be provided for the cashiers to use.

Observation No. 4:

We noted during our review that the reconciliation of collections receipted is done the following day. According to staff, the office collects until 5:00 PM (Closing time) and reconciles receipted collections and change fund the following morning. In addition, according to staff the reconciliation process is not witnessed by another person. The reconciliation form is only signed and witnessed by another person.

The County Auditor's Office requires that, each day, the cashiers reconcile the cash drawer against receipts issued and the change fund, using the *Cashier's Daily Close-Out Report*. The reconciliation must be witnessed by another person. A cut-off time should be established for performing the daily close-out procedures.

Recommendation:

Management should ensure that, each day, the cashiers reconcile the cash drawer against receipts issued and the change fund, using the *Cashier's Daily Close-Out Report* and the reconciliation is witnessed by another person.

Observation No. 5:

A listing of the names of customers whose checks/money orders have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds has not been maintained. According to staff, they were not aware that a hot checks listing needed to be maintained.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
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LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 394TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

The County Auditor's Office requires that a listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds be maintained. The hot check list should be referenced when receiving checks from customers.

Failure to maintain a hot check list may result in the loss of County funds.

Recommendation:

Management should compile a "hot check" listing from prior "hot check" occurrences and update the listing as necessary. The hot check list should be referenced when receiving checks from customers.

Observation No. 6:

A notice stating "A \$___ fee will be collected on all returned checks" and a schedule of fees and fines collected by the department were not visible near the cashiers for the public to see.

The County Auditor's Office requires a notice that states "A \$___ fee will be collected on all returned checks" and a schedule of fees and fines collected by the department be posted near the cashier for the public to see.

Failure to ensure that a notice stating that "A \$___ fee will be collected on all returned checks" and a schedule of fees and fines collected by the department visible near the cashier for the public to see may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that a notice stating "A \$___ fee will be collected on all returned checks" and a schedule of fees and fines collected by the department is posted near the cashier for the public to see.

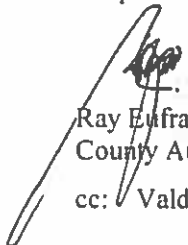
Please provide written management responses to the observations noted above by September 9, 2016.

In addition, please provide us with copies of updated written procedures and internal controls, if any, established by your department for the handling of cash and cash equivalent transactions by September 9, 2016. The written procedures manual should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, training that will be provided, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports; who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count, please contact Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,


Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 82ND D.C.

RODOLFO DELGADO
JUDGE, 83RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 208TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOÉ GONZALEZ
JUDGE, 370TH D.C.
OYFREIR

LETICIA LOPEZ
JUDGE, 381ST D.C.

AIDA SALINAS FLORES
JUDGE, 394TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 19, 2016

The Honorable A.C. Cuellar, Jr., Commissioner
Hidalgo County Precinct No. 1
1902 Joe Stephens Suite 101
Weslaco, TX 78596

Re: Cash Count
Report No. 2016-46

Dear Commissioner Cuellar:

We conducted a surprise cash count of the cash held at the Delta Lake Park on August 7, 2016 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$104.31. Based on the results of our review, we have concluded that total cash on hand did not reconcile to the total receipts issued up to the time of the cash count and the approved change fund of \$100.00 (see observation number 1). In addition, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted during our review that the cash box had a cash overage of \$0.31. According to staff, the \$0.31 overage resulted from change that was found on the ground and placed in the cash box.

The County Auditor's Office requires that overages be recorded as miscellaneous revenue and be deposited with other collections. In addition, management should monitor all overages and shortages to determine if

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 381ST D.C.

AIDA SALINAS FLORES
JUDGE, 388TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action.

Failure to implement internal controls may result in the loss of county funds.

Recommendation:

Management should ensure that overages are recorded as miscellaneous revenue and deposited with other collections. In addition, management should ensure that employees are trained on how to properly handle cash overages and shortages. At a minimum, the procedures noted above should be implemented.

Observation No. 2:

According to the Delta Lake Park staff, effective July 21, 2012 the park entrance fees have been waived from Monday through Saturday. The park entrance fee is only collected on Sundays.

Local Government Code §316.001(4) states "the commissioners court of a county may set and collect fees for admission to a county park, if approved by a majority of the qualified voters of the county voting on the issue at a referendum election, which the commissioners court may order and hold for that purpose. Local Government Code §316.004 further states that "the commissioners court may set and collect the fees in different amounts or may waive the fees in consideration of the following factors: (1) the time of the day at which or the day of the week on which a facility or service is used; (2) the size of a group wishing to use a facility or service; (3) the special circumstances of certain classes of persons, including elderly persons and indigent persons; or (4) other factors that the court considers to justify a different fee or the waiver of a fee."

Commissioner's Court approval to waive the park entrance fee was not obtained.

Recommendation:

Commissioners Court approval to waive the park entrance fee should be obtained.

Observation No. 3:

A notice stating "Gifts, gratuities, and/or tips will not be accepted" was not posted in a place visible to the public near the cashier. Staff did not know why the notice had not been posted.

In addition, we noted that although the notice stating "Make sure you receive an official county receipt when making payments at this office" was posted in a place visible to the public, the notice was not legible.

The County Auditor's Office requires a notice stating "Gifts, gratuities, and/or tips will not be accepted", and a notice stating "Make sure you receive an official county receipt when making payments at this office" be posted in a place visible to the public near the cashiers.

Failure to ensure that a notice stating "Gifts, gratuities, and/or tips will not be accepted", and readable notice stating "Make sure you receive an official county receipt when making payments at this office" is posted in a place visible to the public near cashiers increases the risk of loss or misuse of County revenues.

Recommendation:

Management should ensure that a notice stating "Gifts, gratuities, and/or tips will not be accepted" is posted in a place visible to the public near cashiers. In addition, management should ensure that the notice stating "Make sure you receive an official county receipt when making payments at this office" is replaced.

Observation No. 4:

We noted during our review that park entrance tickets were not properly completed. Several park entrance tickets (portion issued to the customer) were noted with a date of issuance prior to actually being issued. In addition, the portion issued to the customer is separated from the ticket book prior to being issued. According to staff, the date of issuance is pre-filled on the park entrance ticket and the ticket is separated from the ticket book to reduce wait time.

The County Auditor's Office requires that all cash received be promptly recorded and controlled using a pre-numbered official County receipt (park entrance ticket). In order to create an audit trail, the official County receipt must be noted with the date of issuance and the initials or signature of the cashier who issued the receipt at the time of issuance.

Failure to ensure that park entrance tickets are properly completed at the time of issuance increases the risk of loss or misuse of County funds.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
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JUDGE, 139TH D.C.

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MARIO E. RAMIREZ, JR.
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NOE GONZALEZ
JUDGE, 370TH D.C.
CIVIL RIGHTS

LETICIA LOPEZ
JUDGE, 385TH D.C.

ANNA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

Recommendation:

Management should ensure that the park entrance tickets are properly completed at the time of issuance. At a minimum, the procedures noted above should be implemented.

Observation No. 5:

Procedures for voiding receipts require improvement. According to staff, they are not trained on the proper procedures for voiding receipts.

The County Auditor's Office requires that employees responsible for handling cash are properly trained. Approval of void receipts should be limited to supervisors. The supervisors should ensure the original and all copies of the void receipt contain on the face of the receipt the word "void", an explanation for the void, the date receipt was voided, and the supervisor's signature of approval. If a new receipt is issued, the voided receipt number and the new receipt number should be cross-referenced.

Failure to ensure that receipts are properly voided may result in the loss of County funds.

Recommendation:

Management should ensure that employees are trained on how to properly void receipts. At a minimum, the procedures noted above should be implemented.

Observation No. 6:

We noted during our review that the tickets are not issued in sequential order. According to staff, since the tickets are separated from the ticket book prior to being issued, the clerk issues a ticket without ensuring that the receipt is issued in sequential order.

The County Auditor's Office requires that receipts/tickets be issued in sequential order.

Failure to ensure that receipts are issued in sequential order may result in the loss of County funds.

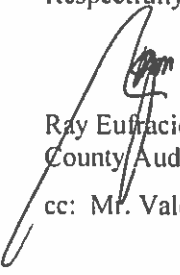
Recommendation:

Management should ensure that receipts are issued in sequential order.

Please provide written management responses to the observations noted above by August 29, 2016.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count, please contact Rey Cantu, Internal Auditor, at 956-318-3511, ext. 4653, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Eufacio, CPA
County Auditor

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 13th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA REYNA
JUDGE, 20th D.C.

JUAN R. PARTIDA
JUDGE, 27th D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 32nd D.C.

NOE GONZALEZ
JUDGE, 37th D.C.
OVERREFF

LETICIA LOPEZ
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ANITA SALINAS FLORES
JUDGE, 39th D.C.

ISRAEL RAMON, JR.
JUDGE, 43rd D.C.

JESSE CONTRERAS
JUDGE, 44th D.C.

COUNTY of HIDALGO

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WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 18, 2016

The Honorable Arturo Guajardo, Jr.
Hidalgo County Clerk
100 N. Closner, 1st Floor
Edinburg, TX 78539

Ref: Cash Count
Report No. 2016-534

Dear Mr. Guajardo:

We conducted a surprise cash count of the cash held at the Hidalgo County Clerk's McAllen Substation on June 21, 2016 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included, but were not limited to, the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$9,711.50. Based on the results of our review, we have concluded that total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$300.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

During the cash count, we noted that the cashiers' cash drawers were not kept locked throughout the day. According to staff, procedures will be implemented to ensure that cashiers lock their cash drawer during lunch breaks, and at the end of the day.

The County Auditor's Office requires all cash be protected immediately by using a cash drawer, safe, or other secure place until it is deposited. To establish individual responsibility for cash receipts, each cashier must be

HIDALGO COUNTY DISTRICT JUDGES

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ROSE GUERRA REYNA
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MARIO E. RAMIREZ, JR.
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NOE GONZALEZ
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OVERSEER

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assigned a separate cash drawer which only the cashier may access while on duty. The cash drawer must be maintained locked during the cashier's absence.

Failure to ensure that the cash drawer is locked during the cashier's absence increases the risk of loss or misuse of County funds.

Recommendation:

Management should instruct cashiers to never leave the cash drawer unlocked while on break, lunch, or any period of time that the cashier is stepping away from the cash drawer.

Observation No. 2:

During the cash count, we noted that passwords to gain access to *Kofile*, the electronic receipting system, are not changed at least every 90 days. According to staff, *Kofile* is a fairly new receipting system that was placed into service in February 2016. According to staff, as of the time of the cash count, the receipting system has not prompted them to change the passwords.

The Information Technology (IT) Securities Policy requires that passwords be changed at least every 90 days.

Failure to change passwords may increase the risk of unauthorized access to *Kofile*.

Recommendation:

Management should contact the applicable software providers to request that *Kofile* be programmed to prompt and require users to change passwords at least every 90 days. The Information Technology Department should be contacted to request their assistance regarding this recommendation.

Observation No. 3:

We noted during our review that cashiers do not formally document the reconciliation of the day's collections and change fund to the receipts issued for the day by preparing a Cashier's *Daily Close-Out Report* (Close-Out report). According to staff, the day's collections are reconciled by counting the collections for the day and signing the *Kofile's* cash drawer summary report as a confirmation that cash on hand reconciled to cash and checks reported on the cash drawer summary report.

The County Auditor's Office has a policy requiring that cash on hand be reconciled to receipts issued and the approved change fund, if any, on a daily basis utilizing the *Cashier's Daily Close-Out Report* (Close-Out report). The following procedures should be implemented consistently when preparing the Close-Out Report:

1. The Cashier shall count the money and fill in the appropriate amounts of *Part II Cash on Hand by Actual Count* of the Close-Out Report.
2. The Witness shall total the actual receipts issued for the day of collection and note the beginning and ending receipt number and control numbers on the appropriate line of *Part I Recap of Receipts from Cash Drawer Summary Report* of the Close-Out Report.
3. The Witness shall then generate *Kofile's Cash Drawer Summary Report* for the date of collection and verify that the beginning and ending receipt number and total collections noted on the *Cash Drawer Summary Report* agree to those verified on Step 2.
4. The Witness shall then confirm the amount counted by the Cashier as noted on *Part II Cash on Hand by Actual Count* of the Close-Out Report agrees to the receipts issued and the approved change fund amount, if any. Any variances should be noted on the Comments Section, with a detailed explanation.
5. Both the Cashier and the Witness shall verify that the *Cashier's Daily Close-Out Report* is completely filled out. Both the Cashier and Witness shall provide their signature on the appropriate line of *Part III Acknowledgment and Approval* of the Close-Out Report.
6. A deposit slip shall be prepared. If possible, deposit slips should be prepared by someone other than the Cashier. Any and all overages shall be included in the deposit. The deposit slip shall be identified by noting the date of collection and receipt sequence for which the deposit is being made. The check numbers, money order numbers, cashier check numbers, etc.. shall be noted on the deposit slip. If this is not possible, copies of these items shall be maintained and attached to the Close-Out Report.
7. The validated deposit slip shall be compared to the Close-Out Report by the Clerk Manager. Both amounts should agree. The Clerk Manager shall acknowledge this verification by providing his/her signature on the appropriate line of *Part III Acknowledgment and Approval* of the Close-Out Report.

HIDALGO COUNTY DISTRICT JUDGES

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JUDGE, 139TH D.C.

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JUDGE, 204TH D.C.

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JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

8. The Clerk Manager shall approve the Close-Out Report by providing his/her signature on the appropriate line of *Part III Acknowledgment and Approval* of the Close-Out Report.

Formal procedures have not been developed and implemented to ensure that the Close-Out Report is properly prepared to document the reconciliation of the day's collections to the receipts issued. Failure to properly prepare the Close-Out Report increases the risk of loss or misuse of County revenues.

Recommendation:

Management should develop and implement formal monitoring procedures to ensure that the Close-Out Report is properly completed. At a minimum, the procedures noted above should be implemented.

Please provide written management responses to the observations noted above by August 29, 2016.

In addition, please provide us with copies of the written procedures and internal controls established by your department for the handling of cash and cash equivalent transactions. The written procedures should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, training that will be provided, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

Please provide our office with copies of the procedures by August 29, 2016.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count, please contact Gricelda Quintero, Internal Auditor I, at 318-2511 ext. 4643, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,


Ray Lufracio, CPA
County Auditor

cc: Valde Guerra, Commissioners Court Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 15th D.C.

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ROSE GUERRA REYNA
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COUNTY *of* HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
County Administration Building
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Edinburg, Texas 78539-3587
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

July 29, 2016

The Honorable Charlie Espinoza
Justice of the Peace, Pct.4, Pl. 1
212 N. 12th Avenue
Edinburg, TX 78539

Re: Cash Count
Report No. 2016-541

Dear Judge Espinoza:

We conducted a surprise cash count of the cash held at your office on June 22, 2016, as required by Local Government Code § 115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. In addition, we evaluated the procedures in place related to 1.) the collections process, 2.) accounting of citations and civil cases filed with the court and 3.) documenting the authorization of dismissed criminal cases for the period of May 1, 2016 through May 30, 2016. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also interviewed staff and reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, segregation of duties, accounting of citations and civil cases, and documenting the authorization of dismissed cases.

Conclusion:

Total collections at the time of the cash count were \$1,187.00. Based on the results of our review, we have concluded that total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$50.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted during our review that a mail log was not utilized to record payments received through the mail. In addition, checks/money orders received through the mail were not immediately restrictively endorsed "For

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Deposit Only" by the person responsible for opening the mail. Instead, the checks/money orders were restrictively endorsed by the cashiers at the time a receipt was issued. According to staff, the Justice of the Peace receives, opens, and distributes the mail-in payments to clerks; however, due to time constraints, the Justice of the Peace does not log in all incoming mail or restrictively endorses checks/money orders "For Deposit Only."

The County Auditor's Office requires that payments received through the mail be recorded on the *Daily Mail Collection Report* (mail log). The person responsible for opening the mail should immediately endorse all checks/ money orders with a restrictive endorsement stamp "For Deposit Only" and list them on the mail log before distribution to the cashier(s).

Failure to ensure that all mail-in payments are properly recorded on a mail log and immediately restrictively endorsed "For Deposit Only" may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that all mail-in payments are properly recorded on a mail log and immediately restrictively endorsed "For Deposit Only." Please refer to the Cash Handling Guidelines and Procedures for specific procedures to follow while completing the *Daily Mail Collection Report*.

Observation No. 2:

We noted during our review that procedures for the accounting of citations received from law enforcement agencies and civil cases filed with the court require improvement as follows:

1. A reconciliation of citations and civil cases filed at the court to those recorded on *Odyssey*, the case management system, was not conducted and formally documented; and
2. Duties related to citations and civil cases are not properly segregated. Individuals responsible for issuing receipts (custody responsibility) are also responsible for entering citations and civil cases into *Odyssey* (reporting responsibility).

According to staff, due to a heavy case load and limited staff, procedures for the accounting of citations and civil case filings have not been improved.

The County Auditor's Office requires that a reconciliation of citations and civil cases filed at the court be conducted and formally documented. This reconciliation may be conducted and formally documented by completing a citations/civil cases filed log (log). Citations/civil cases should be entered into *Odyssey*, the case management system, the same day they are received. Any exceptions should be brought to the attention of the Supervisor, placed in a locked area, and processed on the next business day. The following procedures should be followed when processing citations:

- a. The person responsible for opening the mail and/or accepting the delivery of citations/civil cases should immediately list citations/civil cases on the log before distribution to the person responsible for entering them in *Odyssey*. Since the person responsible for entering the citations/civil cases in *Odyssey* has recording responsibilities, he/she should not be responsible for accepting payments.
- b. The person responsible for opening the mail and/or accepting the delivery of citations/civil cases should note, at a minimum, the following on the log: date received, citation number, name of violator/plaintiff, and name of officer who issued the citation, as applicable. The person responsible for noting this information should provide his/her signature on the "Prepared by" line of the log.
- c. The person responsible for entering the citations in *Odyssey* should enter the date of entry and docket number assigned to the citation/civil case on the log and provide his/her signature on the "Entered by" line of the log.
- d. The "New Cases" and "Cases Filed" reports for the specified date should be generated from *Odyssey* and reconciled to the log by a person other than the person responsible for entering the citations in *Odyssey*. Any variances should be noted on the log, with a detailed explanation, and immediately brought up to the attention of the Justice of the Peace. In addition, the person conducting this reconciliation should provide his/her signature on the log as acknowledgment of the reconciliation.
- e. Citations should be placed in the applicable file.

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- f. The Justice of the Peace should request periodic reports regarding the citations filed with the courts from law enforcement agencies and reconcile the reports to the citations recorded in *Odyssey*.
- g. Copies of the citation logs and periodic reports received from law enforcement agencies shall be maintained by the Justice of the Peace Office. This documentation shall be made available to the County Auditor's Office for review upon request.

Maintaining adequate internal controls over citations is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, management needs to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations.

Failure to ensure that citations and civil cases are properly accounted and reconciled or that compensating controls are implemented increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that citations and civil cases are properly accounted and reconciled. The procedures noted above should be implemented. If the procedures cannot be implemented, management should ensure that compensating controls are implemented.

Observation No. 3:

A notice stating "A \$__ fee will be collected on all returned checks" was not posted in a conspicuous location for the public's view. According to staff, the sign has been posted; however, the sign occasionally gets removed by customers.

The County Auditor's Office requires that a notice stating "A \$__ fee will be collected on all returned checks" be posted in a conspicuous location for the public's view.

Failure to post the required notice increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that a notice stating "A \$__ fee will be collected on all returned checks" is posted in a conspicuous location for the public's view.

Observation No. 4:

A listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds is not maintained. According to staff, a copy of the hot check list has not been requested from the County Treasurer's Office. In addition, prior to accepting a check as a method of payment, staff will review the case history of the individual to verify that the individual does not have "hot check" offenses in *Odyssey*.

The County Auditor's Office requires that a listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds be maintained. The hot check list should be referenced when receiving checks from customers.

Failure to maintain a hot check list may result in the loss of County funds.

Recommendation:

Management should request the "hot check" listing from the County Treasurer's Office.

Observation No. 5:

We noted during our review that security cameras were not utilized in all areas where cash is received and safeguarded. According to staff, the cameras have been installed in all but one area where cash is received.

The County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections are received and safeguarded. Camera images must be stored on the type of media

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(e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to properly utilize security cameras increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that security cameras are installed in the areas where cash collections are received and safeguarded.

Observation No. 6:

We noted during our review that segregation of duties over the handling of cash requires improvement. The Court Coordinator performs the following incompatible duties:

- Custody: Receipts money, issues receipts, balances copies of receipts issued against cash drawer, maintains a cash drawer, and prepares daily bank deposits.
- Recording: Accounts for the numerical sequence of cash receipts, has access to dismiss cases in *Odyssey*, prepares monthly reports, and prepares reports of cash received and disbursed
- Authorization: Approves the voiding of receipts.

According to staff, segregation of duties is difficult to implement due to a limited number of staff. However, the court coordinator does not receipt cash payments anymore. The Court Coordinator is in the process of delegating the duty of receipting credit card payments to other staff members.

The responsibility of sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties prevents one individual from performing a transaction from beginning to end. In addition, it provides an individual with the opportunity to catch an error before a transaction is fully executed. Duties that should be segregated include: custody of assets, recording transactions, and authorization. The individual responsible for receipting money, issuing receipts, balancing copies of receipts issued against the cash drawer, maintaining a cash drawer, and preparing daily bank deposits should be different from the individual responsible for the accounting of the numerical sequence of cash receipts, having access to dismiss cases on *Odyssey*, preparing monthly reports, and preparing reports of cash received and disbursed. In addition, the individuals previously noted should be different from the individual responsible for approving the voiding of receipts.

Maintaining segregation of duties is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, management needs to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations. Adequate and timely supervision is especially important in small departments, where limited personnel may inhibit a thorough segregation of duties.

Failure to have adequate segregation of duties increases the risk of loss or misuse of County revenues.

Recommendation:

Management should develop and implement formal procedures to ensure that incompatible duties are adequately segregated such as those noted above. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Observation No. 7:

We noted during our review that a member of the staff placed personal funds in the same cash drawer where County funds are to be safeguarded. According to the staff, they were not aware that they had placed personal funds in the cash drawer. According to staff, the staff member had not served as a cashier or taken payments for over a year.

HIDALGO COUNTY DISTRICT JUDGES

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JUDGE, 20th D C

JUAN R. PARTIDA
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JUDGE, 38th D C

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ISRAEL RAMON JR.
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JESSE CONTRERAS
JUDGE, 44th D C

The County Auditor's Office requires that County funds not be comingled with personal funds.

Failure to ensure that County funds are not comingled with personal funds increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that staff does not comingle personal funds with County funds.

Observation No. 8:

We noted during our review that deposit slips did not contain the receipt sequence for which the deposit was being made.

Pursuant to the County Auditor's *Cash Handling Guidelines and Procedures*, deposit slips must contain sufficient information to identify the cash receipts for which the deposit is being made. Deposit slips must include the date of deposit, receipt sequence, amount of currency and coins, a listing of checks numbers and amounts, and the total dollar amount of the deposit. If it is not possible to list all the checks collected, copies of the checks must be maintained and attached to the Close-Out Report.

Failure to ensure that deposit slips contain the receipt sequence increase the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that deposits slips contain the receipt sequence for which the deposit is being made.

Observation No. 9:

A notice stating that an area is being monitored by a security camera was not posted in a conspicuous location for the public's view. According to staff, the cameras had been installed; however, had not been working until recently, therefore, the notice had not been posted.

The County Auditor's Office requires that a notice stating that an area is being monitored by a security camera be posted in a conspicuous location for the public's view.

Failure to post the required notice increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that a notice stating an area is being monitored by a security camera is posted in a conspicuous location for the public's view.

Observation No. 10:

Both the username and password to gain access to *Hamer Enterprises* are shared by all staff. According to the Court Coordinator, the court was only provided with one generic username and password when the system was set up. She was not aware that she needed to request individual usernames and passwords.

The Information Technology (IT) Securities Policy requires that usernames and passwords not be shared.

Sharing username and password may increase the risk of unauthorized access to *Hamer Enterprises*.

Recommendation:

Management should ensure that usernames and passwords to gain access to *Hamer Enterprises* are not shared.

Observation No. 11:

At the time of the cash count, there were no appeal bonds on hand. However; according to staff, when appeal bonds are received, an official County receipt is not issued. The appeal bonds are made payable to the County Clerk's Office. According to the Court Coordinator, the bonds are kept in a locked filing cabinet until the Justice of the Peace approves the appeal to be sent to the County Clerk's Office. The Court Coordinator further indicated that it may take from 1 to 2 days to obtain approval from the Justice of the Peace. Both the appeal

HIDALGO COUNTY DISTRICT JUDGES

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JUDGE, 443RD D.C.

bond and applicable court documentation are then submitted to the County Clerk's Office. A receipt for the appeal bond is received in the form of a stamped cover letter from the County Clerk's Office.

The County Auditor's Office requires that all cash (i.e., cash, checks, credit card payments, etc.) received be promptly recorded and controlled using pre-numbered official County receipts.

Failure to ensure that appeal bonds are promptly received in a timely manner may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that all appeal bonds are promptly receipted in a timely manner. In the alternative, the Justice of the Peace should prepare all applicable court documentation and request that the payor submit the documentation along with payment of the appeal bond to the County Clerk's Office.

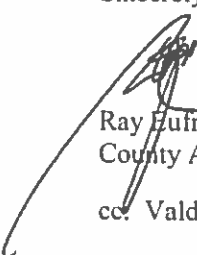
Please provide written management responses to the observations noted above by August 31, 2016.

In addition, management should develop and implement procedures for the handling of cash transactions and provide a copy to the County Auditor's Office by August 31, 2016. These procedures should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Mirjam Sinder, Internal Auditor I, at 318-2511 ext. 4647, Yvonne Torres, Revenue Audit Supervisor, at ext. 4645, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Sincerely,


Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, Commissioners Court Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 312ND D.C.

NCE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-3587
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 19, 2016

Mr. Eduardo Olivarez, Chief Administrative Officer
Hidalgo County Health and Human Services Department
1304 S. 25th Street
Edinburg, Texas 78539

Re: Cash Count
Report No. 2016-551

Dear Mr. Olivarez:

We conducted a surprise cash count of the cash held at the Pulmonary Health Clinic on July 13, 2016 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included, but were not limited to, the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

At the time of the cash count, receipts had not been issued and collections had not been made. Based on the results of our review, we have concluded that total cash on hand did reconcile to the approved change fund of \$25.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

Observation No. 1:

We noted during our review that security cameras were not utilized where cash is received and safeguarded. According to management, security cameras have not been installed due to budgetary constraints.

The County Auditor's Office recommends that security alarms and security cameras be installed in areas where cash collections and receipts are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation,

HIDALGO COUNTY DISTRICT JUDGES

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JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 394TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

they must be retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to utilize security cameras where cash collections are received and safeguarded increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that security cameras are installed and utilized where cash is receipted and safeguarded. In addition, management should continue to contact the Department of Budget and Management to request funding assistance to purchase the security cameras.

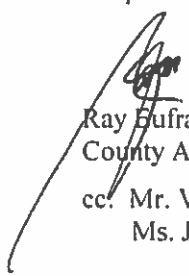
Please provide written management responses to the observation noted above by September 16, 2016.

In addition, information regarding the items listed below was previously provided to our office. Please provide any updated procedures, if applicable, by September 16, 2016. These procedures should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you should have any questions, do not hesitate to contact Marissa Castillo, Internal Auditor I, at 318-2511 ext. 4647, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Bufracio, CPA
County Auditor

cc: Mr. Valde Guerra, Commissioners Court Executive Office
Ms. Jeanne Salinas, Supervisor, Edinburg Pulmonary Clinic

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

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JUDGE, 448TH D.C.

COUNTY of HIDALGO

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Hidalgo County Administration Building
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EDINBURG, TEXAS 78539

August 22, 2016

The Honorable Pablo (Paul) Villarreal, Jr., RTA
Hidalgo County Tax Assessor/Collector
2804 South Business Highway 281
Edinburg, Texas 78539

Re: Cash Count
Report No. 2016-562

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Elsa Tax Office on June 23, 2016, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$3,848.43. Based on the results of our review, we have concluded that total cash on hand generally did reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$500.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted during our review that one check received over-the-counter was not restrictively endorsed "For Deposit Only".

The County Auditor's Office requires that all checks received must be restrictively endorsed "For Deposit Only" immediately, up on receipt.

Failure to ensure all checks received are endorsed "For Deposit Only" may result in the loss or misuse of County funds.

HIDALGO COUNTY DISTRICT JUDGES

LARS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 208TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

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JUDGE, 332ND D.C.

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JUDGE, 370TH D.C.
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JUDGE, 389TH D.C.

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JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

Recommendation:

Management should instruct staff to ensure that checks accepted as payment are immediately endorsed "For Deposit Only" upon receipt.

Please provide a written management response to the observation noted above by September 16, 2016.

In addition, please provide our office with copies of the procedures listed below and any updated procedures, if applicable, by September 16, 2016.

- a. Location of cash collection points;
- b. Types of collections made by each cash collection point;
- c. The training that will be provided at the collection point and description of how segregation of duties will be maintained;
- d. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained;
 6. Computer hardware and software used; and
- e. A schedule of how often deposits will be made.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Abigail Guajardo, MSA, Internal Auditor II, at (956) 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.

Respectfully,


Ray Eufrazio, CPA
County Auditor

cc: Eva Mireles, Chief of Operations
Hermelinda Esparza, Substation Supervisor
Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

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COUNTY *of* HIDALGO

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EDINBURG, TEXAS 78539

August 18, 2016

The Honorable Pablo (Paul) Villarreal Jr., RTA
Hidalgo County Tax Assessor/Collector
2804 South Business Highway 281
Edinburg, Texas 78539

Re: Cash Count
Report No. 2016-563

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Elsa Motor Vehicle Substation on June 23, 2016, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$7,925.50. Based on the results of our review, we have concluded that generally total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

According to staff, a listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds is maintained by the department. However, the listing had not been provided to the cashiers. Therefore, cashiers were not required to verify if the payer's name is on the hot check list, prior to accepting a check as a payment.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 208TH D.C.

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JUDGE, 273RD D.C.

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JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

The County Auditor's Office requires that a listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds be maintained. The hot check list should be referenced by cashiers when receiving checks from customers.

Failure to ensure that a current hot check list is maintained and referenced by cashiers when receiving checks from customers may result in the loss of County funds.

Recommendation:

Management should ensure that a current hot check list is maintained and referenced by cashiers when receiving checks from customers. Checks from customers on the hot check list should not be accepted.

Please provide a written management response to the observations noted above by August 29, 2016.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Alejandra Santa Ana, Internal Auditor I, at (956) 318-2511, ext. 4647, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Arcy B. Duran, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer
Santos Castilleja, Motor Vehicle Division Manager
Hermelinda Esparza, Elsa Motor Vehicle Substation Supervisor

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

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