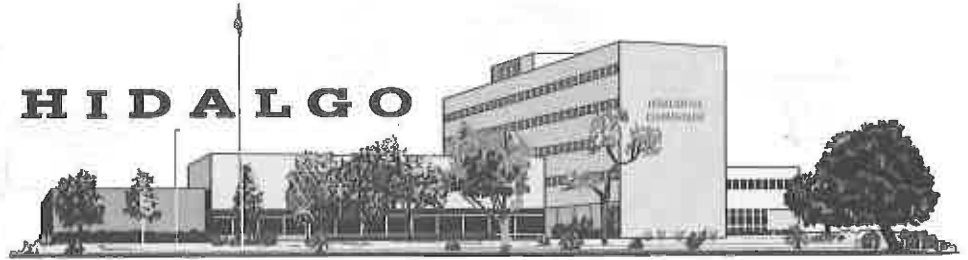


# COUNTY of HIDALGO

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](http://www.co.hidalgo.tx.us/auditor)



EDINBURG, TEXAS 78539

March 3, 2021

The Honorable Richard F. Cortez, Hidalgo County Judge  
 The Honorable David L. Fuentes, Commissioner Precinct No. 1  
 The Honorable Eduardo Cantu, Commissioner Precinct No. 2  
 The Honorable Everardo Villarreal, Commissioner Precinct No. 3  
 The Honorable Ellie Torres, Commissioner Precinct No. 4

Dear Judge and Commissioners:

Pursuant to Local Government Code Section 115.0035 (c), we are submitting for your review the following County Auditor reports:

| Department   | Description  |
|--|--|
| Mr. Homero Garza, Fire Marshal   | Monthly Fees Report for October 2020 and November 2020                               |
| Mr. Eduardo Olivarez, Director<br>Hidalgo County Department of Health and Human Services | Environmental Health Division Monthly Fees Report for October 2020 and November 2020 |
| The Hon. Ricardo Rodriguez, Jr. Criminal District Attorney                               | Chapter 59 Asset Forfeiture Audit Report FYE 8-31-2020<br>Audit No. 2020-57          |
| The Hon. Pablo Villarreal, Jr., RTA<br>Hidalgo County Tax Assessor/Collector             | December 2020 DTA Payment Request Report No. 2020-74                                 |
| Mr. Rolando Garza, Chief Appraiser<br>Hidalgo County Appraisal District                  | City of Edinburg TIRZ No. 4 Entertainment Center (THEB4)<br>Report No. 2020-35       |
| Mr. Rolando Garza, Chief Appraiser<br>Hidalgo County Appraisal District                  | South Texas Electric Cooperative, Inc. 2020 Tax Abatement<br>Report No. 2021-19      |
| Ms. Yvonne Ramon, Elections Administrator  | Monthly Fees Report for November 2020  |
| Ms. Yvonne Ramon, Elections Administrator  | Monthly Fees Report for December 2020  |
| The Hon. Bobby Contreras, Justice of the Peace Pct. 2 Pl.1                               | Monthly Fines and Fees Reports for October 2020 through<br>December 2020             |
| The Hon. Sonia "Dr." Trevino, Justice of the Peace Pct. 3<br>Pl. 1                       | Monthly Fines and Fees Report for July 2020 through<br>September 2020                |

Respectfully,

*Maria A. Duran*  
 Maria Arcilia Duran, CPA  
 Hidalgo County Auditor

Attachments

## HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY  
 JUDGE, 82<sup>ND</sup> D.C.

FERNANDO MANCIAS  
 JUDGE, 93<sup>RD</sup> D.C.

J. R. "BOBBY" FLORES  
 JUDGE, 139<sup>TH</sup> D.C.

ROSE GUERRA REYNA  
 JUDGE, 236<sup>TH</sup> D.C.

MARLA CUELLAR  
 JUDGE, 275<sup>TH</sup> D.C.

MARCO E. RAMIREZ, JR.  
 JUDGE, 332<sup>ND</sup> D.C.

NOE GONZALEZ  
 JUDGE, 370<sup>TH</sup> D.C.

LETICIA LOPEZ  
 JUDGE, 389<sup>TH</sup> D.C.

L. HENR VASQUEZ  
 JUDGE, 398<sup>TH</sup> D.C.

ISRAEL RAMON, JR.  
 JUDGE, 430<sup>TH</sup> D.C.

RENEE R. BETANCOURT  
 JUDGE, 449<sup>TH</sup> D.C.

JOSE "JOE" RAMIREZ  
 JUDGE, 464<sup>TH</sup> D.C.

OVERSEER

# COUNTY *of* HIDALGO



EDINBURG, TEXAS 78539

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January 25, 2021

Mr. Homero Garza, Fire Marshal  
Hidalgo County Fire Marshal's Office  
1903 N. Knights Drive  
Pharr, Texas 78577

Re: *Monthly Fees Report* for October 2020 and November 2020

Dear Mr. Garza:

We conducted a limited scope review of the *Monthly Fees Report* and supporting documentation for the months of October 2020 and November 2020 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if fees collected were properly accounted and reported. 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.

**Conclusion:**

Collections for the months of October 2020 and November 2020 totaled \$11,575.00 and \$9,800.00, respectively. Based on the review, we concluded that fees collected were properly accounted and reported.

**Scope:**

The scope of the review was limited to collections reported by your office on the *Monthly Fees Report* for the months of October 2020 and November 2020. The 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.

**Methodology:**

In conducting the review, the following procedures were performed:

- Verified that the *Monthly Fees Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly Fees Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *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 were issued in sequential order.
- Verified that procedures for voiding receipts were properly followed.
- Reviewed *Daily Remittance* forms to determine if fees collected were properly accounted and deposited with the County Treasurer on or before the fifth day after the day on which the funds were received.

---

**HIDALGO COUNTY DISTRICT JUDGES**

LUIS M. SINGLETERRY  
JUDGE, 82<sup>ND</sup> D.C.

FERNANDO MARTINEZ  
JUDGE, 84<sup>TH</sup> D.C.

J. R. "BOBBY" FLORES  
JUDGE, 135<sup>TH</sup> D.C.

ROSE GUERRA REYNA  
JUDGE, 209<sup>TH</sup> D.C.

MARLA CUELLAR  
JUDGE, 279<sup>TH</sup> D.C.

MARIO E. RAMIREZ, JR.  
JUDGE, 322<sup>ND</sup> D.C.

NOE GONZALEZ  
JUDGE, 376<sup>TH</sup> D.C.  
OVERSEER

LETICIA LOPEZ  
JUDGE, 389<sup>TH</sup> D.C.

L. KENO VASQUEZ  
JUDGE, 389<sup>TH</sup> D.C.

ISRAEL RAMON, JR.  
JUDGE, 430<sup>TH</sup> D.C.

RENEE R. BETANCOURT  
JUDGE, 448<sup>TH</sup> D.C.

JOSE "JOE" RAMIREZ  
JUDGE, 484<sup>TH</sup> D.C.

- Verified that the collections per the *Monthly Fees Report* agreed to total receipts issued and the deposits made with the County Treasurer.
- Verified that receipts, *Daily Remittance* forms, and the *Monthly Fees Report* were properly completed.

If you have any questions, please contact Reynaldo Cantu III, Compliance Audit Supervisor, at 318-2511 ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA  
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer

---

**HIDALGO COUNTY DISTRICT JUDGES**

LUIS H. SINGLETERRY  
JUDGE, 62<sup>ND</sup> D.C.

FERMINANDO MAJONES  
JUDGE, 84<sup>TH</sup> D.C.

J. R. "BOBBY" FLORES  
JUDGE, 119<sup>TH</sup> D.C.

ROSE GUERRA REYNA  
JUDGE, 204<sup>TH</sup> D.C.

MARLA CUELLAR  
JUDGE, 275<sup>TH</sup> D.C.

MARIO E. RAMIREZ, JR.  
JUDGE, 332<sup>ND</sup> D.C.

NOE GONZALEZ  
JUDGE, 375<sup>TH</sup> D.C.  
OVERSEER

LETICIA LOPEZ  
JUDGE, 383<sup>RD</sup> D.C.

L. KENO VASQUEZ  
JUDGE, 391<sup>ST</sup> D.C.

ISRAEL RAMON, JR.  
JUDGE, 433<sup>RD</sup> D.C.

RENEE R. BETHANCOURT  
JUDGE, 449<sup>TH</sup> D.C.

JOSE "JOE" RAMIREZ  
JUDGE, 484<sup>TH</sup> D.C.

# COUNTY of HIDALGO

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EDINBURG, TEXAS 78539

January 25, 2021

Mr. Eduardo Olivarez, Director  
Hidalgo County Department of Health & Human Services  
1304 S. 25<sup>th</sup> Street  
Edinburg, Texas 78539

Re: Environmental Health Division *Monthly Fees Report* for October 2020 and November 2020

Dear Mr. Olivarez:

We conducted a limited scope review of the Environmental Health Division *Monthly Fees Report* and supporting documentation for the months of October 2020 and November 2020 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if fees collected were properly accounted and reported. 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.

### Conclusion:

Collections for the months of October 2020 and November 2020 totaled \$32,880.00 and \$24,635.00, respectively. Based on the review, we concluded that fees collected were properly accounted and reported.

### Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Fees Report* for the months of October 2020 and November 2020. The review was not 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.

### Methodology:

In conducting the review, the following procedures were performed:

- Verified that the *Monthly Fees Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001(b).
- Verified that the *Monthly Fees Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Fees Report* by footing and cross-footing the report.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified receipts were issued in sequential order.
- Verified that procedures for voiding receipts were properly followed.
- Reviewed *Daily Remittance/Close-out Reports* (Close-out Reports) to determine if fees collected were properly accounted and deposited with the financial institution on a daily basis.

#### HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY  
JUDGE, 42<sup>ND</sup> D.C.

FERNANDO MANCIAS  
JUDGE, 9<sup>TH</sup> D.C.

J. R. "BOBBY" FLORES  
JUDGE, 139<sup>TH</sup> D.C.

ROSE GUERRA REYNA  
JUDGE, 208<sup>TH</sup> D.C.

MARLA CUELLAR  
JUDGE, 275<sup>TH</sup> D.C.

MARIO E. RAMIREZ, JR.  
JUDGE, 332<sup>ND</sup> D.C.

NOE GONZALEZ  
JUDGE, 376<sup>TH</sup> D.C.  
OVERSEER

LETICIA LOPEZ  
JUDGE, 389<sup>TH</sup> D.C.

L. KENO VASQUEZ  
JUDGE, 395<sup>TH</sup> D.C.

ISRAEL RAMON, JR.  
JUDGE, 430<sup>TH</sup> D.C.

RENEE R. BETANCOURT  
JUDGE, 448<sup>TH</sup> D.C.

JOSE "JOE" RAMIREZ  
JUDGE, 464<sup>TH</sup> D.C.

Mr. Eduardo Olivarez  
January 25, 2021  
Page 2 of 2

- Verified that the collections per the *Monthly Fees Report* agreed to: 1.) total receipts issued by the Environmental Health Division; 2.) total deposits made with the financial institution; and 3.) total receipts issued by the County Treasurer.
- Verified that receipts issued, Close-out Reports, and the *Monthly Fees Report* were properly completed.

If you have any questions, please contact Reynaldo Cantu III, Compliance Audit Supervisor, at 318-2511 ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA  
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer

---

**HIDALGO COUNTY DISTRICT JUDGES**

LUIS M. SINGLETERRY  
JUDGE, 52<sup>ND</sup> D.C.

FERNANDO MANGIAS  
JUDGE, 83<sup>RD</sup> D.C.

J. R. "BOBBY" FLORES  
JUDGE, 133<sup>RD</sup> D.C.

ROSE GUERRA REYNA  
JUDGE, 208<sup>TH</sup> D.C.

MARLA CUELLAR  
JUDGE, 275<sup>TH</sup> D.C.

MARIO E. RAMIREZ, JR.  
JUDGE, 332<sup>ND</sup> D.C.

NOE GONZALEZ  
JUDGE, 376<sup>TH</sup> D.C.  
OVERSEER

LETICIA LOPEZ  
JUDGE, 388<sup>TH</sup> D.C.

L. KEND VASQUEZ  
JUDGE, 388<sup>TH</sup> D.C.

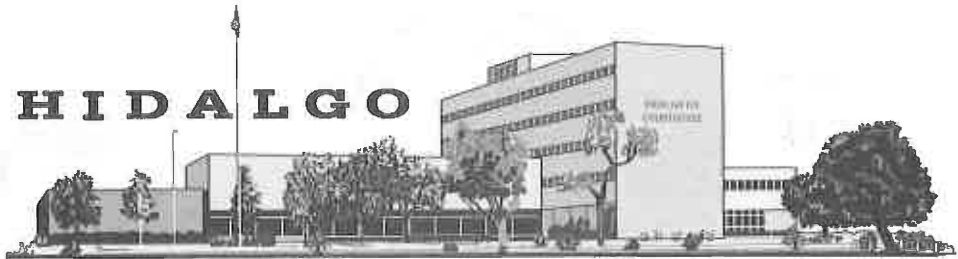
ISRAEL RAMON, JR.  
JUDGE, 438<sup>TH</sup> D.C.

RENEE R. BETANCOURT  
JUDGE, 448<sup>TH</sup> D.C.

JOSE "JOE" RAMIREZ  
JUDGE, 484<sup>TH</sup> D.C.

# COUNTY of HIDALGO

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EDINBURG, TEXAS 78539

February 19, 2021

The Honorable Ricardo Rodriguez, Jr., Criminal District Attorney  
Hidalgo County District Attorney's Office  
100 N. Closner, 3<sup>rd</sup> Floor  
Edinburg, Texas 78539

Re: Chapter 59 Asset Forfeiture Audit Report for FYE 8-31-2020  
Audit No. 2020-57

Dear Mr. Rodriguez:

We have completed an audit of the "Chapter 59 Asset Forfeiture Audit Report by Attorney Representing the State" (Asset Forfeiture Report) for the fiscal year ended August 31, 2020 pursuant to Code of Criminal Procedure § 59.06 (g)(1) and Local Government Code §115.001 and § 115.0035. The objective of the audit was to determine if Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported.

Based on the results of the audit, we determined that generally Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported, as noted on observations 1 through 9. However, improvements could be made to the system of internal controls for the accounting and reporting of Chapter 59 seizures, forfeitures, receipts, and expenditures as noted in observations 10 and 11.

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.

### **Background:**

Code of Criminal Procedure (CCP) Chapter 59 "Forfeiture of Contraband" provides for the forfeiture of contraband seized by peace officers employed by law enforcement agencies of the state and its political subdivisions. Chapter 59 defines "contraband" as property of any nature (including real, personal, tangible, or intangible property) that is used or intended for use in the commission of certain enumerated felonies, Class A and Class B misdemeanors, or property that is gained, acquired, and/or used to facilitate the commission of certain enumerated felonies and misdemeanors.

For the fiscal year ended August 31, 2020, the District Attorney's Office had no Chapter 59 seizures. However, the District Attorney's Office was awarded (forfeited) funds totaling \$366,091.95.

Pursuant to CCP § 59.03 (c), a peace officer having custody of property must provide to the District Attorney a sworn statement that contains a schedule of the property seized, an acknowledgment that the officer has seized the property, and a list of the officer's reasons for the seizure. In addition, "not later than 72 hours after the seizure, the peace officer shall: (1) place the property under seal; (2) remove the property to a place ordered by the court; or (3) require a law enforcement agency of the state or a political subdivision to take custody of the property and move it to a proper location."

### HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SMOLETERNY  
JUDGE, 92<sup>ND</sup> D.C.

FERRANDO MARIAS  
JUDGE, 93<sup>RD</sup> D.C.

J. R. "BOBBY" FLORES  
JUDGE, 199<sup>TH</sup> D.C.

ROSÉ GUERRA REYNA  
JUDGE, 294<sup>TH</sup> D.C.

MARLA CUELLAR  
JUDGE, 315<sup>TH</sup> D.C.

MARIO E. RAMIREZ, JR.  
JUDGE, 332<sup>ND</sup> D.C.

NOÉ GONZALEZ  
JUDGE, 370<sup>TH</sup> D.C.

LETICIA LOPEZ  
JUDGE, 389<sup>TH</sup> D.C.

L. KENO VASQUEZ  
JUDGE, 394<sup>TH</sup> D.C.

ISRAEL RAMON, JR.  
JUDGE, 430<sup>TH</sup> D.C.

RENEE R. BETANCOURT  
JUDGE, 448<sup>TH</sup> D.C.

JOSE "JOE" RAMIREZ  
JUDGE, 461<sup>TH</sup> D.C.

Pursuant to CCP § 59.04 (a) & (b), the District Attorney must commence forfeiture proceedings by filing a notice of the seizure and intended forfeiture (petition) with the District Clerk's Office not later than the 30th day after the date of the seizure.

Pursuant to CCP § 59.05 (b) & (e), forfeiture proceedings are conducted in accordance with rules and principles governing civil cases. If the court finds that the state has proven by a preponderance of the evidence that all or part of the seized property is subject to forfeiture, the judge shall forfeit the property to the state. Pursuant to CCP § 59.06 (f), a final judgment of forfeiture perfects the state's title to the forfeited property.

Pursuant to CCP § 59.05 (f), the District Clerk is entitled to court costs in forfeitures to the state of an amount greater than \$2,500 as in other civil proceedings.

Pursuant to CCP § 59.06 (a), all forfeited property is administered by the District Attorney, acting as the agent of the state, in accordance with accepted accounting practices and with the provisions of any local agreement entered into between the District Attorney and law enforcement agencies (LEAs). If a local agreement has not been executed, the property shall be sold on the 75<sup>th</sup> day after the date of the final judgment of forfeiture at public auction under the direction of the county sheriff. Proceeds of the sale must be distributed in accordance with CCP § 59.06.

Pursuant to CCP § 59.06 (b), if a local agreement exists between the District Attorney and the LEA, the District Attorney may transfer the property to the LEA. Furthermore, CCP § 59.06 (c) states, if a local agreement exists between the District Attorney and LEAs, all money, securities, negotiable instruments, stocks or bonds, or things of value, or proceeds from the sale of those items shall be deposited, after the deduction of court costs which the District Clerk is entitled, into one or more of the following funds: (1) a special fund in the county treasury for the benefit of the District Attorney's Office, to be used by the District Attorney solely for the official purposes of his office; or (2) a special fund in the county treasury if distributed to a county LEA, to be used solely for law enforcement purposes, such as salaries and overtime pay for officers, officer training, specialized investigative equipment and supplies, and items used by officers in direct law enforcement duties.

Pursuant to CCP § 59.06 (b), the District Attorney's Office entered into local agreements with the following LEAs: Cities of Alamo, Alton, Donna, Edcouch, Edinburg, Elsa, La Villa, La Joya, McAllen, Mercedes, Mission, Palmview, Palmhurst, Pefitas, Pharr, Progreso, Hidalgo, Weslaco, San Juan, and Sullivan City; Hidalgo County Constable Precincts 1, 2, 3, 4, and 5, Hidalgo County Sheriff's Office, Cameron County Sheriff's Office, Texas Alcohol and Beverage Commission, University of Texas Rio Grande Valley Police Department, Hidalgo County HIDTA Task Force (HIDTA), and Texas Department of Public Safety (DPS).

Pursuant to the local agreements, auction proceeds for property forfeited to the State Attorney and the LEA, with the exception of DPS and HIDTA shall be paid 25% to the District Attorney's Office and 75% to the LEA if the property was put to use by the LEA and State Attorney. If the property was not put to use by the LEA and State Attorney, the auction proceeds shall be paid 40% to the District Attorney and 60% to the LEA.

Pursuant to the local agreement between the District Attorney and DPS, auction proceeds for property seized in connection with a violation of Chapter 481, Health and Safety Code, and forfeited to the State Attorney and DPS shall be paid 40% to DPS, 30% to the District Attorney, and 30% to the State of Texas general revenue fund. With respect to all other forfeited property, if no answer was filed (default judgment), 70% is paid to DPS and 30% to the District Attorney. If answer was filed (agreed judgment), 60% is paid to DPS and 40% to the District Attorney. If trial commenced, 50% is paid to DPS and 50% to the District Attorney.

Pursuant to the local agreement between the District Attorney and HIDTA, auction proceeds forfeited to the State Attorney and HIDTA shall be paid 100% to HIDTA.

In addition, pursuant to the local agreements, the LEAs are responsible for paying all court costs, attorney ad-litem fees, depositions, title searches, title policies, confidential informants, and all other related costs in the forfeitures of vehicles and all other personal property. Furthermore, money and property shall be considered forfeited to the State once a forfeiture judgment has become final and no motion for new trial or notice of appeal has been taken. Texas Rule of Appellate Procedure No. 26.1 states that a notice of appeal must be filed within 30 days after the judgment is signed, with a few enumerated exceptions.

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**HIDALGO COUNTY DISTRICT JUDGES**

LUIS M. SINGLETERRY  
JUDGE, 81<sup>st</sup> D.C.

FERNANDO MANCIAS  
JUDGE, 83<sup>rd</sup> D.C.

J. R. "BOBBY" FLORES  
JUDGE, 138<sup>th</sup> D.C.

ROSE GUERRA REYNA  
JUDGE, 228<sup>th</sup> D.C.

MARLA CUELLAR  
JUDGE, 275<sup>th</sup> D.C.

MARIO E. RAMIREZ, JR.  
JUDGE, 372<sup>nd</sup> D.C.

NOE GONZALEZ  
JUDGE, 371<sup>st</sup> D.C.  
OVERSEER

LETICIA LOPEZ  
JUDGE, 388<sup>th</sup> D.C.

L. KENO VASQUEZ  
JUDGE, 398<sup>th</sup> D.C.

ISRAEL RAMON, JR.  
JUDGE, 430<sup>th</sup> D.C.

RENEE R. BETANCOURT  
JUDGE, 449<sup>th</sup> D.C.

JOSE "JOE" RAMIREZ  
JUDGE, 464<sup>th</sup> D.C.

Pursuant to CCP § 59.06 (d-1) the District Attorney may not use proceeds or property received under this chapter to: (1) contribute to a political campaign; (2) make a donation to any entity, except as provided by Subsection (d-2); (3) pay expenses related to the training or education of any member of the judiciary; (4) pay any travel expenses related to attendance at training or education seminars if the expenses violate generally applicable restrictions established by the commissioners court; (5) purchase alcoholic beverages; (6) make any expenditure not approved by the commissioners court, if the District Attorney holds an elective office and: (A) the deadline for filing an application for a place on the ballot as a candidate for reelection to that office in the general primary election has passed and the person did not file an application for a place on that ballot; or (B) during the person's current term of office, the person was a candidate in a primary, general, or runoff election for reelection to that office and was not the prevailing candidate in that election; or (7) increase a salary, expense, or allowance for an employee of the District Attorney's Office who is budgeted by the commissioners court unless the commissioners court first approves the increase.

**District Attorney's Procedures:**

The District Attorney's Office requires LEAs to deposit seized currency into a certificate of deposit (CD) at the county depository under the name of the District Attorney's Office pending final disposition of the case. Seized personal property is maintained under the LEAs custody pending final disposition of the case. The LEA must provide the District Attorney's Office with a copy of the CD and receipt, if applicable, a sworn statement containing a schedule of the property seized, an acknowledgment that the officer seized the property, and a list of the officer's reasons for the seizure. On an annual basis, a formal request is made by the District Attorney's Office to all LEAs that all seized cash be deposited in a Certificate of Deposit (CD) at the County's financial institution no later than the 72 hours followed by filing proceedings not later than the 30<sup>th</sup> day after the date of the seizure.

The District Attorney commences proceedings no later than the 30<sup>th</sup> day after the date of the seizure. The petitions are filed with the District Clerk pursuant to CCP § 59.04 (a) & (b). Once a judgment is rendered and after the forfeited judgment becomes final (30 days after the judgment was signed), the currency and/or personal property are distributed pursuant to the local agreement.

The District Attorney's Office determines if forfeited personal property will be retained for official purposes of the District Attorney's Office or auctioned. If a vehicle is retained, the District Attorney submits an application for certificate of title, along with a copy of the final judgment, to the Texas Department of Motor Vehicles. Upon receipt, the original certificate of title is retained by the District Attorney's Office and insurance coverage is requested from the Executive Office Safety Division. The District Attorney's Office subsequently sends a copy of the certificate of title, final judgment, proof of insurance coverage, and an asset tag request to the Purchasing Department's Fixed Assets Division. If the vehicle is not placed in use, a transfer form is prepared and the vehicle is declared surplus.

The Purchasing Department is responsible for disposing of county assets. The Purchasing Department receives the auction proceeds and prepares a "Purchasing Department/ Fixed Asset Division Auction Report" that details the amount of proceeds to be receipted to each fund. The proceeds are then deposited with the Hidalgo County Treasurer to the credit of the applicable funds, including the District Attorney's Forfeiture Fund. Pursuant to the local agreements, the auction proceeds should be apportioned to the District Attorney's Forfeiture Fund within 30 days of the sale.

On an annual basis, a formal request is made by the District Attorney's Office to all LEAs requesting that the District Attorney's portion of any auction proceeds, for assets maintained and sold to by the LEA, be forwarded to the County Treasurer's Office within 30 days of the auction.

**Scope and Methodology:**

The scope of the audit was limited to a review of all seized currency and property for which a law enforcement agent's affidavit was made available to the County Auditor's Office for review and all forfeited currency and property for which a final judgment was rendered for the fiscal year ended August 31, 2020.

The 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.

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**HIDALGO COUNTY DISTRICT JUDGES**

In conducting the review, the following procedures were performed:

1. Verified that all Chapter 59 revenues (i.e., cash forfeitures, proceeds received from the sale of forfeited property, and interest) recorded in *Alio*, the County's financial accounting system, (i.e., cash forfeitures, proceeds received from the sale of forfeited property, and interest) were included on the Asset Forfeiture Report.
2. Verified that all Chapter 59 expenditures recorded in *Alio* were included on the Asset Forfeiture Report and made solely for official purposes of the District Attorney's Office.
3. Generated "Case Index" (Petition/Seizures/Forfeitures) reports for the fiscal year ended August 31, 2020 from *Odyssey*, the County's justice information system, to determine if all seizures and forfeitures were reported on the Asset Forfeiture Report.
4. Sent confirmation letters to 23 LEAs that were identified in the "Case Index-Active" and "Case Index-Inactive" reports as having Chapter 59 seizures to determine if the seized and forfeited vehicles, real property, other items, and/or currency reported by the District Attorney's Office on the Asset Forfeiture Report agreed to those confirmed by the LEAs.
5. Compared the list of CDs held by the county depository related to Chapter 59 on behalf of the District Attorney's Office to the District Attorney's HB 65 financial statements as of August 31, 2020 to determine if all CDs were properly accounted by the District Attorney's Office.
6. Reviewed judgments, checks issued, "District Attorney Accounting Control Sheet," and county depository bank statements to determine if court costs in forfeitures to the state for amounts greater than \$2,500 were paid to the District Clerk's Office pursuant to CCP § 59.05 (f).
7. Reviewed *Alio* revenue reports and confirmation letters received from 8 of 23 LEAs to determine if forfeited vehicles were sold through auction and if the District Attorney's portion of the auction proceeds were sent to the County Treasurer's Office.
8. Obtained a list of District Attorney's Office vehicles and property to determine if the list agreed to the County Auditor's Office list of seized and forfeited assets.
9. Reviewed cases, judgments, and checks issued by the District Attorney's Office to determine if forfeited funds were disbursed after the forfeited judgment became final (30 days after the judgment was signed) pursuant to the Texas Rule of Appellate Procedure No. 26.1.
10. Reviewed the affidavits prepared by the seizing officers and the CD receipts to determine if the CDs for the seized cash were opened in the amount noted on the affidavits within 72 hours of the seizure. In addition, we verified if the seized amounts noted on the petitions filed by the District Attorney's Office agreed to the CD amounts and the seizing officers' affidavits.
11. Reviewed schedules of filed cases generated from *Odyssey* to determine if petitions were filed by the District Attorney's Office no later than the 30<sup>th</sup> day after the date of the seizure pursuant to CCP § 59.04 (a) & (b).

**Conclusion:**

Based on the results of the audit, we determined that generally Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported, as noted on observations 1 through 9. However, improvements could be made to the system of internal controls for the accounting and reporting of Chapter 59 seizures, forfeitures, receipts, and expenditures as noted in observations 10 and 11.

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.

1. All Chapter 59 revenues recorded in *Alio* and required to be reported were included on the Asset Forfeiture Report.
2. All Chapter 59 expenditures recorded in *Alio* were included on the Asset Forfeiture Report and made solely for official purposes of the District Attorney's Office.
3. All seized and forfeited assets listed on the "Case Index" (Petition/Seizures/Forfeitures) reports for the District Attorney's Office were included on the Asset Forfeiture Report.

**HIDALGO COUNTY DISTRICT JUDGES**

4. 8 LEAs responded to the confirmation request (Mission PD, Sullivan City PD, Penitas PD, Elsa PD, La Joya PD, Palmview PD, Pharr PD, and Edinburg PD). Of the 8 LEAs:
  - 7 LEAs (Mission PD, Sullivan City PD, Penitas PD, La Joya PD, Palmview PD, Pharr PD, and Edinburg PD) confirmed the same number of seized and/or forfeited vehicles, property, and/or currency as those reported by the District Attorney's Office on the Asset Forfeiture Report.
  - 1 LEA (Elsa PD) did not confirm all the seized and/or forfeited vehicles, and currency as reported on the Asset Forfeiture Report. We were able to confirm in Odyssey that all pending case confirmations had required documentation filed (Seizing affidavits, Petitions, and Judgments).
5. There were 169 CDs totaling \$2,798,536.74 held as of August 31, 2020 at the county depository related to Chapter 59. All 169 CDs were properly accounted by the District Attorney's Office on the financial statements.
6. There were 106 judgments that included cash disbursements during the period of review. Of the 106 judgments:
  - 45 judgments were for amounts greater than \$2,500.00. Court costs were paid to the District Clerk's Office pursuant to CCP §59.05 (f).
  - 51 judgments were for amounts less than \$2,500.00 and court costs were not paid to the District Clerk's Office pursuant to CCP §59.05 (f).
  - 10 judgments were for amounts greater than \$2,500; however, according to the judgment court costs were due by respondent.
7. Of the 8 confirmation letters received:
  - 2 LEAs (Mission PD and Penitas PD) confirmed proceeds totaling, 27,394.84, and \$1,600.00, respectively, had been received from the auction of forfeited property during the period of review. The portion belonging to the District Attorney's Office was forwarded to the County Treasurer's Office.
  - 2 LEAs (Pharr PD, Edinburg PD) confirmed that auctions were held; however, the auction was held outside the scope of our review and will be included in next year's review.
  - 4 LEAs (Sullivan City PD, Elsa PD, La Joya PD, and Palmview PD) did not include a response on the confirmation letter regarding auction proceeds.
8. All vehicles and property on the District Attorney's Office list of property held were on the list of seized and forfeited assets maintained by the County Auditor's Office.
9. There were 106 judgments that disbursed funds during the period of review. Of the 106 judgments:
  - 105 were disbursed after the forfeited judgment became final.
  - 1 was disbursed before the forfeited judgment became final, in error.

Disbursing funds before the forfeited judgment becomes final may result in the funds being disbursed incorrectly in the event the case is appealed.

10. 125 CDs were opened for the cash seizures made by LEAs and the District Attorney's Office during the period of review. Of the 125 CDs:
  - All the petitions filed by the District Attorney's Office were in the amount of the CDs and the seizing officer's affidavit.
  - 44 CDs were opened within 72 hours of seizure as required by CCP § 59.03 (c).
  - 81 CDs were not opened within 72 hours of seizure. The CDs were opened 1 to 26 days late.
11. There were 227 petitions filed by the District Attorney's Office during the period of review. 224 petitions were filed within 30 days after the date of seizure as required by CCP § 59.04 (a) & (b). 3 out of 227 petitions were not filed within 30 days.

Failure to file the petitions within 30 days after the date of seizure may result in the case being dismissed.

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HIDALGO COUNTY DISTRICT JUDGES

**Recommendations:**

In our opinion, the issues identified during the review could be addressed by developing and implementing formal policies and procedures to ensure that Law Enforcement Agencies are notified that CD must be opened within 72 hours of seizure and petitions must be filed on or before the 30<sup>th</sup> day after the date of the seizure as required by CCP § 59.03 (c) and CCP § 59.04 (a) & (b).

Please provide management responses to finding 10 and 11 noted in the conclusion section of the report by March 5, 2021.

If you have any questions or would like to schedule a meeting to discuss the above noted recommendations, contact Aaron Robledo, Internal Auditor I, at 318-2511 ext. 4694, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA  
Hidalgo County Auditor

- cc: The Honorable Richard Cortez, County Judge  
The Honorable David L. Fuentes, Commissioner Precinct 1  
The Honorable Eddie Cantu, Commissioner Precinct 2  
The Honorable Everardo Villarreal, Commissioner Precinct 3  
The Honorable Ellie Torres, Commissioner Precinct 4  
Mr. Kent Richardson, Assistant Attorney General

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**HIDALGO COUNTY DISTRICT JUDGES**

# 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](http://www.co.hidalgo.tx.us/auditor)



**EDINBURG, TEXAS 78539**

February 18, 2021

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

Re: December 2020 DTA Payment Request Report No. 2020-74

Dear Mr. Villarreal:

We completed a limited scope review of the December 2020 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 the review was to determine if the payment request was accurate and properly authorized.

The results of the review revealed that the payment request was generally accurate and properly authorized. We will proceed to process the December 2020 DTA payment request in the amount of \$124,257.65 to LGBS.

The scope of the 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 12 (RD12), Road District 14 (RD14), Road District 15 (RD15), State of Texas (TEX); and the payment request prepared by your office for the month ended December 31, 2020. The 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.

In conducting the review, 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 December 2020."
- Reviewed the "Hidalgo County Tax Office Collection Reports" to determine if the DTA fees were collected at the 15% rate specified in the contract.
- Reviewed the "Hidalgo County Tax Office Collection Reports" to determine if the total amount of DTA fees collected agreed to the amount transferred to the Hidalgo County Treasurer's Office.

## HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY  
JUDGE, 82<sup>ND</sup> D.C.

TERNANDO MANCINAS  
JUDGE, 87<sup>TH</sup> D.C.

J. R. "BOBBY" FLORES  
JUDGE, 138<sup>TH</sup> D.C.

ROSE GUERRA REYNA  
JUDGE, 204<sup>TH</sup> D.C.

MARLA CUELLAR  
JUDGE, 275<sup>TH</sup> D.C.

MARIO E. RAMIREZ, JR.  
JUDGE, 332<sup>ND</sup> D.C.

NOE GONZALEZ  
JUDGE, 370<sup>TH</sup> D.C.  
OVERSEER

LEYCIA LOPEZ  
JUDGE, 389<sup>TH</sup> D.C.

L. KENO VASQUEZ  
JUDGE, 388<sup>TH</sup> D.C.

ISRAEL RAMON JR.  
JUDGE, 430<sup>TH</sup> D.C.

RENEE R. GETANICOURT  
JUDGE, 448<sup>TH</sup> D.C.

JOSE "JOE" RAMIREZ  
JUDGE, 464<sup>TH</sup> D.C.

Based on the review, 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 December 2020."
- Although DTA fees for 188 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 (186 tax accounts), and small amounts collected (2 tax accounts) (see Exhibit A).
- The "Hidalgo County Tax Office Collection Reports" total amount of DTA fees collected agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Reynaldo Cantu III, Compliance Audit Supervisor, at 318-2511 ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA  
Hidalgo County Auditor

Enclosure: Exhibit A

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

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**HIDALGO COUNTY DISTRICT JUDGES**

LUIS M. SMOLETERRY  
JUDGE, 87<sup>th</sup> D.C.

BERNARDO MANCIA  
JUDGE, 87<sup>th</sup> D.C.

J. R. "BOBBY" FLORES  
JUDGE, 138<sup>th</sup> D.C.

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JUDGE, 448<sup>th</sup> D.C.

JOSE "JOE" RAMIREZ  
JUDGE, 464<sup>th</sup> D.C.

### Exhibit A

|    | Tax Unit | Year | Account No.      | Levy Paid | Penalty/Interest Paid | Subtotal Paid | Attorney Paid |
|----|----------|------|------------------|-----------|-----------------------|---------------|---------------|
| 1  | 1        | 2019 | P820000000001009 | 0.68      | 0.15                  | 0.83          | 0.13          |
| 2  | 1        | 2018 | G695502000007600 | 70.96     | 17.8                  | 88.76         | 12.56         |
| 3  | 1        | 2018 | G595001001003400 | 43.89     | 12.29                 | 56.18         | 8.1           |
| 4  | 1        | 2018 | W380000771000080 | 34.98     | 9.39                  | 44.37         | 6.35          |
| 5  | 1        | 2018 | V382000000006100 | 32.19     | 8.65                  | 40.84         | 5.85          |
| 6  | 1        | 2018 | B158003003002600 | 28.06     | 8.02                  | 36.08         | 5.22          |
| 7  | 1        | 2018 | B505197000004300 | 5.19      | 1.36                  | 6.55          | 0.93          |
| 8  | 1        | 2018 | A065000000001300 | 0.13      | 0.04                  | 0.17          | 0.02          |
| 9  | 1        | 2017 | L160000002002700 | 261.6     | 87.85                 | 349.45        | 48.66         |
| 10 | 1        | 2017 | L527000000001600 | 115.74    | 38.87                 | 154.61        | 21.53         |
| 11 | 1        | 2017 | C070000102000740 | 36.9      | 11.53                 | 48.43         | 6.64          |
| 12 | 1        | 2017 | E310000038000100 | 17.29     | 5.2                   | 22.49         | 3.06          |
| 13 | 1        | 2017 | M655000003001200 | 14.04     | 4.39                  | 18.43         | 2.53          |
| 14 | 1        | 2017 | S510000003000500 | 10.14     | 3.06                  | 13.2          | 1.8           |
| 15 | 1        | 2016 | W010000040001100 | 164.74    | 62.05                 | 226.79        | 30.15         |
| 16 | 1        | 2016 | L505000000006500 | 69.1      | 27.06                 | 96.16         | 12.95         |
| 17 | 1        | 2016 | T210000254001625 | 66.71     | 25.13                 | 91.84         | 12.21         |
| 18 | 1        | 2016 | T210000236001304 | 15.68     | 7.88                  | 23.56         | 3.39          |
| 19 | 1        | 2015 | L672500000015100 | 238.34    | 109.64                | 347.98        | 43.98         |
| 20 | 1        | 2015 | W010000040001100 | 164.74    | 81.82                 | 246.56        | 33.11         |
| 21 | 1        | 2015 | E170003000003600 | 27.99     | 14.16                 | 42.15         | 5.71          |
| 22 | 1        | 2015 | C030000196002300 | 22.55     | 10.66                 | 33.21         | 4.29          |
| 23 | 1        | 2015 | T610000001000200 | 6.89      | 3.49                  | 10.38         | 1.41          |
| 24 | 1        | 2014 | W515000000002300 | 122.66    | 65.42                 | 188.08        | 22.26         |
| 25 | 1        | 2014 | S240000000009215 | 29.37     | 21.8                  | 51.17         | 7.4           |
| 26 | 1        | 2014 | V380002003000700 | 23.21     | 15.07                 | 38.28         | 5.29          |
| 27 | 1        | 2014 | R332097000005301 | 6.71      | 4.63                  | 11.34         | 1.6           |
| 28 | 1        | 2014 | B158504000007600 | 0.57      | 0.31                  | 0.88          | 0.11          |
| 29 | 1        | 2013 | A400000000004500 | 36.53     | 22.16                 | 58.69         | 6.52          |
| 30 | 1        | 2013 | V380002003000700 | 23.64     | 18.18                 | 41.82         | 5.82          |
| 31 | 1        | 2013 | B190010000003400 | 27.69     | 16.7                  | 44.39         | 4.9           |
| 32 | 1        | 2013 | I404600000003200 | 0.57      | 0.41                  | 0.98          | 0.13          |
| 33 | 1        | 2013 | B158504000007600 | 0.43      | 0.29                  | 0.72          | 0.09          |
| 34 | 1        | 2012 | L670000003000400 | 37.83     | 35.63                 | 73.46         | 10.5          |
| 35 | 1        | 2012 | I404600000003200 | 36.44     | 30.25                 | 66.69         | 8.85          |
| 36 | 1        | 2012 | C902000000001600 | 37.83     | 26.1                  | 63.93         | 6.81          |
| 37 | 1        | 2012 | M555097000002003 | 2.24      | 1.58                  | 3.82          | 0.42          |
| 38 | 1        | 2011 | C910000000004500 | 227       | 174.79                | 401.79        | 40.86         |
| 39 | 1        | 2011 | N855800000001100 | 43.13     | 34.36                 | 77.49         | 8.28          |
| 40 | 1        | 2011 | B040000000000100 | 35.42     | 28.22                 | 63.64         | 6.8           |
| 41 | 1        | 2011 | N480000004000203 | 22.38     | 19.48                 | 41.86         | 5.04          |
| 42 | 1        | 2011 | N861301000009900 | 18.04     | 15.38                 | 33.42         | 3.92          |
| 43 | 1        | 2011 | N861301000009900 | 18.03     | 15.38                 | 33.41         | 3.92          |
| 44 | 1        | 2011 | H185000180001000 | 13.42     | 11.86                 | 25.28         | 3.1           |
| 45 | 1        | 2011 | M555097000002003 | 1.95      | 1.61                  | 3.56          | 0.4           |

|    |   |      |                  |        |        |        |       |
|----|---|------|------------------|--------|--------|--------|-------|
| 46 | 1 | 2011 | K240000000007305 | 0.57   | 0.44   | 1.01   | 0.1   |
| 47 | 1 | 2011 | S120000000003100 | -18.27 | -17.5  | -35.77 | -4.9  |
| 48 | 1 | 2010 | W515000000002300 | 239.92 | 243.12 | 483.04 | 60.82 |
| 49 | 1 | 2010 | C910000000004500 | 227    | 202.03 | 429.03 | 44.95 |
| 50 | 1 | 2010 | F065000000002500 | 192.29 | 166.01 | 358.3  | 35.77 |
| 51 | 1 | 2010 | M167002000004200 | 124.78 | 121.45 | 246.23 | 29.39 |
| 52 | 1 | 2010 | L505000000016600 | 53.29  | 50.46  | 103.75 | 11.91 |
| 53 | 1 | 2010 | K240000000007305 | 30.2   | 27.18  | 57.38  | 6.12  |
| 54 | 1 | 2010 | S477000000041500 | 18.96  | 19.32  | 38.28  | 4.86  |
| 55 | 1 | 2010 | S477000000041500 | -18.96 | -19.32 | -38.28 | -4.86 |
| 56 | 1 | 2009 | W515000000002300 | 239.92 | 271.92 | 511.84 | 65.14 |
| 57 | 1 | 2009 | T590002023000104 | 235.75 | 226.32 | 462.07 | 45.62 |
| 58 | 1 | 2009 | C910000000004500 | 161.79 | 163.41 | 325.2  | 34.95 |
| 59 | 1 | 2009 | M167002000004200 | 124.78 | 136.43 | 261.21 | 31.63 |
| 60 | 1 | 2009 | H265000006001800 | 23.44  | 24.92  | 48.36  | 5.63  |
| 61 | 1 | 2009 | M059002000001100 | 13.89  | 14.28  | 28.17  | 3.11  |
| 62 | 1 | 2009 | O510000002000200 | 6.39   | 6.08   | 12.47  | 1.21  |
| 63 | 1 | 2009 | D600901000000100 | 0.13   | 0.11   | 0.24   | 0.02  |
| 64 | 1 | 2008 | C902500000001600 | 323.32 | 330.87 | 654.19 | 60.14 |
| 65 | 1 | 2008 | E330000301000500 | 133.86 | 150.81 | 284.67 | 31.12 |
| 66 | 1 | 2008 | O510000002000200 | 90.13  | 96.44  | 186.57 | 18.66 |
| 67 | 1 | 2008 | C902500000001600 | 82.07  | 83.98  | 166.05 | 15.26 |
| 68 | 1 | 2008 | R026300000001100 | 37.97  | 42.65  | 80.62  | 8.77  |
| 69 | 1 | 2008 | L672500000014000 | 13.98  | 16.67  | 30.65  | 3.69  |
| 70 | 1 | 2008 | G130000001000200 | 11.1   | 11.75  | 22.85  | 2.26  |
| 71 | 1 | 2008 | S100000004001802 | 0.02   | 0.02   | 0.04   | 0.01  |
| 72 | 1 | 2007 | T590002023000104 | 235.75 | 282.9  | 518.65 | 54.11 |
| 73 | 1 | 2007 | H123001000004500 | 285.27 | 313.79 | 599.06 | 52.63 |
| 74 | 1 | 2007 | E330000301000500 | 199.61 | 248.85 | 448.46 | 50    |
| 75 | 1 | 2007 | M167002000004200 | 120.77 | 161.04 | 281.81 | 34.96 |
| 76 | 1 | 2007 | C902500000001600 | 131.18 | 149.98 | 281.16 | 26.76 |
| 77 | 1 | 2007 | B157006000000500 | 36.36  | 43.87  | 80.23  | 8.45  |
| 78 | 1 | 2007 | M167002000001600 | 22.36  | 26.9   | 49.26  | 5.16  |
| 79 | 1 | 2007 | M515000000004700 | 21.06  | 24.01  | 45.07  | 4.26  |
| 80 | 1 | 2007 | V063002000000900 | 14.11  | 16.08  | 30.19  | 2.86  |
| 81 | 1 | 2007 | H135000001001100 | 8.56   | 11.31  | 19.87  | 2.43  |
| 82 | 1 | 2007 | B156007000004400 | 10.75  | 12.22  | 22.97  | 2.16  |
| 83 | 1 | 2007 | P927901000007000 | 6.68   | 8.88   | 15.56  | 1.92  |
| 84 | 1 | 2007 | D460000120000100 | 4.34   | 5.98   | 10.32  | 1.35  |
| 85 | 1 | 2007 | M475000002001600 | 3.76   | 4.39   | 8.15   | 0.81  |
| 86 | 1 | 2007 | M515000000004700 | -21.06 | -24.01 | -45.07 | -4.26 |
| 87 | 1 | 2006 | S397505000014100 | 284.4  | 335.59 | 619.99 | 52.47 |
| 88 | 1 | 2006 | H365003000001100 | 56.87  | 72.97  | 129.84 | 13.14 |
| 89 | 1 | 2006 | P200000011000400 | 52.73  | 68.39  | 121.12 | 12.5  |
| 90 | 1 | 2006 | D175000000001000 | 23.73  | 37.11  | 60.84  | 8.47  |
| 91 | 1 | 2006 | M015000062000401 | 15.16  | 22.44  | 37.6   | 4.84  |
| 92 | 1 | 2006 | S245000000001200 | 7.81   | 10.48  | 18.29  | 2.01  |
| 93 | 1 | 2006 | V063002000000900 | 7.53   | 9.49   | 17.02  | 1.66  |
| 94 | 1 | 2006 | B157006000000500 | 4.71   | 6.25   | 10.96  | 1.18  |

|     |   |      |                  |        |        |        |       |
|-----|---|------|------------------|--------|--------|--------|-------|
| 95  | 1 | 2006 | S24500000001200  | -7.81  | -10.48 | -18.29 | -2.01 |
| 96  | 1 | 2005 | S397505000014100 | 282.47 | 367.21 | 649.68 | 57.2  |
| 97  | 1 | 2005 | T590002023000104 | 203.33 | 292.79 | 496.12 | 53.98 |
| 98  | 1 | 2005 | S055000020000001 | 264.15 | 343.39 | 607.54 | 53.49 |
| 99  | 1 | 2005 | C902500000001600 | 198.87 | 275.1  | 473.97 | 47.73 |
| 100 | 1 | 2005 | M167002000004200 | 120.77 | 190.02 | 310.79 | 39.31 |
| 101 | 1 | 2005 | E330000301000500 | 105.28 | 156.51 | 261.79 | 30.16 |
| 102 | 1 | 2005 | C497097PLM171103 | 78.76  | 121.55 | 200.31 | 24.57 |
| 103 | 1 | 2005 | G99500000A000400 | 64.97  | 87.07  | 152.04 | 14.33 |
| 104 | 1 | 2005 | M62500000K000700 | 18.61  | 30.9   | 49.51  | 6.79  |
| 105 | 1 | 2005 | R225001003001900 | 2.41   | 3.97   | 6.38   | 0.86  |
| 106 | 1 | 2005 | L181000000028500 | 1.89   | 2.78   | 4.67   | 0.52  |
| 107 | 1 | 2005 | L181000000028500 | 1.9    | 2.78   | 4.68   | 0.52  |
| 108 | 1 | 2005 | G480004001004000 | 0.79   | 1.16   | 1.95   | 0.21  |
| 109 | 1 | 2005 | G480004001004000 | -0.79  | -1.16  | -1.95  | -0.21 |
| 110 | 1 | 2004 | S397505000014100 | 280.51 | 398.33 | 678.84 | 61.85 |
| 111 | 1 | 2004 | T590002023000104 | 212.36 | 331.28 | 543.64 | 60.2  |
| 112 | 1 | 2004 | S055000020000001 | 264.95 | 376.23 | 641.18 | 58.42 |
| 113 | 1 | 2004 | H048501000002600 | 274.41 | 367.7  | 642.11 | 50.63 |
| 114 | 1 | 2004 | M167002000004200 | 120.77 | 204.51 | 325.28 | 41.48 |
| 115 | 1 | 2004 | P526000000001000 | 130.2  | 158.41 | 288.61 | 35.54 |
| 116 | 1 | 2004 | C497097PLM171103 | 22.63  | 37.64  | 60.27  | 7.47  |
| 117 | 1 | 2004 | G480004001004000 | 25.7   | 40.35  | 66.05  | 7.4   |
| 118 | 1 | 2004 | R466001000001000 | 34.58  | 46.33  | 80.91  | 6.38  |
| 119 | 1 | 2004 | M190001000003200 | 25.46  | 35.12  | 60.58  | 5.15  |
| 120 | 1 | 2004 | W230000052000300 | 15.11  | 25.22  | 40.33  | 5.03  |
| 121 | 1 | 2004 | M190001000003200 | 14.13  | 19.46  | 33.59  | 2.86  |
| 122 | 1 | 2004 | W230000052000300 | 8.07   | 13.49  | 21.56  | 2.69  |
| 123 | 1 | 2004 | R470000013000100 | 6.67   | 9.47   | 16.14  | 1.47  |
| 124 | 1 | 2004 | S100000002003000 | 3.74   | 6.24   | 9.98   | 1.24  |
| 125 | 1 | 2004 | M520000049001100 | 3.18   | 5.36   | 8.54   | 1.08  |
| 126 | 1 | 2004 | G480004001004000 | -25.7  | -40.35 | -66.05 | -7.4  |
| 127 | 1 | 2003 | T590002023000104 | 228.66 | 384.15 | 612.81 | 68.94 |
| 128 | 1 | 2003 | S055000020000001 | 245.72 | 378.41 | 624.13 | 58.6  |
| 129 | 1 | 2003 | S397505000014100 | 173.35 | 266.96 | 440.31 | 41.34 |
| 130 | 1 | 2003 | M167002000004200 | 109.79 | 199.08 | 308.87 | 39.69 |
| 131 | 1 | 2003 | S477000000040600 | 24.29  | 43.07  | 67.36  | 8.34  |
| 132 | 1 | 2003 | B158003004001400 | 11.62  | 20.04  | 31.66  | 3.73  |
| 133 | 1 | 2003 | M190001000003200 | 11.42  | 17.09  | 28.51  | 2.52  |
| 134 | 1 | 2003 | W380000413000006 | 10.97  | 15.57  | 26.54  | 2.02  |
| 135 | 1 | 2003 | W010000044001052 | 7.01   | 10.23  | 17.24  | 1.42  |
| 136 | 1 | 2003 | B496504000032900 | 3.38   | 6.18   | 9.56   | 1.25  |
| 137 | 1 | 2002 | S055000020000001 | 246.9  | 409.86 | 656.76 | 63.33 |
| 138 | 1 | 2002 | H140000000001100 | 72.12  | 147.12 | 219.24 | 30.83 |
| 139 | 1 | 2002 | T590002023000104 | 39.65  | 71.37  | 111.02 | 12.67 |
| 140 | 1 | 2002 | G99500000A000400 | 36.2   | 61.54  | 97.74  | 9.94  |
| 141 | 1 | 2002 | W380000413000006 | 34.09  | 52.49  | 86.58  | 6.9   |
| 142 | 1 | 2002 | W010000023000416 | 11.64  | 22.86  | 34.5   | 4.57  |
| 143 | 1 | 2002 | G040000006000100 | 9.16   | 17.42  | 26.58  | 3.34  |

|     |    |      |                  |        |        |        |        |
|-----|----|------|------------------|--------|--------|--------|--------|
| 144 | 1  | 2002 | B158003004001400 | 4.43   | 8.16   | 12.59  | 1.5    |
| 145 | 1  | 2002 | T706000000000200 | 7.66   | 11.68  | 19.34  | 1.49   |
| 146 | 1  | 2001 | S055000020000001 | 166.21 | 295.85 | 462.06 | 45.62  |
| 147 | 1  | 2001 | M167002000004200 | 100.85 | 207.08 | 307.93 | 40.09  |
| 148 | 1  | 2000 | S055000020000001 | 163.78 | 311.18 | 474.96 | 47.91  |
| 149 | 1  | 2000 | M167002000004200 | 98.81  | 214.74 | 313.55 | 41.06  |
| 150 | 1  | 2000 | C230000006000800 | 155.99 | 261.03 | 417.02 | 29.72  |
| 151 | 1  | 2000 | H265000003000900 | 46.46  | 89.2   | 135.66 | 14.01  |
| 152 | 1  | 2000 | S300000000002850 | 22.41  | 51.09  | 73.5   | 10.39  |
| 153 | 1  | 2000 | O330000024001500 | 14.6   | 28.97  | 43.57  | 4.82   |
| 154 | 1  | 2000 | B010000003000300 | 7.32   | 13.97  | 21.29  | 2.17   |
| 155 | 1  | 1999 | S055000020000001 | 181.72 | 367.08 | 548.8  | 56.42  |
| 156 | 1  | 1999 | M167002000004200 | 88.12  | 202.09 | 290.21 | 38.2   |
| 157 | 1  | 1999 | S300000000002850 | 39.48  | 94.75  | 134.23 | 19.01  |
| 158 | 1  | 1999 | B010000003000300 | 9.03   | 18.29  | 27.32  | 2.83   |
| 159 | 1  | 1999 | D290000000001300 | 9.28   | 16.87  | 26.15  | 2.04   |
| 160 | 1  | 1999 | H265000009003900 | 8.69   | 16.05  | 24.74  | 2.03   |
| 161 | 1  | 1999 | C230000006000800 | 0.25   | 0.45   | 0.7    | 0.05   |
| 162 | 1  | 1998 | S055000020000001 | 181.72 | 388.89 | 570.61 | 59.7   |
| 163 | 1  | 1998 | M167002000004200 | 87.58  | 211.37 | 298.95 | 39.54  |
| 164 | 1  | 1998 | 1004100010000006 | 32.33  | 71.78  | 104.11 | 11.78  |
| 165 | 1  | 1997 | S055000020000001 | 178.73 | 403.93 | 582.66 | 61.93  |
| 166 | 1  | 1997 | M167002000004200 | 48.82  | 123.68 | 172.5  | 22.92  |
| 167 | 1  | 1997 | M550000097001421 | 10.63  | 26.98  | 37.61  | 5.01   |
| 168 | 1  | 1996 | S055000020000001 | 163.63 | 389.43 | 553.06 | 59.64  |
| 169 | 1  | 1996 | M167002000004200 | 47.87  | 127.02 | 174.89 | 23.34  |
| 170 | 1  | 1996 | E810000007000800 | 15.04  | 35.77  | 50.81  | 5.48   |
| 171 | 1  | 1995 | S055000020000001 | 156.81 | 392.03 | 548.84 | 59.98  |
| 172 | 1  | 1995 | M167002000004200 | 45.87  | 127.21 | 173.08 | 23.19  |
| 173 | 1  | 1995 | E540000002002100 | 33.03  | 79.9   | 112.93 | 11.44  |
| 174 | 1  | 1995 | E540000002002100 | 28.29  | 68.49  | 96.78  | 9.81   |
| 175 | 1  | 1994 | S055000020000001 | 129.07 | 338.17 | 467.24 | 51.69  |
| 176 | 1  | 1994 | M167002000004200 | 24.31  | 70.34  | 94.65  | 12.73  |
| 177 | 1  | 1994 | R026300000001000 | 11.65  | 31.53  | 43.18  | 5.12   |
| 178 | 1  | 1994 | C980000002000230 | 8.82   | 24.3   | 33.12  | 4.07   |
| 179 | 1  | 1991 | A080000000114909 | 5.89   | 18.77  | 24.66  | 3.22   |
| 180 | 12 | 1999 | S300000000002850 | 1.57   | 3.77   | 5.34   | 0.76   |
| 181 | 12 | 1999 | D290000000001300 | 0.23   | 0.41   | 0.64   | 0.05   |
| 182 | 1  | 2018 | P390002000000700 | 211.92 | 60.58  | 272.5  | 39.42  |
| 183 | 1  | 2015 | A180000038000219 | 589.11 | 292.09 | 881.2  | 119.29 |
| 184 | 1  | 2014 | A180000038000219 | 284.1  | 174.96 | 459.06 | 62.64  |
| 185 | 1  | 2012 | A080000000107609 | 42.49  | 34.99  | 77.48  | 10.2   |
| 186 | 1  | 2012 | D520003003000300 | 11.35  | 9.35   | 20.7   | 2.73   |
| 187 | 1  | 2009 | L136500000010300 | 11.42  | 14.93  | 26.35  | 3.8    |
| 188 | 1  | 2005 | E540000045000300 | 3.69   | 5.9    | 9.59   | 1.25   |

# COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE  
Hidalgo County Administration Building  
2008 South Business Highway 281  
Edinburg, Texas 78539-6243  
PHONE: (956) 318-2511  
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WEBSITE: [www.co.hidalgo.tx.us/auditor](http://www.co.hidalgo.tx.us/auditor)



EDINBURG, TEXAS 78539

February 24, 2021

Rolando Garza, Chief Appraiser  
Hidalgo County Appraisal District  
4405 S. Professional Dr.  
Edinburg, Texas 78540-0208

Re: South Texas Electric Cooperative, Inc. 2020 Tax Abatement Report No. 2021-19

Dear Mr. Garza:

We completed a limited scope review of the tax abatement agreement between Hidalgo County and South Texas Electric Cooperative, Inc. The objective of the review was to determine if South Texas Electric Cooperative, Inc. qualifies for a tax abatement for the 2021 tax year.

### Scope and Methodology

The scope of the review was limited to a review of the tax abatement agreement between Hidalgo County and South Texas Electric Cooperative, Inc., Hidalgo County Tax Abatement Guidelines, and correspondence received from South Texas Electric Cooperative, Inc. regarding compliance with terms of the tax abatement agreement.

### Conclusion:

Based on the results of the review, we determined that South Texas Electric Cooperative, Inc. qualifies for 80% tax abatement for the 2021 tax year based on the capital cost of improvements.

If you have any questions, please call Reynaldo Cantu III, Compliance Audit Supervisor, at 318-2511 ext. 4654, Letty Chavez, Director of Audit Division, ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,

Maria Arcilla Duran, CPA  
Hidalgo County Auditor

Cc: The Honorable Richard Cortez, Hidalgo County Judge  
Ms. Blanca Perez, Supervisor-Property Records, Hidalgo County Appraisal District  
Mr. Mike Kezar, General Manager, South Texas Electric Cooperative

### HIDALGO COUNTY DISTRICT JUDGES

LISA M. BRUNETTI  
JUDGE, 32<sup>ND</sup> D.C.

TERESA H. MORALES  
JUDGE, 33<sup>RD</sup> D.C.

J. R. "BOBBY" FLORES  
JUDGE, 34<sup>TH</sup> D.C.

ROSIE GUERRA REYNA  
JUDGE, 35<sup>TH</sup> D.C.

MARLA CUELLAR  
JUDGE, 36<sup>TH</sup> D.C.

MARIO E. RAMIREZ, JR.  
JUDGE, 37<sup>TH</sup> D.C.

NOE GONZALEZ  
JUDGE, 38<sup>TH</sup> D.C.  
OVERSEER

LETICIA LOPEZ  
JUDGE, 39<sup>TH</sup> D.C.

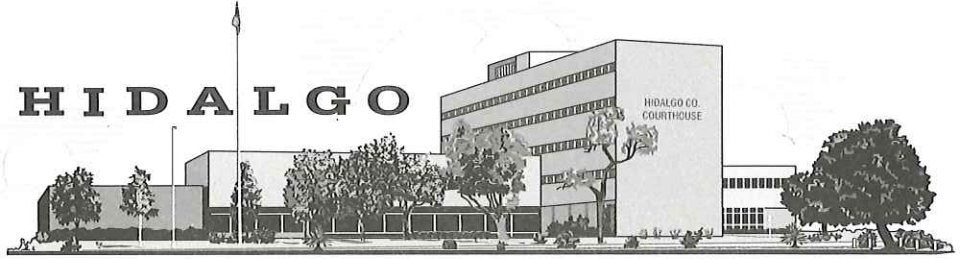
L. KEIJO VASQUEZ  
JUDGE, 40<sup>TH</sup> D.C.

H. RAEL RAMON, JR.  
JUDGE, 41<sup>ST</sup> D.C.

RENEE R. DETAMCOURT  
JUDGE, 42<sup>ND</sup> D.C.

JOSE "JOE" RAMIREZ  
JUDGE, 43<sup>RD</sup> D.C.

# COUNTY of HIDALGO



EDINBURG, TEXAS 78539

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](http://www.co.hidalgo.tx.us/auditor)

January 19, 2021

Ms. Yvonne Ramon, Elections Administrator  
Hidalgo County Elections Department  
101 S. 10<sup>th</sup> Street  
Edinburg, Texas 78539

Re: *Monthly Fees Report* for November 2020

Dear Ms. Ramon:

We conducted a limited scope review of the *Monthly Fees Report (Monthly Report)* and supporting documentation for the month of November 2020 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if fees collected were properly accounted and reported. 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.

### Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Report* for the month of November 2020. The 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.

### Methodology:

In conducting the review, the following procedures were performed:

- Verified that the *Monthly Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Report* by footing and cross-footing the report.
- Reviewed receipts issued to determine if fees were allocated and reported in the proper amounts.
- Verified that procedures for voiding receipts were properly followed (if any).
- Verified that collections per the *Monthly Report* agreed to: 1.) total receipts issued; and 2.) total deposits made with the County Treasurer.
- Reviewed *Cashier's Daily Close-out Reports/Daily Remittance Reports (Close-out Reports)* and County Treasurer receipts to determine if collections were properly accounted and deposited with the County Treasurer on a timely basis.
- Verified that receipts were properly completed and issued in sequential order.
- Verified that *Close-out Reports* were properly completed.

### HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY  
JUDGE, 82<sup>nd</sup> D.C.

FERNANDO MANCIAS  
JUDGE, 83<sup>rd</sup> D.C.

J. R. "BOBBY" FLORES  
JUDGE, 139<sup>th</sup> D.C.

ROSE GUERRA REYNA  
JUDGE, 208<sup>th</sup> D.C.

MARLA CUELLAR  
JUDGE, 278<sup>th</sup> D.C.

MARIO E. RAMIREZ, JR.  
JUDGE, 332<sup>nd</sup> D.C.

NOE GONZALEZ  
JUDGE, 376<sup>th</sup> D.C.  
OVERSEER

LETICIA LOPEZ  
JUDGE, 389<sup>th</sup> D.C.

L. KEINO VASQUEZ  
JUDGE, 398<sup>th</sup> D.C.

ISRAEL RAMON, JR.  
JUDGE, 439<sup>th</sup> D.C.

RENEE R. BETHANCOURT  
JUDGE, 449<sup>th</sup> D.C.

JOSE "JOE" RAMIREZ  
JUDGE, 464<sup>th</sup> D.C.

**Conclusion:**

Collections for the month of November 2020 totaled \$204.60. Based on the review, we concluded that fees were properly accounted and reported; however, the system of internal controls for the accounting and reporting of fees requires improvement as noted in the observation below.

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.

**Observation No. 1:**

We noted that the collections for 1 day in November were remitted to the County Treasurer's Office 4 days after the collections were receipted. According to the Accounting Clerk, the individuals who are authorized to make the remittance were out of the office; therefore, the remittance could not be made.

Pursuant to the "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office, cash receipts must be deposited intact on a daily basis, unless the amount collected is less than \$100.00.

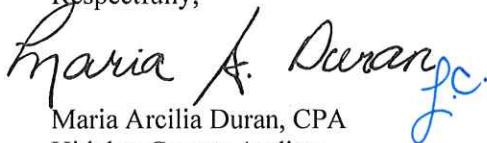
Failure to remit collections to the County Treasurer's Office on a daily basis increases the risk that loss or theft can occur.

**Recommendation:**

Management should ensure that collections are remitted to the County Treasurer's Office on a daily basis. An alternate person should always be present to remit the collections to the County Treasurer's Office on time.

If you have any questions, please contact Araceli A. Guillen, Internal Auditor I, at (956) 318-2511 ext. 4649, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA  
Hidalgo County Auditor

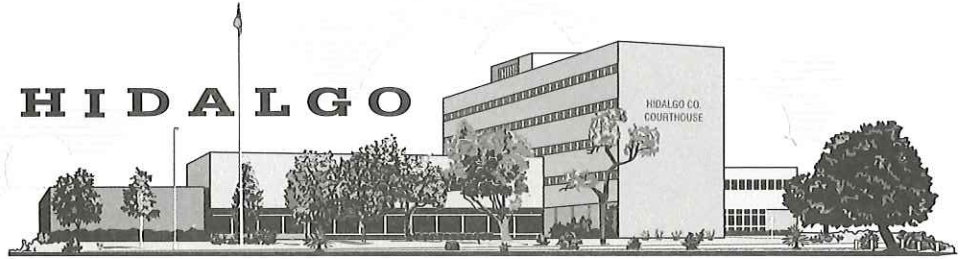
cc: Mr. Valde Guerra, County Executive Officer

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**HIDALGO COUNTY DISTRICT JUDGES**

# COUNTY of HIDALGO

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Hidalgo County Administration Building  
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EDINBURG, TEXAS 78539

January 25, 2021

Ms. Yvonne Ramon, Elections Administrator  
Hidalgo County Elections Department  
101 S. 10<sup>th</sup> Street  
Edinburg, Texas 78539

Re: *Monthly Fees Report* for December 2020

Dear Ms. Ramon:

We conducted a limited scope review of the *Monthly Fees Report (Monthly Report)* and supporting documentation for the month of December 2020 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if fees collected were properly accounted and reported. 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.

### Conclusion:

Collections for the month of December 2020 totaled \$94.70. Based on the review, we concluded that fees were properly accounted and reported.

### Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Report* for the month of December 2020. The 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.

### Methodology:

In conducting the review, the following procedures were performed:

- Verified that the *Monthly Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Report* by footing and cross-footing the report.
- Reviewed receipts issued to determine if fees were allocated and reported in the proper amounts.
- Verified that procedures for voiding receipts were properly followed (if any).
- Verified that collections per the *Monthly Report* agreed to: 1.) total receipts issued; and 2.) total deposits made with the County Treasurer.
- Reviewed *Cashier's Daily Close-out Reports/Daily Remittance Reports (Close-out Reports)* and County Treasurer receipts to determine if collections were properly accounted and deposited with the County Treasurer on a timely basis.

### HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SMOLETTY  
JUDGE, 82<sup>ND</sup> D.C.

FERNANDO MANCIAS  
JUDGE, 83<sup>RD</sup> D.C.

J. R. "BOBBY" FLORES  
JUDGE, 131<sup>ST</sup> D.C.

ROSE GUERRA REYNA  
JUDGE, 204<sup>TH</sup> D.C.

MARLA CUELLAR  
JUDGE, 275<sup>TH</sup> D.C.

MARIO E. RAMIREZ, JR.  
JUDGE, 332<sup>ND</sup> D.C.

NOE GONZALEZ  
JUDGE, 376<sup>TH</sup> D.C.  
OVERSEER

LETICIA LOPEZ  
JUDGE, 381<sup>ST</sup> D.C.

L. KEHO VASQUEZ  
JUDGE, 388<sup>TH</sup> D.C.

ISRAEL RAMON, JR.  
JUDGE, 459<sup>TH</sup> D.C.

RENEE R. BETANCOURT  
JUDGE, 449<sup>TH</sup> D.C.

JOSE "JOE" RAMIREZ  
JUDGE, 441<sup>ST</sup> D.C.

Ms. Yvonne Ramon

January 25, 2021

Page 2 of 2

- Verified that receipts were properly completed and issued in sequential order.
- Verified that *Close-out Reports* were properly completed.

If you have any questions, please contact Araceli A. Guillen, Internal Auditor I, at (956) 318-2511 ext. 4649, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA  
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer



**HIDALGO COUNTY DISTRICT JUDGES**

LUIS M. SINGLETERRY  
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JUDGE, 312<sup>ND</sup> D.C.

NOE GONZALEZ  
JUDGE, 370<sup>TH</sup> D.C.  
OVERSEER

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JUDGE, 388<sup>TH</sup> D.C.

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JUDGE, 398<sup>TH</sup> D.C.

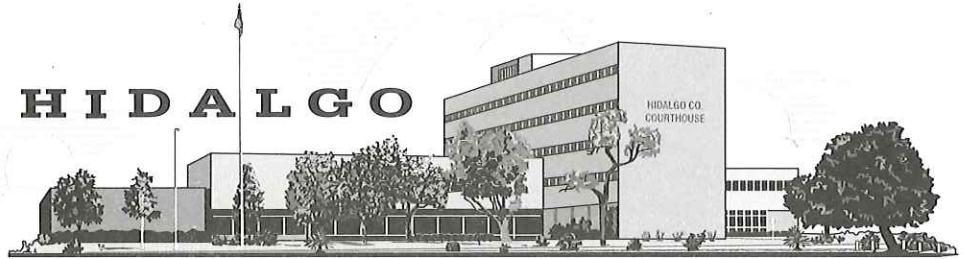
ISRAEL RAMON, JR.  
JUDGE, 430<sup>TH</sup> D.C.

RENEE R. BETANCOURT  
JUDGE, 448<sup>TH</sup> D.C.

JOSE "JOE" RAMIREZ  
JUDGE, 464<sup>TH</sup> D.C.

# COUNTY of HIDALGO

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EDINBURG, TEXAS 78539

February 22, 2021

The Honorable Bobby Contreras  
Hidalgo County Justice of the Peace Pct. 2, Pl. 1  
300 W. Hall Acres, Ste F  
Pharr, Texas 78577

Re: *Monthly Fines and Fees Reports* for October 2020 through December 2020

Dear Judge Contreras:

We conducted a limited scope review of the *Monthly Fines and Fees Reports (Monthly Reports)* and supporting documentation for the months of October 2020 through December 2020 pursuant to Local Government Code §115.002 (a) and (b) and Code of Criminal Procedure Article 103.011. The objective of the review was to determine if fines, fees, and court costs collected were properly accounted and reported. 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.

### Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Reports* for the months of October 2020 through December 2020. The 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.

### Methodology:

In conducting the review, the following procedures were performed:

- Verified that the *Monthly Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Report* by footing and cross-footing the report.
- Reviewed 100% of receipts to determine if fines, fees, and court costs collected were properly allocated and reported and verified whether any adjustments were made.
- Verified that procedures for voiding receipts were properly followed.
- Verified that collections per the *Monthly Report* agreed to: 1.) total receipts issued per *Odyssey's* Receipt Journal Report, 2.) total collections per *Odyssey's* Fee Distribution Report, 3.) total deposits made with the County Treasurer, and 4.) total deposits posted to *Alio's* Undistributed Receipts general ledger account.
- Reviewed all cases in which defendants satisfied outstanding fines, fees, and court costs by making cash payments and serving time at the Hidalgo County jail and randomly selected cases in which defendants satisfied outstanding fines, fees, and court costs by serving time in the Hidalgo County jail to determine if: 1.) the warrant was recalled; 2.) the cash payment and/or jail time credit was applied to the case; 3.) the case was closed; and 4.) the Sheriff's "Discharge" receipt number was referenced on the case.

#### HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92<sup>ND</sup> D.C.    FERNANDO MANCIAS JUDGE, 93<sup>RD</sup> D.C.    J. R. "BOBBY" FLORES JUDGE, 133<sup>RD</sup> D.C.    ROSE GUERRA REYNA JUDGE, 208<sup>TH</sup> D.C.    MARLA CUELLAR JUDGE, 275<sup>TH</sup> D.C.    MARIO E. RAMIREZ, JR. JUDGE, 332<sup>ND</sup> D.C.    NOE GONZALEZ JUDGE, 370<sup>TH</sup> D.C. OVERSEER    LETICIA LOPEZ JUDGE, 381<sup>ST</sup> D.C.    L. KENO VASQUEZ JUDGE, 398<sup>TH</sup> D.C.    ISRAEL RAMON, JR. JUDGE, 430<sup>TH</sup> D.C.    RENE E. BETANCOURT JUDGE, 449<sup>TH</sup> D.C.    JOSE "JOE" RAMIREZ JUDGE, 464<sup>TH</sup> D.C.

- Verified the sequence of receipts per the *Monthly Report* agreed to *Odyssey's* Receipt Journal Report. In addition, verified that receipts were issued in sequential order.
- Compared the Hamer Enterprises Credit Card Payment Reports to *Odyssey's* Daily Balance Report and *Alio's* Undistributed Receipts general ledger account to determine if credit card transactions were timely received by the Justice of the Peace and County Treasurer's Office.
- Reviewed *Cashier's Daily Close-out Reports* (Close-out Reports) and County Treasurer receipts to determine if fees collected were properly accounted and deposited with the County Treasurer on a daily basis.
- Verified that receipts, Close-out Reports, *Schedule of Receipts and Deposits* form, mail logs, Office of Court Administration's "*Official Justice of the Peace Monthly Report*" (OCA Report), and the *Monthly Report*, among other reports, were properly completed.
- Verified that cash bonds posted by defendants who failed to appear before the Justice of the Peace were forfeited (liquidated) by the 10th workday following the date of release from jail.
- Reviewed *Scofflaw Release Forms* submitted by defendants to the Motor Vehicle Department to determine if procedures for the Scofflaw Program were properly implemented.

**Conclusion:**

Collections for the months of October 2020 through December 2020 totaled \$37,344.07, \$61,587.46, and \$56,906.09 respectively. Based on the review, we concluded that fines, fees, and court costs were generally properly accounted and reported; however, the system of internal controls for the accounting and reporting of fines, fees, and court costs requires improvement as noted in the observations below.

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.

**Observation No. 1:**

We noted that 17 of 1,101 transactions during the months of October 2020 through December 2020 contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments; however, the adjustments have not been completed. In addition, we noted that adjustments for prior months have not been completed. The lists of adjustments for prior months were previously provided. According to staff, attempts are made to check the fines, fees, and court costs prior to issuing a receipt. In addition, due to a heavy workload and limited staff, the prior adjustments could not be completed.

There are numerous statutes that require Justices of the Peace to charge various fines, fees, and court costs for certain services and offenses. Fines, fees, and court costs must be allocated pursuant to State statutes and/or Commissioners Court approval. In addition, the County Auditor's Office requires that adjustments be made within three days of notification.

Failure to ensure that fines, fees, and court costs are properly allocated and reported may result in the improper collection of County revenues. In addition, the County may be held liable to the State for failure to properly allocate and report fines, fees, and court costs.

**Recommendation:**

Management should ensure that all pending adjustments are completed. In addition, management should develop and implement formal procedures to ensure that fines, fees, and court costs are properly allocated and reported. At a minimum, the following procedures should be implemented:

- Staff should be provided with training regarding the proper allocation of fines, fees, and court costs.
- Staff should review the allocation of fines, fees, and court costs before the official County receipt is issued.
- Access for setting up offense codes with the proper fines, fees, and court costs in *Odyssey* should be limited to staff with adequate knowledge of the applicable allocation.
- Staff should ensure that the proper fines, fees, and court costs allocation, offense date, and disposition date (judgment date) are entered in *Odyssey*.
- Staff should ensure that adjustments are entered in *Odyssey* within three days of notification.

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**HIDALGO COUNTY DISTRICT JUDGES**

**Observation No. 2:**

We noted that a mail log was not utilized during the months of October 2020 through December 2020. According to the Court Coordinator, a mail log was not prepared due to having limited staff and not enough time.

The County Auditor's Office requires that mail-in payments be listed on a daily mail log. The mail log should include the following information for each mail-in payment received: date received, the name of the payer, the amount of the remittance, the form of the remittance (e.g., cash or check), and, if applicable, the check number.

Failure to ensure that mail-in payments are recorded on a daily mail log increases the risk that payments could be lost or misappropriated without detection.

**Recommendation:**

Management should ensure that a daily mail log is maintained to record payments received through the mail. Please refer to the mail log section of the "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office for the minimum procedures to be implemented for processing payments received through the mail.

**Observation No. 3:**

Copies of the June 2014 through August 2014 and April 2015 through December 2020 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the Office of Court Administration (OCA). According to Justice of the Peace staff, copies of the OCA Reports have not been submitted since the amounts identified on the reports are not correct. Assistance from the Information Technology Department has been requested; however, the problem has not been resolved.

Texas Administrative Code 171.2 requires justices of the peace to submit a summary-level court activity report and other required reports each month to the OCA. All reports are due no later than 20 days following the end of the month reported. The monthly report is designed to provide the information required by law or needed by the legislative, executive, and judicial branches of government to make decisions regarding the jurisdiction, structure, and needs of the court system.

Failure to ensure that the monthly court activity report is submitted to the OCA may result in the inability of the legislative, executive, and judicial branches of government to make informed decisions regarding the needs of the Hidalgo County court system.

**Recommendation:**

The continued assistance of the Information Technology Department should be requested until the problem has been resolved. Management should ensure that a properly completed court activity report is submitted to the OCA and the County Auditor's Office within 20 days after the last day of each month.

**Observation No. 4:**

We noted that 16 of 242 online credit card transactions for October 2020 through December 2020 were receipted 2 to 44 days after the date of transaction. Consequently, the applicable case dispositions were not recorded in *Odyssey* in a timely manner. According to staff, the credit card transactions were receipted late due to an oversight and heavy workload.

The County Auditor's Office requires that all collections (i.e., cash, checks, credit card payments, etc.) received be promptly recorded and controlled using pre-numbered official County receipts. In addition, the case dispositions should be recorded in *Odyssey* upon receipt of payment.

Failure to ensure that credit card transactions are promptly receipted may result in the loss or misuse of County funds. In addition, failure to ensure that case dispositions are entered in a timely manner may result in the arrest of the defendant, in error.

**Recommendation:**

Management should ensure that the Court Coordinator verifies that all credit card transactions are promptly receipted and case dispositions are entered in a timely manner. The Hamer Enterprises' Payment Report should be utilized to reconcile credit card payments receipted in *Odyssey* at the end of each day.

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**HIDALGO COUNTY DISTRICT JUDGES**

Please provide written management responses to the observations noted above by March 5, 2021.

If you have any questions or would like to schedule a meeting to discuss the above noted observations, please contact Edgar Alan Escobedo, Internal Auditor I, at 318-2511 ext. 4655, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA  
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer

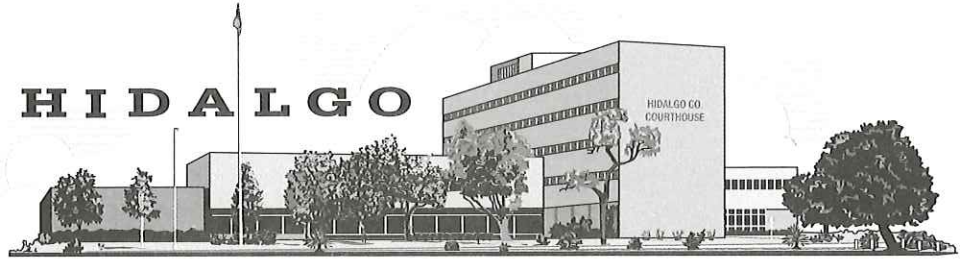


**HIDALGO COUNTY DISTRICT JUDGES**

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|---|--|---|--|--|--|---|--|--|--|--|---|
| LUIS M. SINGLETERRY<br>JUDGE, 82 <sup>ND</sup> D.C. | FERNANDO MANCIAS<br>JUDGE, 93 <sup>RD</sup> D.C. | J. R. "BOBBY" FLORES<br>JUDGE, 139 <sup>TH</sup> D.C. | ROSE GUERRA REYNA<br>JUDGE, 200 <sup>TH</sup> D.C. | MARLA CUELLAR<br>JUDGE, 275 <sup>TH</sup> D.C. | MARIO E. RAMIREZ, JR.<br>JUDGE, 332 <sup>ND</sup> D.C. | NOE GONZALEZ<br>JUDGE, 316 <sup>TH</sup> D.C.<br>OVERSEER | LETICIA LOPEZ<br>JUDGE, 364 <sup>TH</sup> D.C. | L. KENO VASQUEZ<br>JUDGE, 393 <sup>RD</sup> D.C. | ISRAEL RAMON, JR.<br>JUDGE, 430 <sup>TH</sup> D.C. | RENEE R. BETANCOURT<br>JUDGE, 449 <sup>TH</sup> D.C. | JOSE "JOE" RAMIREZ<br>JUDGE, 484 <sup>TH</sup> D.C. |
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# 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](http://www.co.hidalgo.tx.us/auditor)



EDINBURG, TEXAS 78539

January 19, 2021

The Honorable Sonia "Dr." Trevino  
Hidalgo County Justice of the Peace Pct. 3, Pl. 1  
730 N. Breyfogle, Suite C  
Mission, Texas 78572

Re: *Monthly Fines and Fees Reports* for July 2020 through September 2020

Dear Judge Trevino:

We conducted a limited scope review of the *Monthly Fines and Fees Report (Monthly Report)* and supporting documentation for the months of July 2020 through September 2020 pursuant to Local Government Code §115.002 (a) and (b) and Code of Criminal Procedure Article 103.011. The objective of the review was to determine if fines, fees, and court costs collected were properly accounted and reported. 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.

### Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Report* for the months of July 2020 through September 2020. The 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.

### Methodology:

In conducting the review, the following procedures were performed:

- Verified that the *Monthly Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Report* by footing and cross-footing the report.
- Reviewed 100% of receipts to determine if fines, fees, and court costs collected were properly allocated and reported and verified whether any adjustments were made.
- Verified that procedures for voiding receipts were properly followed.
- Verified that collections per the *Monthly Report* agreed to: 1.) total receipts issued per *Odyssey's* Receipt Journal Report, 2.) total collections per *Odyssey's* Fee Distribution Report, 3.) total deposits made with the County Treasurer, and 4.) total deposits posted to *Alio's* Undistributed Receipts general ledger account.
- Reviewed all cases in which defendants satisfied outstanding fines, fees, and court costs by making cash payments and serving time at the Hidalgo County jail and randomly selected cases in which defendants satisfied outstanding fines, fees, and court costs by serving time in the Hidalgo County jail to determine if: 1.) the warrant was recalled; 2.) the cash payment and/or jail time credit was applied to the case; 3.) the case was closed; and 4.) the Sheriff's "Discharge" receipt number was referenced on the case.
- Verified the sequence of receipts per the *Monthly Report* agreed to *Odyssey's* Receipt Journal Report. In addition, verified that receipts were issued in sequential order.

### HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY  
JUDGE, 82<sup>ND</sup> D.C.

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J. R. "BOBBY" FLORES  
JUDGE, 133<sup>RD</sup> D.C.

ROSE GUERRA REYNA  
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JUDGE, 449<sup>TH</sup> D.C.

JOSE "JOE" RAMIREZ  
JUDGE, 464<sup>TH</sup> D.C.

- Compared the Hamer Enterprises Credit Card Payment Reports to *Odyssey's* Daily Balance Report and *Alio's* Undistributed Receipts general ledger account to determine if credit card transactions were timely received by the Justice of the Peace and County Treasurer's Office.
- Reviewed *Cashier's Daily Close-out Reports* (Close-out Reports) and County Treasurer receipts to determine if fees collected were properly accounted and deposited with the County Treasurer on a daily basis.
- Verified that receipts, Close-out Reports, *Schedule of Receipts and Deposits* form, mail logs, Office of Court Administration's "*Official Justice of the Peace Monthly Report*" (OCA Report), and the *Monthly Report*, among other reports, were properly completed.
- Verified that cash bonds posted by defendants who failed to appear before the Justice of the Peace were forfeited (liquidated) by the 10th workday following the date of release from jail.

**Conclusion:**

Collections for the months of July 2020 through September 2020 totaled \$77,483.30, \$72,793.12, and \$70,368.93, respectively. Based on the review, we concluded that fines, fees, and court costs were generally properly accounted and reported; however, the system of internal controls for the accounting and reporting of fines, fees, and court costs requires improvement as noted in the observations below.

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.

**Observation No. 1:**

We noted that 15 of 1,658 transactions during the months of July 2020 through September 2020 contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments; however, the adjustments have not been completed. According to the Court Coordinator, staff does not consistently verify that fines, fees, and court costs have been properly assessed prior to issuing receipts.

There are numerous statutes that require Justices of the Peace to charge various fines, fees, and court costs for certain services and offenses. Fines, fees, and court costs must be allocated pursuant to State statutes and/or Commissioners Court approval. In addition, the County Auditor's Office requires that adjustments be made within three days of notification.

Failure to ensure that fines, fees, and court costs are properly allocated and reported may result in the improper collection of County revenues. In addition, the County may be held liable to the State for failure to properly allocate and report fines, fees, and court costs.

**Recommendation:**

Management should ensure that all pending adjustments are completed. In addition, management should develop and implement formal procedures to ensure that fines, fees, and court costs are properly allocated and reported. At a minimum, the following procedures should be implemented:

- Staff should be provided with training regarding the proper allocation of fines, fees, and court costs.
- Staff should review the allocation of fines, fees, and court costs before the official County receipt is issued.
- Access for setting up offense codes with the proper fines, fees, and court costs in *Odyssey* should be limited to staff with adequate knowledge of the applicable allocation.
- Staff should ensure that the proper fines, fees, and court costs allocation, offense date, and disposition date (judgment date) are entered in *Odyssey*.
- Staff should ensure that adjustments are entered in *Odyssey* within three days of notification.

**Observation No. 2:**

Copies of the January 2015 through September 2020 Office of Court Administration's "*Official Justice of the Peace Monthly Reports*" (OCA Reports) have not been submitted to the Office of Court Administration (OCA). According to Justice of the Peace staff, properly completed OCA Reports cannot be generated from *Odyssey* due to data entry errors. Assistance from the Information Technology Department has been requested; however, the problem has not been resolved.

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HIDALGO COUNTY DISTRICT JUDGES

Texas Administrative Code 171.2 requires justices of the peace to submit a summary-level court activity report and other required reports each month to the OCA. All reports are due no later than 20 days following the end of the month reported. The monthly report is designed to provide the information required by law or needed by the legislative, executive, and judicial branches of government to make decisions regarding the jurisdiction, structure, and needs of the court system.

Failure to ensure that the monthly court activity report is submitted to the Office of Court Administration may result in the inability of the legislative, executive, and judicial branches of government to make informed decisions regarding the needs of the Hidalgo County court system.

**Recommendation:**

The continued assistance of the Information Technology Department should be requested until the problem has been resolved. Management should ensure that a properly completed court activity report is submitted to the OCA and the County Auditor's Office within 20 days after the last day of each month.

**Observation No. 3:**

We noted that the August 2020 and September 2020 *Monthly Reports* were submitted to the County Auditor's Office 17 and 16 days, respectively, after the fifth day following the end of the month. According to the Court Coordinator, the *Monthly Reports* were submitted late due to being short-handed.

Local Government Code §114.001 (b) states, "A monthly report must be filed within five days after the last day of each month." Timely submittal of the *Monthly Report* helps ensure the proper accounting and accurate projection of county revenues.

Failure to ensure that the *Monthly Report* is submitted to the County Auditor's Office within five days after the last day of each month may result in the improper accounting and inaccurate projection of County revenues.

**Recommendation:**

Management should ensure the *Monthly Report* is submitted to the County Auditor's Office within five days after the last day of each month.

**Observation No. 4:**

We noted that 16 of 226 online credit card transactions during the month of July 2020 were receipted 4 to 34 days after the transaction date. Consequently, the applicable case dispositions were not recorded in *Odyssey* in a timely manner. According to the Court Coordinator, the transactions were not receipted timely due to an oversight and staff rotations.

The County Auditor's Office requires that all collections (i.e., cash, checks, credit card payments, etc.) received be promptly recorded and controlled using pre-numbered official County receipts. In addition, the case dispositions should be recorded in *Odyssey* upon receipt of payment.

Failure to ensure that credit card transactions are promptly receipted may result in the loss or misuse of County funds. In addition, failure to ensure that case dispositions are entered in a timely manner may result in the arrest of the defendant, in error.

**Recommendation:**

Management should verify that all credit card transactions are promptly receipted and case dispositions are entered in a timely manner.

**Observation No. 5:**

We noted that 3 of 9 randomly selected receipts issued during the month of September 2020 were not issued to the name and address that was noted on the check or money order. According to the Court Coordinator it was due to an oversight.

The County Auditor's Office requires that all collections (i.e., cash, checks, credit card payments, etc.) received be promptly recorded with the correct payor information.

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HIDALGO COUNTY DISTRICT JUDGES

Failure to ensure that the receipts contain the proper payor with the correct address increases the risk of receipting errors not being identified.

**Recommendation:**

Management should ensure that receipts are issued to the correct payor and address. The clerk should be trained on preparing receipts. At a minimum, the procedures noted above should be implemented

Please provide written management responses for the observations noted above by February 5, 2021.

If you have any questions or would like to schedule a meeting to discuss the above noted observations, please contact Edgar Alan Escobedo, Internal Auditor I, at 318-2511 ext. 4655, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,

  
Maria Arçilia Duran, CPA  
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer



**HIDALGO COUNTY DISTRICT JUDGES**

LUIS M. SINGLETERRY JUDGE, 82<sup>ND</sup> D.C.    FERNANDO MANCIAS JUDGE, 83<sup>RD</sup> D.C.    J. R. "BOBBY" FLORES JUDGE, 139<sup>TH</sup> D.C.    ROSE GUERRA REYNA JUDGE, 204<sup>TH</sup> D.C.    MARLA CUELLAR JUDGE, 275<sup>TH</sup> D.C.    MARIO E. RAMIREZ, JR. JUDGE, 332<sup>ND</sup> D.C.    NOE GONZALEZ JUDGE, 370<sup>TH</sup> D.C. OVERSEER    LETICIA LOPEZ JUDGE, 389<sup>TH</sup> D.C.    L. KENO VASQUEZ JUDGE, 398<sup>TH</sup> D.C.    ISRAEL RAMON, JR. JUDGE, 430<sup>TH</sup> D.C.    RENEE R. BETANCOURT JUDGE, 448<sup>TH</sup> D.C.    JOSE "JOE" RAMIREZ JUDGE, 484<sup>TH</sup> D.C.