COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

September 26, 2023

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
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	April 2022 DTA Payment Request Report No. 2022-51
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	May 2022 DTA Payment Request Report No. 2022-52
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	June 2022 DTA Payment Request Report No. 2022-53
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	July 2022 DTA Payment Request Report No. 2022-54
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	August 2022 DTA Payment Request Report No. 2022-58
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	September and October 2022 DTA Payment Request Report No. 2022-66 and 2022-67
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	November 2022 DTA Payment Request Report No. 2022-68
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	December 2022 DTA Payment Request Report No. 2022-69
The Hon. Celestino Avila Jr. Constable Precinct No. 1	Chapter 59 Asset Forfeiture Report No. 2022-05
The Hon. Martin Cantu, Constable Precinct No. 2	Chapter 59 Asset Forfeiture Report No. 2022-06
The Hon. Lazaro Gallardo, Constable Precinct No. 3	Chapter 59 Asset Forfeiture Report No. 2022-07
The Hon. Atanacio Gaitan Jr., Constable Precinct No. 4	Chapter 59 Asset Forfeiture Report No. 2022-08
The Hon. Atanacio Gaitan Jr., Constable Precinct No. 4	2021 Equitable Sharing Agreement and Certification Audit No. 2022-16
The Hon. Celestino Avila Jr. Constable Precinct No. 1	2021 Equitable Sharing Agreement and Certification Audit No. 2022-13
The Hon. Lazaro Gallardo, Constable Precinct No. 3	2021 Equitable Sharing Agreement and Certification Audit No. 2022-15
The Hon. Martin Cantu, Constable Precinct No. 2	2021 Equitable Sharing Agreement and Certification Audit No. 2022-14
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	2021 Equitable Sharing Agreement and Certification Audit No. 2022-12

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. | YSMAEL FONSECA JUDGE, 476TH D.C.

The Hon. Ricardo Rodriguez, Jr., Criminal District Attorney	2021 Equitable Sharing Agreement and Certification Audit No. 2022-11
The Hon. Ricardo Rodriguez, Jr., Criminal District Attorney	Chapter 59 Asset Forfeiture Report No. 2022-04
The Hon. Lita Leo, Hidalgo County Treasurer	Cash Count Report No. 2022-62 and 2022-63
The Hon. Atanacio Gaitan Jr., Constable Precinct No. 4	Cash Count Report No. 2022-61
Mr. T.J. Arredondo, Director Planning Department	Cash Count Report No. 2022-65
The Hon. Celestino Avila Jr. Constable Precinct No. 1	Cash Count Report No. 2022-64
The Hon. Ricardo Rodriguez, Jr., Criminal District Attorney	Chapter 59 Asset Forfeiture Report No. 2022-55
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Chapter 59 Asset Forfeiture Report No. 2022-03
The Hon. Homer Jasso, Sr., Justice of the Peace Pct. 4 Pl. 2	Asset Inventory Listing Audit No. 2022-60
Ms. Hilda Salinas, Interim Elections Administrator	Asset Inventory Listing Audit No. 2022-57
The Honorable Toribio Palacios, Criminal District Attorney	Asset Inventory Listing Audit No. 2022-59
Mr. T.J. Arredondo, Director Planning Department	Cash Count Report No. 2022-70
The Hon. Martin Cantu, Constable Precinct No. 2	Cash Count Report No. 2022-72
The Honorable Toribio Palacios, Criminal District Attorney	Asset Forfeiture Cash Count Report No. 2022-75
The Hon. Eduardo Cantu, Commissioner Precinct No. 2	Cash Count Audit No. 2022-78
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Cash Count Audit No. 2022-79
Mr. Eduardo Olivarez, Director Hidalgo County Department of Health and Human Services	Cash Count Audit No. 2022-81
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Cash Count Report No. 2022-76
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Cash Count Audit No. 2022-80
Mr. Eduardo Olivarez, Director Hidalgo County Department of Health and Human Services	Cash Count Audit No. 2022-83
The Hon. Everardo Villarreal, Commissioner Precinct No. 3	Cash Count Audit No. 2022-86
Ms. Erika Reyna, Director of Human Resources	Cash Count Report No. 2022-84
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Cash Count Audit No. 2022-85
The Hon. Lazaro Gallardo, Constable Precinct No. 3	Cash Count Report No. 2022-89
Ms. Angie Chapa, Hidalgo County Law Librarian	Cash Count Audit No. 2022-87
The Hon. Ellie Torres, Commissioner Precinct No. 4	Cash Count Report No. 2022-88
The Hon. David L. Fuentes, Commissioner Precinct No. 1	Cash Count Report No. 2022-77
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Cash Count Report No. 2022-90
The Hon. Lita Leo, Hidalgo County Treasurer	Cash Count Report No. 2022-96 and 2023-47
The Hon. Everardo Villarreal, Commissioner Precinct No. 3	Cash Count Report No. 2022-91
The Hon. Everardo Villarreal, Commissioner Precinct No. 3	Cash Count Report No. 2022-92
The Honorable Toribio Palacios, Criminal District Attorney	Hot Checks Cash Count Report No. 2022-74
Mr. T.J. Arredondo, Director Planning Department	Cash Count Report No. 2022-73
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Cash Count Report No. 2022-94 and 2022-95
Mr. Homero Garza, Fire Marshal	Cash Count Audit No. 2022-82
Randy Perez, City Manager City of Mission	City of Mission TIRZ No. 1 Report No. 2022-31
Robert L. Salinas, City Manager City of Alamo	City of Alamo TIRZ No. 1 Report No. 2021-28 & 2022-36
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	City of Alamo TIRZ No. 1 Report No. 2022-36
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	City of Alamo TIRZ No. 1 Report No. 2022-36
Myra Ayala, City Manager City of Edinburg	City of Edinburg TIRZ No. 1 Report No. 2022-37
Myra Ayala, City Manager City of Edinburg	City of Edinburg TIRZ No. 4 Report No. 2022-40
Jeff Underwood, City Manager City of Alton	City of Alton TIRZ No. 1 Report No. 2022-41
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	McAllen TIRZ No. 1 Report No. 2022-44

Roy Rodriguez, City Manager City of McAllen	McAllen TIRZ No. 1 Report No. 2022-44
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	Hidalgo Wind Farms, LLC Ph. I & Ph. II Tax Abatement Report No. 2022-21 and 2022-22
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	Wonderful Citrus Packing, LLC 2022 Tax Abatement Report No. 2022-23
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	United Parcel Service, Inc. 2022 Tax Abatement Report No. 2022-24
Ms. Hilda Ann Salinas, Elections Administrator	Monthly Fees Report for September 2022 through June 2023

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Attachments

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

June 24, 2022

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

Re: April 2022 DTA Payment Request Report No. 2022-51

Dear Mr. Villarreal:

We completed a limited scope review of the April 2022 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 April 2022 DTA payment request in the amount of $155,017.06 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 April 30, 2022. 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 April 2022."
- 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, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH 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 April 2022."
- Although DTA fees for 427 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 (422 tax accounts), and small amounts collected (5 tax accounts) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Francisco Saenz, Internal Auditor I, at 318-2511, ext. 4667, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A

cc: Ms. Lucy Canales, Linebarger Goggan Blair & Sampson, LLP
Mr. Valde Guerra, County Executive Officer
Ms. Eva Mireles, Chief Deputy, Hidalgo County Tax Office

THE COUNTY OF HIDALGO TEXAS

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY	FERNANDO MANCIAS	J. R. "BOBBY" FLORES	ROSE GUERRA REYNA	MARLA CUELLAR	MARIO E. RAMIREZ, JR.	NOE GONZALEZ	LETICIA LOPEZ	L. KENO VASQUEZ	ISRAEL RAMON, JR.	RENEE R. BETANCOURT	JOSE "JOE" RAMIREZ
JUDGE, 92ND D.C.	JUDGE, 93RD D.C.	JUDGE, 139TH D.C.	JUDGE, 206TH D.C.	JUDGE, 275TH D.C.	JUDGE, 332ND D.C.	JUDGE, 370TH D.C. OVERSEER	JUDGE, 389TH D.C.	JUDGE, 398TH D.C.	JUDGE, 430TH D.C.	JUDGE, 449TH D.C.	JUDGE, 464TH D.C.

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2019	V238000000000400	692.01	205.29	897.3	127.68
2	1	2018	C180000035002000	115.55	36.21	151.76	20.45
3	1	2018	N135002000013600	51.67	21.23	72.9	10.39
4	1	2018	P670000001000200	30.68	12.96	43.64	6.26
5	1	2018	C470000013001000	13.37	4.27	17.64	2.39
6	1	2018	C470000013001000	8.05	2.59	10.64	1.43
7	1	2018	T210000277000303	0.15	0.08	0.23	0.04
8	1	2017	E330000281000305	590.63	248.06	838.69	112.52
9	1	2017	G563000000000100	331	123.57	454.57	59.08
10	1	2017	V344002000001200	81.74	35.28	117.02	15.82
11	1	2017	C443503000011000	73.95	29.34	103.29	13.64
12	1	2017	B190014000002000	34.72	18.42	53.14	7.6
13	1	2017	B190014000002000	34.72	18.43	53.15	7.6
14	1	2017	B355003000007400	41.64	15.55	57.19	7.43
15	1	2017	L05000000Z000001	0.55	0.35	0.9	0.13
16	1	2016	E330000281000305	318.75	172.12	490.87	66.46
17	1	2016	R453000000004100	283.62	123.84	407.46	51.05
18	1	2016	E810000003001200	202.82	94.14	296.96	38.33
19	1	2016	E585000000000100	197.82	87.54	285.36	36.5
20	1	2016	E400000006001100	117.95	55.44	173.39	22.47
21	1	2016	T220000008001814	85	43.42	128.42	17.08
22	1	2016	E585000000000100	33.66	15.03	48.69	6.21
23	1	2016	C470000013001100	28.96	16.19	45.15	6.21
24	1	2016	C470000013001100	17.41	9.81	27.22	3.74
25	1	2015	B325200000008900	469.37	250.33	719.7	88.01
26	1	2015	R453000000004100	288.4	160.55	448.95	57.1
27	1	2015	A180000047001005	232.69	126.24	358.93	45.03
28	1	2015	L275000017000402	189.05	97.05	286.1	33.75
29	1	2015	E400000006001100	118.97	70.19	189.16	24.81
30	1	2015	L110002003011508	70.16	40.98	111.14	14.52
31	1	2015	H47000000P000006	38.09	27.14	65.23	9.14
32	1	2015	L670000003000400	17.07	11.07	28.14	3.82
33	1	2015	B190027000002400	17.49	9.62	27.11	3.41
34	1	2015	W230000058000700	8.74	4.72	13.46	1.66
35	1	2014	M581000000004600	423.99	262.87	686.86	80.77
36	1	2014	R453000000004100	308.88	209.01	517.89	66.72
37	1	2014	L275000017000402	300.48	190.3	490.78	59.04
38	1	2014	A180000047001005	263.46	174.55	438.01	55.72
39	1	2014	E400000006001100	136.18	96.69	232.87	30.84
40	1	2014	A300000007000300	121.97	74.81	196.78	22.87
41	1	2014	L670000003000400	27.68	21.26	48.94	6.68
42	1	2014	E540000014001200	17.56	11	28.56	3.4
43	1	2014	G880000007000500	0.01	0.02	0.03	0.01
44	1	2013	S477000000013200	224.74	153.57	378.31	41.13
45	1	2013	C100000004000900	209.03	140.05	349.08	37
46	1	2013	E400000006001100	126.5	105	231.5	30.93
47	1	2013	H265000017002600	124.46	94.6	219.06	27.07
48	1	2013	D790001001000700	101.43	68.98	170.41	18.41
49	1	2013	O210000005000035	96.8	65.17	161.97	17.28

50	1	2013	T125002004005000	70.23	48	118.23	12.85
51	1	2013	R470000014000900	53.67	37.39	91.06	10.15
52	1	2013	T125002004005000	43.7	29.86	73.56	8
53	1	2013	E540000014001200	17.56	13.11	30.67	3.71
54	1	2013	S160000000003989	16.11	12.39	28.5	3.57
55	1	2013	C740000002001200	0.27	0.2	0.47	0.06
56	1	2012	A180000033001313	536.22	407.53	943.75	97.32
57	1	2012	J450000000001300	229.59	176.02	405.61	42.36
58	1	2012	E400000006001100	126.5	120.18	246.68	33.21
59	1	2012	D790001001000700	132.67	106.14	238.81	26.47
60	1	2012	S477000000013200	121.22	97.37	218.59	24.36
61	1	2012	M035000009004400	94.08	76.83	170.91	19.47
62	1	2012	H185000180001000	57.77	47.96	105.73	12.31
63	1	2012	C960002003004200	33.46	25.76	59.22	6.22
64	1	2012	C740000002001200	20.68	17.58	38.26	4.59
65	1	2012	E540000014001200	17.56	15.22	32.78	4.03
66	1	2012	N861301000009900	18.04	14.43	32.47	3.6
67	1	2012	H265000017002600	7.17	6.31	13.48	1.69
68	1	2011	R453000000004100	299.69	310.67	610.36	80.92
69	1	2011	I223000001025500	350.19	297.66	647.85	65.14
70	1	2011	M355000174000200	297.01	251.46	548.47	54.8
71	1	2011	J450000000001300	220.31	195.34	415.65	44.61
72	1	2011	S525001043003700	220.43	192.51	412.94	43.31
73	1	2011	E400000006001100	126.5	135.36	261.86	35.48
74	1	2011	C655000004001500	153.04	139.78	292.82	32.83
75	1	2011	D790001001000700	132.67	122.06	254.73	28.86
76	1	2011	C960002003004200	137.97	122.79	260.76	28.15
77	1	2011	F420000000003300	103.65	98.82	202.47	24.1
78	1	2011	G180000000000410	91.89	86.08	177.97	20.68
79	1	2011	A180000033001313	91.5	80.53	172.03	18.26
80	1	2011	A210000066000600	54.43	56.79	111.22	14.86
81	1	2011	H080000222000030	63.93	59.03	122.96	14
82	1	2011	B158504000009200	67.2	56.22	123.42	12.1
83	1	2011	S016000000005400	33.89	34.35	68.24	8.79
84	1	2011	C687000000003300	38.73	34.61	73.34	7.96
85	1	2011	M415001000001110	36.54	32.15	68.69	7.29
86	1	2011	M415001000001110	36.53	32.16	68.69	7.29
87	1	2011	D360000000000100	11.61	12.95	24.56	3.39
88	1	2011	D360000000000100	11.61	12.95	24.56	3.39
89	1	2011	D360000000000100	-11.61	-12.95	-24.56	-3.39
90	1	2010	R453000000004100	303.91	351.53	655.44	87.53
91	1	2010	M355000174000200	335.3	324.13	659.43	67.9
92	1	2010	S525001043003700	271.45	269.63	541.08	58.23
93	1	2010	A210000066000600	186.89	216.64	403.53	54.39
94	1	2010	E400000006001100	126.5	150.54	277.04	37.76
95	1	2010	C655000004001500	159.67	165	324.67	37.12
96	1	2010	D790001001000700	132.67	137.98	270.65	31.24
97	1	2010	C960002003004200	125.43	126.69	252.12	27.85
98	1	2010	I223000001025500	115.39	111.93	227.32	23.54
99	1	2010	G180000000000410	94.26	99.6	193.86	22.91
100	1	2010	J450000000001300	103.75	104.44	208.19	22.88

101	1	2010	F420000000003300	87.9	94.35	182.25	22.02
102	1	2010	B158504000000700	91.65	89.52	181.17	18.97
103	1	2010	W010000052000310	76.17	70.46	146.63	14.28
104	1	2010	V180000005001000	51.69	56.63	108.32	13.57
105	1	2010	B158003005000600	40.19	39.38	79.57	8.38
106	1	2010	A210000050001500	11.61	10.84	22.45	2.18
107	1	2010	J570098005000205	4.98	6.52	11.5	1.64
108	1	2010	M355000152101910	4.51	4.49	9	0.97
109	1	2010	N580000004001500	2.45	2.29	4.74	0.46
110	1	2010	W010000052000310	-76.17	-70.46	-146.63	-14.28
111	1	2009	E595000000005100	329.24	334.73	663.97	62.23
112	1	2009	R453000000004100	201.86	257.71	459.57	61.77
113	1	2009	P320002007000300	286.9	305.07	591.97	60.25
114	1	2009	V180000005001000	199.55	242.62	442.17	55.97
115	1	2009	C100000004000900	213.3	245.3	458.6	53.11
116	1	2009	S525001043003700	222.22	247.41	469.63	51.67
117	1	2009	V055500000001800	258.61	258.61	517.22	46.94
118	1	2009	C655000004001500	161.58	186.36	347.94	40.48
119	1	2009	E400000006001100	127.78	167.4	295.18	40.44
120	1	2009	D790001001000700	145.21	168.44	313.65	36.81
121	1	2009	G180000000000410	111.37	131.04	242.41	29.07
122	1	2009	M355000174000200	130.41	141.71	272.12	28.76
123	1	2009	J450000000001300	104.91	118.2	223.11	25.02
124	1	2009	F420000000003300	90.1	107.52	197.62	24.19
125	1	2009	W010000052000310	113.67	118.79	232.46	23.36
126	1	2009	I223000001025500	104.9	114.34	219.24	23.29
127	1	2009	S477000000038000	97.25	106.66	203.91	21.88
128	1	2009	B158504000000700	63.78	69.95	133.73	14.35
129	1	2009	P320002008000400	46.64	59.39	106.03	14.21
130	1	2009	C902500000002900	43.57	44.15	87.72	8.17
131	1	2009	C960002003004200	23.27	26.29	49.56	5.58
132	1	2009	P811503000000600	26.3	27.7	54	5.4
133	1	2009	G130000001000200	22.18	22.39	44.57	4.12
134	1	2009	N580000004001500	9.80	10.29	20.09	2
135	1	2009	P811503000000600	9.36	9.85	19.21	1.92
136	1	2009	W010000052000310	-113.67	-118.79	-232.46	-23.36
137	1	2008	A150000000000100	299.03	389.72	688.75	84.32
138	1	2008	A150000000000100	299.03	389.72	688.75	84.32
139	1	2008	V180000005001000	199.55	266.56	466.11	59.57
140	1	2008	C100000004000900	193.9	246.25	440.15	51.77
141	1	2008	P811503000000600	216.97	254.57	471.54	48.5
142	1	2008	E400000006001100	130.33	186.38	316.71	43.6
143	1	2008	E810000005000400	224.46	243.91	468.37	41.41
144	1	2008	S477000000038000	166.79	202.93	369.72	40.53
145	1	2008	G180000000000410	127.19	164.92	292.11	35.49
146	1	2008	J450000000001300	104.91	130.79	235.7	26.91
147	1	2008	I223000001025500	77.81	94.16	171.97	18.68
148	1	2008	D790001001000700	44.39	56.83	101.22	12.05
149	1	2008	C902500000002900	58.59	66.4	124.99	12.04
150	1	2008	P811503000000600	39.97	46.9	86.87	8.93
151	1	2008	N325000000001400	20.3	26.06	46.36	5.54
152	1	2008	P927901000007000	13.3	16.99	30.29	3.59
153	1	2008	L672500000014000	13.61	17.13	30.74	3.59

260	1	2003	T210000233001302	82.85	126.48	209.33	16.78
261	1	2003	B030000004001400	22.2	33.01	55.21	4.1
262	1	2003	G040000006000100	9.49	17.53	27.02	3.29
263	1	2003	S430000001001400	6.23	11.11	17.34	1.98
264	1	2003	B505000015000600	7.76	11.85	19.61	1.57
265	1	2003	W010000044001052	5.37	8.2	13.57	1.09
266	1	2003	W010000052000310	-110.15	-194.41	-304.56	-34.53
267	1	2002	B255000000016900	345.07	595.83	940.9	88.51
268	1	2002	F420000000003300	170.13	345.93	516.06	67.12
269	1	2002	F345000146000200	245.18	413.54	658.72	58.48
270	1	2002	M550000097001308	217.78	376.03	593.81	55.86
271	1	2002	W350000002000300	235.63	373.86	609.49	45.59
272	1	2002	E400000006001100	97.25	209.09	306.34	43.03
273	1	2002	S365000001000901	139.06	251.24	390.3	40.68
274	1	2002	S477000000038000	111.13	215.22	326.35	39.01
275	1	2002	W010000052000310	112.52	212.1	324.62	37.3
276	1	2002	J450000000001300	62.25	122.43	184.68	22.69
277	1	2002	G390000000000400	48.35	94.93	143.28	17.55
278	1	2002	F765000004000600	79.56	131.01	210.57	17.54
279	1	2002	M035000005002000	80.47	129.29	209.76	16.29
280	1	2002	S477000000021000	40.25	64.66	104.91	8.15
281	1	2002	G390000000000400	20.42	40.08	60.5	7.41
282	1	2002	P320002007000300	18.71	35.61	54.32	6.29
283	1	2002	G595001001003900	23.46	40.51	63.97	6.02
284	1	2002	G166002000001700	6.61	14.25	20.86	2.94
285	1	2002	G390000000000400	6.71	13.19	19.9	2.44
286	1	2002	C690000001000700	2.47	4.27	6.74	0.63
287	1	2002	H265000006002000	0.63	1.1	1.73	0.16
288	1	2002	W010000052000310	-112.52	-212.1	-324.62	-37.3
289	1	2001	F420000000003300	136.91	294.81	431.72	56.48
290	1	2001	M550000097001308	186.55	344.5	531.05	51.21
291	1	2001	W350000002000300	200.49	342.17	542.66	42.4
292	1	2001	S365000001000901	122.27	235.57	357.84	37.97
293	1	2001	S477000000038000	97.48	200.48	297.96	35.97
294	1	2001	W010000052000310	99.74	199.98	299.72	34.86
295	1	2001	W010000052000310	70.2	140.76	210.96	24.54
296	1	2001	H265000006002000	85.82	157.9	243.72	23.3
297	1	2001	S215000007000200	62.48	118.93	181.41	18.75
298	1	2001	J450000000001300	47.71	99.56	147.27	18.25
299	1	2001	N340098000224402	80.15	133.05	213.2	15.27
300	1	2001	M035000005002000	64.49	111.35	175.84	14.22
301	1	2001	H495000004000300	21.84	49.71	71.55	10.09
302	1	2001	C980000002000330	13.21	29.81	43.02	6.04
303	1	2001	1004800000007635	29.96	49.13	79.09	5.44
304	1	2001	W010000052000310	-99.74	-199.98	-299.72	-34.86
305	1	2000	F420000000003300	133.33	303.11	436.44	57.4
306	1	2000	S365000001000901	117.84	241.18	359.02	38.71
307	1	2000	S477000000038000	95.05	206.89	301.94	36.78
308	1	2000	1004100010000006	106.69	218.34	325.03	35.04
309	1	2000	R365000000001300	157.98	274.88	432.86	30.09
310	1	2000	M550000097001308	101.69	199.99	301.68	29.75
311	1	2000	L205000050000100	80.77	163.97	244.74	25.93
312	1	2000	L205000050000100	80.77	163.97	244.74	25.93

313	1	2000	J450000000001300	45.98	101.46	147.44	18.42
314	1	2000	W010000052000310	46.27	98.32	144.59	17
315	1	2000	W010000052000310	46.27	98.32	144.59	17
316	1	2000	N340098000224402	79.23	141.03	220.26	16.52
317	1	2000	W350000002000300	66.45	121.39	187.84	15.25
318	1	2000	M035000005002000	62.16	114.79	176.95	14.82
319	1	2000	N440000000001500	39.24	74.03	113.27	10.06
320	1	2000	S477000000006600	22.13	48.6	70.73	8.76
321	1	2000	N440000000001500	6.55	12.33	18.88	1.68
322	1	2000	T210000262000114	1.23	2.75	3.98	0.5
323	1	2000	W010000052000310	-46.27	-98.32	-144.59	-17
324	1	2000	L205000050000100	-80.77	-163.97	-244.74	-25.93
325	1	1999	F420000000003300	118.95	284.68	403.63	53.35
326	1	1999	C655000004001500	103.73	244.11	347.84	44.66
327	1	1999	S365000001000901	105.14	227.8	332.94	36.43
328	1	1999	R365000000001300	140.94	262.15	403.09	29.39
329	1	1999	S477000000038000	70.66	162.28	232.94	28.62
330	1	1999	P050000125000601	60.96	127.19	188.15	18.93
331	1	1999	J450000000001300	41.02	95.45	136.47	17.17
332	1	1999	M035000005002000	55.45	109.05	164.5	14.22
333	1	1999	N340098000224402	54.89	104.28	159.17	12.43
334	1	1999	T527000000008800	22.45	58.06	80.51	11.59
335	1	1999	E810000007000800	22.08	46.06	68.14	6.85
336	1	1999	A130000001003700	13.59	27.84	41.43	3.99
337	1	1999	S165000000001600	6.69	12.82	19.51	1.56
338	1	1998	F420000000003300	118.95	298.95	417.9	55.49
339	1	1998	S365000001000901	105.14	240.42	345.56	38.32
340	1	1998	R365000000001300	140.94	279.06	420	31.92
341	1	1998	P050000125000601	66.53	146.8	213.33	21.86
342	1	1998	J450000000001300	41.02	100.37	141.39	17.91
343	1	1998	S477000000038000	32.04	77.43	109.47	13.55
344	1	1998	N340098000224402	54.89	110.87	165.76	13.42
345	1	1998	M035000005002000	9.91	20.69	30.6	2.72
346	1	1998	S165000000001600	1.96	3.98	5.94	0.49
347	1	1997	F420000000003300	116.75	307.44	424.19	56.57
348	1	1997	C655000004001500	101.68	263.68	365.36	47.43
349	1	1997	S365000001000901	103.23	248.45	351.68	39.49
350	1	1997	R365000000001300	139.91	293.8	433.71	34.21
351	1	1997	B190004000001500	82.12	194.35	276.47	29.93
352	1	1997	M355000019001100	55.01	147.8	202.81	27.97
353	1	1997	P050000125000601	67.29	156.56	223.85	23.32
354	1	1997	J450000000001300	43.59	111.88	155.47	19.81
355	1	1997	N340098000224402	53.02	113.47	166.49	13.92
356	1	1997	E540000002002100	28.46	63.93	92.39	8.83
357	1	1997	M550000097001421	12.83	33.39	46.22	6.04
358	1	1996	R365000000001300	129.2	286.82	416.02	33.92
359	1	1996	F420000000003300	53.28	146.7	199.98	26.77
360	1	1996	B190004000001500	66.15	164.49	230.64	25.3
361	1	1996	J450000000001300	42.74	114.83	157.57	20.19
362	1	1996	N340098000224402	49.04	110.83	159.87	13.76
363	1	1996	C030000195001400	25.07	59.32	84.39	8.23
364	1	1995	C655000004001500	88.86	251.77	340.63	44.65
365	1	1995	S365000001000901	85.35	225.89	311.24	35.72

366	1	1995	R365000000001300	107.65	251.89	359.54	30.19
367	1	1995	N340098000224402	47	111.86	158.86	14.03
368	1	1995	J450000000001300	24.35	68.34	92.69	11.94
369	1	1995	J450000000001300	16.61	46.59	63.2	8.14
370	1	1995	J450000000001300	16.61	46.59	63.2	8.14
371	1	1995	A080098000111600	7.06	21.35	28.41	4.07
372	1	1995	R365000000001300	3.12	7.3	10.42	0.87
373	1	1995	J450000000001300	-16.61	-46.59	-63.2	-8.14
374	1	1994	C655000004001500	67.98	200.77	268.75	35.38
375	1	1994	S365000001000901	68.07	188.32	256.39	29.71
376	1	1994	J450000000001300	38.02	111.28	149.3	19.33
377	1	1994	J450000000001300	38.02	111.28	149.3	19.33
378	1	1994	C120002000002600	8.32	22.67	30.99	3.48
379	1	1994	S144000000005100	5.41	14.79	20.2	2.28
380	1	1994	N340098000224402	6.74	16.85	23.59	2.13
381	1	1994	J450000000001300	-38.02	-111.28	-149.3	-19.33
382	1	1993	J450000000001300	23.86	72.7	96.56	12.56
383	1	1993	J450000000001300	23.86	72.7	96.56	12.56
384	1	1993	J450000000001300	-23.86	-72.7	-96.56	-12.56
385	1	1992	A080000000114909	14.31	44.83	59.14	7.58
386	1	1990	C525000000001100	21.68	69.52	91.20	10.63
387	1	1989	C525000000001100	18.98	63.14	82.12	9.65
388	1	1988	C525000000001100	18.47	63.66	82.13	9.72
389	1	1987	C525000000001100	14.2	50.65	64.85	7.73
390	1	1986	C525000000001100	10.51	38.75	49.26	5.91
391	12	1999	J450000000001300	1	2.33	3.33	0.42
392	12	1999	M035000005002000	1.35	2.65	4	0.35
393	12	1998	J450000000001300	1.79	4.38	6.17	0.78
394	12	1998	M035000005002000	0.43	0.9	1.33	0.12
395	12	1997	B190004000001500	3.98	9.42	13.4	1.45
396	12	1997	J450000000001300	2.11	5.42	7.53	0.96
397	12	1996	B190004000001500	3.55	8.83	12.38	1.36
398	12	1996	J450000000001300	2.3	6.19	8.49	1.09
399	12	1995	J450000000001300	1.36	3.82	5.18	0.67
400	12	1995	J450000000001300	0.94	2.61	3.55	0.46
401	12	1995	J450000000001300	0.94	2.61	3.55	0.46
402	12	1995	J450000000001300	-0.94	-2.61	-3.55	-0.46
403	12	1994	J450000000001300	1.84	5.39	7.23	0.94
404	12	1994	J450000000001300	1.84	5.39	7.23	0.94
405	12	1994	J450000000001300	-1.84	-5.39	-7.23	-0.94
406	12	1993	J450000000001300	1.17	3.56	4.73	0.62
407	12	1993	J450000000001300	1.17	3.56	4.73	0.62
408	12	1993	J450000000001300	-1.17	-3.56	-4.73	-0.62
409	12	1990	C525000000001100	0.58	1.87	2.45	0.29
410	12	1989	C525000000001100	1.02	3.39	4.41	0.52
411	12	1988	C525000000001100	1.02	3.51	4.53	0.54
412	12	1987	C525000000001100	2.04	7.28	9.32	1.11
413	12	1986	C525000000001100	1.96	7.22	9.18	1.1
414	1	2010	E850000002001100	254.13	238.89	493.02	48.41
415	1	2009	E850000002001100	254.13	269.38	523.51	52.99
416	1	2008	E850000002001100	232.09	273.87	505.96	52.57
417	1	2007	E850000002001100	211	274.3	485.3	51.59
418	1	2006	E850000002001100	191.81	272.37	464.18	50.35

419	1	2006	E540000045000300	3.86	6	9.86	1.24
420	1	2005	E850000002001100	189.14	291.27	480.41	53.05
421	1	2004	E850000002001100	181.21	300.81	482.02	54.09
422	1	2003	E850000002001100	168.01	299.05	467.06	53.18
423	1	2002	E850000002001100	168.01	319.21	487.22	56.2
424	1	2001	E850000002001100	132.74	268.14	400.88	46.79
425	1	1991	B030000030001100	30.61	93.24	123.85	13.91
426	1	2021	P4500990000000A5	0.69	0.07	0.76	0.12
427	1	2021	E3300990000000AJ	0.44	0.06	0.5	0.06

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

July 20, 2022

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

Re: May 2022 DTA Payment Request Report No. 2022-52

Dear Mr. Villarreal:

We completed a limited scope review of the May 2022 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 May 2022 DTA payment request in the amount of $123,244.44 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 May 31, 2022. 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 May 2022."
- 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, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH 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 May 2022."
- Although DTA fees for 331 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. (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Enrique Leal, Internal Auditor I, at 318-2511, ext. 4641, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A

cc: Ms. Lucy Canales, Linebarger Goggan Blair & Sampson, LLP
Mr. Valde Guerra, County Executive Officer
Ms. Eva Mireles, Chief Deputy, Hidalgo County Tax Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2020	C060000003001700	262.81	58.26	321.07	46.52
2	1	2019	E482000000001300	76.37	21.64	98.01	13.75
3	1	2019	C470000013001400	20.95	6.18	27.13	3.83
4	1	2018	A280000000003000	369.48	127.16	496.64	68.72
5	1	2018	M594300000000400	257.09	84.20	341.29	45.89
6	1	2018	C470000013001400	108.13	44.87	153.00	21.73
7	1	2018	T525002017003100	61.35	21.52	82.87	11.32
8	1	2018	S100000021000300	17.03	5.68	22.71	3.07
9	1	2018	B157000000001300	0.03	0.01	0.04	0.01
10	1	2017	W370000001000700	583.17	243.96	827.13	110.22
11	1	2017	A280000000003000	353.51	164.08	517.59	72.12
12	1	2017	C470000013001400	108.13	57.85	165.98	23.68
13	1	2017	V368504000015600	95.02	35.87	130.89	16.96
14	1	2017	B190014000002000	34.63	18.52	53.15	7.58
15	1	2017	B190014000002000	34.63	18.52	53.15	7.58
16	1	2017	B355003000007400	37.27	14.07	51.34	6.65
17	1	2017	R060000000001700	19.66	9.25	28.91	3.98
18	1	2017	V356000000006400	13.46	5.08	18.54	2.40
19	1	2017	A210000070000600	10.99	4.21	15.20	1.98
20	1	2016	W370000001000700	619.75	333.64	953.39	128.29
21	1	2016	H095000001000800	289.55	138.98	428.53	55.59
22	1	2016	A280000000003000	210.25	122.82	333.07	46.68
23	1	2016	O020000005002100	140.93	64.35	205.28	26.21
24	1	2016	L631302000004000	137.26	59.60	196.86	24.30
25	1	2016	A280000000003000	88.60	52.86	141.46	19.67
26	1	2016	L080000005001000	108.81	47.97	156.78	19.59
27	1	2016	L339800001000400	78.89	34.78	113.67	14.20
28	1	2016	H47000000P000006	35.94	21.44	57.38	7.98
29	1	2016	V368504000015600	0.47	0.24	0.71	0.09
30	1	2015	W370000001000700	563.41	370.92	934.33	126.77
31	1	2015	H095000001000800	289.55	173.73	463.28	60.81
32	1	2015	P100000000011300	131.01	69.98	200.99	24.37
33	1	2015	R055002000000900	103.45	69.31	172.76	23.59
34	1	2015	W010000042000839	111.44	59.90	171.34	20.90
35	1	2015	S367500001000700	64.36	35.44	99.80	12.45
36	1	2015	L670000003000400	52.84	34.47	87.31	11.81
37	1	2015	M685000000000600	40.82	21.94	62.76	7.65
38	1	2015	W230000058000700	8.70	4.75	13.45	1.66
39	1	2015	H47000000P000006	3.95	2.83	6.78	0.95
40	1	2014	C600001011000400	209.69	131.58	341.27	40.26
41	1	2014	W010000042000839	111.44	73.27	184.71	22.90
42	1	2014	S367500001000700	81.12	54.41	135.53	17.16
43	1	2014	S365000003001300	49.47	34.75	84.22	11.06
44	1	2014	P275001000011100	55.68	28.80	84.48	10.86
45	1	2014	W370000001000700	36.71	28.57	65.28	8.92
46	1	2014	M184001000000800	43.20	28.25	71.45	8.81
47	1	2014	B505000013000100	30.25	20.59	50.84	6.53
48	1	2014	C730000021001500	27.70	17.39	45.09	5.32
49	1	2014	C730000021001500	27.70	17.39	45.09	5.32

50	1	2014	O020000005002100	21.62	15.06	36.68	4.80
51	1	2014	C470000013001400	10.43	9.33	19.76	2.85
52	1	2014	P275001000011100	6.41	3.40	9.81	1.25
53	1	2014	P275001000011100	4.64	2.46	7.10	0.90
54	1	2014	B158504000007600	0.55	0.34	0.89	0.10
55	1	2014	P275001000011100	0.35	0.18	0.53	0.07
56	1	2014	C730000021001500	-27.70	-17.39	-45.09	-5.32
57	1	2013	B315002006002100	197.68	139.85	337.53	37.95
58	1	2013	E439501000002000	161.39	121.18	282.57	34.13
59	1	2013	T125002004005000	176.28	121.19	297.47	32.26
60	1	2013	R470000014000900	51.06	35.77	86.83	9.65
61	1	2013	H284000000016500	0.87	0.61	1.48	0.17
62	1	2013	B158504000007600	0.41	0.31	0.72	0.09
63	1	2012	L045000223000201	213.43	172.16	385.59	43.22
64	1	2012	A630000000001100	222.61	174.56	397.17	42.41
65	1	2012	J183001000002800	207.86	159.53	367.39	38.04
66	1	2012	S735000004002400	88.26	80.10	168.36	21.71
67	1	2012	C470000013001400	57.51	65.27	122.78	17.77
68	1	2012	W010000037000224	65.35	49.72	115.07	11.76
69	1	2012	E439501000002000	41.20	35.88	77.08	9.46
70	1	2012	C687000000003300	11.98	9.32	21.30	2.25
71	1	2012	W010000037000224	-65.35	-49.72	-115.07	-11.76
72	1	2011	P033500000001700	209.94	196.82	406.76	46.93
73	1	2011	P033500000001700	209.96	196.82	406.78	46.92
74	1	2011	A630000000001100	222.01	200.73	422.74	46.29
75	1	2011	W010000042000839	111.44	113.39	224.83	28.92
76	1	2011	D780000010001200	103.73	88.61	192.34	19.29
77	1	2011	W010000037000224	65.35	57.56	122.91	12.94
78	1	2011	G590098004000101	59.27	52.60	111.87	11.91
79	1	2011	R365000000003900	63.44	52.91	116.35	11.23
80	1	2011	B158504000009200	34.58	29.08	63.66	6.23
81	1	2011	C687000000003300	27.47	24.65	52.12	5.64
82	1	2011	G590098004000101	14.81	13.15	27.96	2.98
83	1	2011	B505000013000100	9.00	9.37	18.37	2.43
84	1	2011	W010000037000224	-65.35	-57.56	-122.91	-12.94
85	1	2010	D780000010001200	329.98	321.45	651.43	67.32
86	1	2010	A630000000001100	224.30	229.71	454.01	50.80
87	1	2010	W010000042000839	111.44	126.76	238.20	30.92
88	1	2010	M167002000001200	153.34	143.24	296.58	28.52
89	1	2010	M355000070002600	135.84	124.18	260.02	24.04
90	1	2010	W010000052000310	76.17	71.41	147.58	14.28
91	1	2010	W010000037000224	65.35	65.40	130.75	14.12
92	1	2010	B158003005000600	29.91	29.44	59.35	6.24
93	1	2010	V340000006001200	20.18	20.94	41.12	4.69
94	1	2010	W010098042000206	14.68	17.43	32.11	4.40
95	1	2010	E540000020004900	16.43	17.05	33.48	3.82
96	1	2010	N580000004001500	12.92	12.06	24.98	2.40
97	1	2010	J570098005000205	4.98	6.53	11.51	1.64
98	1	2010	A180000049000309	2.12	2.21	4.33	0.50
99	1	2010	W010000037000224	-65.35	-65.40	-130.75	-14.12
100	1	2009	S622000000001000	834.31	835.00	1,669.31	150.18

101	1	2009	W010000035000510	408.99	413.42	822.41	75.46
102	1	2009	D780000010001200	299.98	328.23	628.21	66.60
103	1	2009	M167002000001200	153.34	161.64	314.98	31.28
104	1	2009	W010000042000839	97.46	122.56	220.02	28.80
105	1	2009	W010000030000728	108.74	124.77	233.51	26.75
106	1	2009	W010000052000310	113.67	120.21	233.88	23.36
107	1	2009	W010000037000224	63.23	70.87	134.10	14.80
108	1	2009	S735000004002400	48.71	61.74	110.45	14.61
109	1	2009	K280000000001800	36.86	37.50	74.36	6.91
110	1	2009	A630000000001100	27.52	31.49	59.01	6.73
111	1	2009	C005000000002302	14.37	18.56	32.93	4.46
112	1	2009	A180000049000309	17.55	20.44	37.99	4.45
113	1	2009	G130000001000200	22.12	22.45	44.57	4.12
114	1	2009	L165001003001500	7.14	7.86	15.00	1.61
115	1	2009	W010000037000224	-63.23	-70.87	-134.10	-14.80
116	1	2008	S622000000001000	629.46	705.53	1,334.99	124.63
117	1	2008	D780000010001200	272.71	331.12	603.83	65.45
118	1	2008	S367500001000700	188.98	262.84	451.82	60.38
119	1	2008	B190008000000100	210.86	226.49	437.35	37.33
120	1	2008	M355000070002600	160.79	185.58	346.37	34.25
121	1	2008	M167002000001200	151.59	177.99	329.58	33.65
122	1	2008	C005000000002302	48.84	68.91	117.75	16.04
123	1	2008	R365000000003900	61.92	73.94	135.86	14.30
124	1	2008	R365000000003900	56.15	67.06	123.21	12.97
125	1	2008	V280000002000300	18.05	21.56	39.61	4.17
126	1	2008	L672500000014000	13.59	17.16	30.75	3.59
127	1	2008	H350000005000100	17.13	18.75	35.88	3.19
128	1	2008	B156007000004400	13.34	14.50	27.84	2.44
129	1	2008	P927901000007000	6.64	8.51	15.15	1.79
130	1	2008	B505000015001100	6.63	7.39	14.02	1.30
131	1	2007	D780000010001200	247.92	330.77	578.69	63.96
132	1	2007	R355502000000700	248.64	291.12	539.76	45.87
133	1	2007	B190008000000100	217.16	259.33	476.49	42.35
134	1	2007	M167002000001200	151.59	196.18	347.77	36.38
135	1	2007	M355000070002600	146.17	186.24	332.41	33.77
136	1	2007	W010000042000839	97.46	145.95	243.41	32.31
137	1	2007	A413500000000100	153.26	179.45	332.71	28.28
138	1	2007	W010000052000310	106.01	137.55	243.56	25.60
139	1	2007	R284805000001000	47.67	76.86	124.53	17.52
140	1	2007	L165001003001500	37.83	50.72	88.55	9.87
141	1	2007	E015700000009800	20.70	32.29	52.99	7.33
142	1	2007	S245000000001200	9.00	11.61	20.61	2.15
143	1	2007	M475000002001600	7.31	9.05	16.36	1.57
144	1	2006	D780000010001200	264.59	384.76	649.35	73.03
145	1	2006	B190008000000100	217.16	285.39	502.55	46.26
146	1	2006	S735000004002400	124.99	203.42	328.41	44.25
147	1	2006	T790000002002900	228.42	285.72	514.14	42.14
148	1	2006	M167002000001200	151.59	214.37	365.96	39.11
149	1	2006	R355502000000700	189.93	245.17	435.10	38.46
150	1	2006	W010000052000310	97.96	138.85	236.81	25.42
151	1	2006	M355000070002600	95.76	133.51	229.27	23.84
152	1	2006	C630000012002100	42.80	56.97	99.77	9.44
153	1	2006	E540000026002500	28.05	39.02	67.07	6.94
154	1	2006	E540000026002500	21.04	29.26	50.30	5.21

155	1	2006	G99500000A000400	18.57	23.98	42.55	3.76
156	1	2006	M215000003000300	13.66	17.09	30.75	2.52
157	1	2006	L670000017000300	3.96	5.89	9.85	1.16
158	1	2005	B190008000000100	217.16	311.45	528.61	50.16
159	1	2005	T790000002002900	230.66	316.20	546.86	46.71
160	1	2005	M167002000001200	151.59	232.57	384.16	41.84
161	1	2005	W010000042000839	90.82	157.80	248.62	33.38
162	1	2005	D780000010001200	105.73	166.44	272.17	31.08
163	1	2005	M340002000010700	160.26	213.81	374.07	29.81
164	1	2005	W010000052000310	105.21	161.76	266.97	29.20
165	1	2005	L165001003001500	93.11	147.19	240.30	27.65
166	1	2005	C211000000005900	77.51	107.03	184.54	16.05
167	1	2005	R355502000000700	68.56	96.72	165.28	15.12
168	1	2005	W380000238000005	24.06	36.84	60.90	6.60
169	1	2005	G99500000A000400	21.65	30.55	52.20	4.77
170	1	2005	M355000150002100	14.04	22.23	36.27	4.19
171	1	2005	E540000026001100	17.16	24.20	41.36	3.78
172	1	2005	W230000052000300	8.31	13.47	21.78	2.62
173	1	2005	R225001003001900	2.35	4.04	6.39	0.84
174	1	2004	S367500001000700	187.74	351.23	538.97	73.50
175	1	2004	B190008000000100	217.16	337.51	554.67	54.07
176	1	2004	T790000002002900	222.30	331.41	553.71	49.02
177	1	2004	S170002014000400	249.45	351.93	601.38	46.02
178	1	2004	M167002000001200	151.59	250.76	402.35	44.57
179	1	2004	W010000042000839	97.46	181.03	278.49	37.57
180	1	2004	W010000052000310	115.41	191.30	306.71	34.10
181	1	2004	M340002000010700	163.87	238.29	402.16	33.43
182	1	2004	S735000004002400	82.95	154.91	237.86	32.35
183	1	2004	L313002000013800	159.12	224.50	383.62	29.36
184	1	2004	R355502000000700	68.56	104.95	173.51	16.35
185	1	2004	B496504000032900	7.84	14.02	21.86	2.78
186	1	2004	B496504000032900	7.84	14.02	21.86	2.78
187	1	2004	W010000044001052	6.93	9.77	16.70	1.28
188	1	2004	B496504000032900	-7.84	-14.02	-21.86	-2.78
189	1	2003	S367500001000700	170.68	339.80	510.48	69.89
190	1	2003	B190008000000100	197.42	330.52	527.94	52.71
191	1	2003	M167002000001200	137.81	244.49	382.30	43.00
192	1	2003	S170002014000400	210.93	322.90	533.83	42.71
193	1	2003	T706000000000200	225.29	332.11	557.40	39.88
194	1	2003	W010000042000839	93.58	185.06	278.64	37.76
195	1	2003	C960002004000900	183.79	281.36	465.15	37.22
196	1	2003	W010000052000310	110.15	195.78	305.93	34.53
197	1	2003	M340002000010700	150.12	236.31	386.43	33.33
198	1	2003	L313002000013800	153.85	235.53	389.38	31.16
199	1	2003	L670000020000003	153.68	229.12	382.80	28.35
200	1	2003	C030000189001300	117.05	174.50	291.55	21.60
201	1	2003	R355502000000700	68.56	113.18	181.74	17.59
202	1	2003	T790000002002900	56.75	91.41	148.16	13.53
203	1	2003	G040000006000100	9.47	17.55	27.02	3.28
204	1	2003	B505000015000600	10.62	16.25	26.87	2.15
205	1	2003	L165001003001500	3.91	7.12	11.03	1.30
206	1	2003	C180000010000900	2.59	3.95	6.54	0.52
207	1	2003	W010000023000416	0.40	0.76	1.16	0.15
208	1	2002	S367500001000700	155.16	327.52	482.68	66.33

209	1	2002	S170002014000400	212.68	351.10	563.78	46.90
210	1	2002	M167002000001200	139.25	263.76	403.01	45.95
211	1	2002	W010000042000839	94.12	197.41	291.53	39.67
212	1	2002	W010000052000310	112.52	213.51	326.03	37.30
213	1	2002	M340002000010700	151.77	257.13	408.90	36.42
214	1	2002	L670000020000003	173.63	279.69	453.32	35.16
215	1	2002	L313002000013800	139.86	230.89	370.75	30.84
216	1	2002	C960002004000900	110.45	182.33	292.78	24.35
217	1	2002	R355502000000700	71.09	125.88	196.97	19.51
218	1	2002	C030000189001300	93.06	149.90	242.96	18.84
219	1	2002	M626500000004400	69.04	107.54	176.58	12.32
220	1	2002	W010000049001055	37.46	68.60	106.06	11.30
221	1	2002	C715002009000900	41.82	70.70	112.52	9.97
222	1	2002	C180000010000900	40.66	67.12	107.78	8.97
223	1	2002	T706000000000200	6.12	9.76	15.88	1.19
224	1	2001	S367500001000700	130.63	291.42	422.05	58.20
225	1	2001	M167002000001200	114.71	231.05	345.76	39.92
226	1	2001	M340002000010700	151.84	275.46	427.30	39.17
227	1	2001	W010000042000839	81.70	181.17	262.87	35.91
228	1	2001	L670000020000003	142.29	246.28	388.57	31.38
229	1	2001	L313002000013800	108.45	192.05	300.50	25.87
230	1	2001	S170002014000400	95.20	168.58	263.78	22.71
231	1	2001	C030000189001300	97.69	169.08	266.77	21.54
232	1	2001	T210000235000409	69.33	128.08	197.41	18.93
233	1	2001	L10700B000001200	66.83	110.33	177.16	12.33
234	1	2001	M626500000004400	61.65	103.41	165.06	12.11
235	1	2001	W010000052000310	29.54	59.60	89.14	10.32
236	1	2001	1004100010000006	29.46	56.87	86.33	9.15
237	1	2001	R195003000002800	16.62	28.78	45.40	3.67
238	1	2000	P890009016001001	852.54	1,461.40	2,313.94	150.90
239	1	2000	S367500001000700	125.91	296.00	421.91	58.36
240	1	2000	W010000042000839	101.54	237.35	338.89	46.46
241	1	2000	L10700B000001200	160.13	283.57	443.70	32.43
242	1	2000	L313002000013800	104.52	197.63	302.15	26.81
243	1	2000	L205000050000100	80.77	163.97	244.74	25.93
244	1	2000	1004100010000006	68.81	141.12	209.93	22.60
245	1	2000	C030000189001300	94.15	174.26	268.41	22.46
246	1	2000	S477000000006600	40.04	88.12	128.16	15.86
247	1	2000	L205000031000600	73.75	128.15	201.90	13.83
248	1	2000	L670000020000003	47.31	87.56	134.87	11.28
249	1	2000	N440000000001500	26.56	50.23	76.79	6.81
250	1	2000	M626500000004400	5.34	9.60	14.94	1.15
251	1	2000	L222500000001500	3.87	7.27	11.14	0.98
252	1	2000	L222500000001500	1.93	3.64	5.57	0.49
253	1	2000	T210000235000409	1.25	2.47	3.72	0.36
254	1	2000	L205000050000100	-80.77	-163.97	-244.74	-25.93
255	1	2000	L205000050000100	-80.77	-163.97	-244.74	-25.93
256	1	1999	S367500001000700	112.33	277.55	389.88	54.09
257	1	1999	W010000042000839	90.59	222.63	313.22	43.08
258	1	1999	L10700B000001200	144.78	273.76	418.54	31.92
259	1	1999	L313002000013800	93.25	187.51	280.76	25.60
260	1	1999	L205000031000600	64.57	119.94	184.51	13.27
261	1	1999	C030000189001300	33.78	66.57	100.35	8.66
262	1	1999	E810000007000800	22.05	46.10	68.15	6.84

263	1	1999	L470000000003000	19.19	40.09	59.28	5.95
264	1	1999	P890009016001001	21.88	40.13	62.01	4.27
265	1	1999	S477000000040600	10.08	23.42	33.50	4.19
266	1	1999	M655000006000200	4.17	8.56	12.73	1.23
267	1	1999	V010000000002000	4.38	8.48	12.86	1.05
268	1	1999	S477000000040600	-10.08	-23.42	-33.50	-4.19
269	1	1998	S367500001000700	112.33	291.03	403.36	56.11
270	1	1998	W010000042000839	90.59	233.50	324.09	44.71
271	1	1998	L313002000013800	93.25	198.70	291.95	27.28
272	1	1998	M595002000002700	50.51	127.16	177.67	23.56
273	1	1998	L10700B000001200	68.76	138.26	207.02	16.40
274	1	1998	L205000031000600	63.95	126.46	190.41	14.29
275	1	1998	M355000019001100	19.09	49.06	68.15	9.36
276	1	1998	W010000030000728	17.95	44.30	62.25	7.97
277	1	1997	S367500001000700	114.15	309.45	423.60	59.07
278	1	1997	W010000042000839	93.00	250.87	343.87	47.57
279	1	1997	L313002000013800	93.45	210.34	303.79	29.02
280	1	1997	M355000019001100	34.68	93.32	128.00	17.64
281	1	1997	L205000031000600	62.48	131.05	193.53	15.09
282	1	1997	L470000000003000	35.00	81.58	116.58	12.13
283	1	1996	S367500001000700	104.39	295.51	399.90	55.90
284	1	1996	W010000042000839	89.36	251.77	341.13	47.32
285	1	1996	L313002000013800	88.79	210.51	299.30	29.17
286	1	1996	L205000031000600	58.22	129.11	187.33	15.11
287	1	1995	S367500001000700	101.06	298.21	399.27	55.94
288	1	1995	W010000042000839	85.63	251.54	337.17	46.88
289	1	1995	L313002000013800	85.09	211.95	297.04	29.48
290	1	1995	L205000031000600	34.84	81.43	116.27	9.67
291	1	1995	A080098000111600	7.04	21.36	28.40	4.07
292	1	1994	S367500001000700	93.81	288.08	381.89	53.61
293	1	1994	W010000042000839	86.04	263.07	349.11	48.66
294	1	1994	L313002000013800	78.99	206.23	285.22	28.79
295	1	1994	J570000001001034	12.23	31.18	43.41	4.11
296	1	1994	S144000000005100	5.42	14.80	20.22	2.27
297	1	1994	C120002000002600	4.15	11.34	15.49	1.74
298	1	1993	S367500001000700	83.00	264.84	347.84	48.93
299	1	1993	L313002000013800	66.78	182.37	249.15	25.54
300	1	1992	S367500001000700	77.14	255.41	332.55	46.86
301	1	1992	L313002000013800	52.56	149.85	202.41	21.05
302	1	1991	S367500001000700	73.04	250.59	323.63	45.69
303	1	1991	W010000042000839	70.53	241.04	311.57	43.69
304	1	1991	S448000000001500	40.80	124.45	165.25	18.54
305	1	1991	L313002000013800	37.56	111.58	149.14	15.72
306	1	1990	S448000000001500	128.25	406.66	534.91	60.60
307	1	1990	W010000042000839	69.34	245.29	314.63	44.21
308	1	1990	S367500001000700	65.38	232.16	297.54	42.07
309	1	1989	W010000042000839	44.84	164.00	208.84	29.39
310	1	1988	W010000042000839	70.10	264.80	334.90	47.21
311	1	1987	M215000001002000	0.04	0.20	0.24	0.03
312	12	1999	W010000042000839	2.21	5.44	7.65	1.05
313	12	1999	L10700B000001200	3.53	6.68	10.21	0.78
314	12	1998	W010000042000839	3.95	10.18	14.13	1.95
315	12	1998	L10700B000001200	3.01	6.05	9.06	0.72
316	12	1998	W010000030000728	0.79	1.94	2.73	0.35

317	12	1997	W010000042000839	4.51	12.17	16.68	2.31
318	12	1996	W010000042000839	4.80	13.52	18.32	2.54
319	12	1995	W010000042000839	4.80	14.10	18.90	2.63
320	12	1994	W010000042000839	4.16	12.72	16.88	2.35
321	12	1991	W010000042000839	1.87	6.38	8.25	1.16
322	12	1990	W010000042000839	1.87	6.61	8.48	1.19
323	12	1989	W010000042000839	2.41	8.81	11.22	1.58
324	12	1988	W010000042000839	3.89	14.70	18.59	2.62
325	1	2016	M466100000001800	270.21	120.01	390.22	49.04
326	1	2015	M466100000001800	153.46	86.58	240.04	30.62
327	1	2013	M466100000001800	216.74	174.29	391.03	51.04
328	1	2012	M466100000001800	220.54	203.81	424.35	55.91
329	1	2011	M466100000001800	223.13	232.98	456.11	60.58
330	1	2010	M466100000001800	18.64	21.71	40.35	5.40
331	1	2006	E540000045000300	3.88	5.99	9.87	1.24

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

August 10, 2022

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

Re: June 2022 DTA Payment Request Report No. 2022-53

Dear Mr. Villarreal:

We completed a limited scope review of the June 2022 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 June 2022 DTA payment request in the amount of $119,273.20 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 June 30, 2022. 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 June 2022."
- 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, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH 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 June 2022."
- Although DTA fees for 204 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 (203 tax accounts), and small amounts collected (1 tax account) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Enrique Leal, Internal Auditor I, at 318-2511, ext. 4641, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A

cc: Ms. Lucy Canales, Linebarger Goggan Blair & Sampson, LLP
Mr. Valde Guerra, County Executive Officer
Ms. Eva Mireles, Chief Deputy, Hidalgo County Tax Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2020	A450000000073000	127.67	28.30	155.97	22.60
2	1	2020	M520000061000400	11.80	2.67	14.47	2.09
3	1	2019	O540000002002300	199.28	61.95	261.23	37.07
4	1	2018	O540000002002300	205.30	88.45	293.75	41.88
5	1	2018	L040000017000610	62.61	27.34	89.95	12.87
6	1	2018	T601001000000200	46.44	20.28	66.72	9.54
7	1	2018	P670000001000200	18.31	7.89	26.20	3.74
8	1	2018	C470000013001000	8.01	2.62	10.63	1.43
9	1	2018	C470000013001000	5.75	1.79	7.54	1.03
10	1	2017	T750000000001200	301.95	113.48	415.43	53.45
11	1	2017	O540000002002300	209.96	115.65	325.61	46.61
12	1	2017	D140000003000100	217.70	95.79	313.49	42.12
13	1	2017	B190014000002000	34.54	18.62	53.16	7.57
14	1	2017	A265500000003000	34.65	17.67	52.32	7.33
15	1	2017	V380002010001000	9.71	4.09	13.80	1.83
16	1	2016	M532900000001900	320.74	151.55	472.29	60.62
17	1	2016	I200001000021300	197.76	95.75	293.51	37.97
18	1	2016	D140000003000100	92.55	51.83	144.38	19.58
19	1	2016	O30000700G000000	82.50	38.50	121.00	15.46
20	1	2016	R080002000010302	57.08	25.02	82.10	10.10
21	1	2016	H47000000P000006	40.01	24.04	64.05	8.88
22	1	2016	C470000013001100	17.37	9.85	27.22	3.73
23	1	2016	P779000000000600	9.69	4.63	14.32	1.85
24	1	2016	C470000013001100	8.42	4.64	13.06	1.81
25	1	2015	I200001000021300	290.13	175.28	465.41	60.93
26	1	2015	T094000000000100	130.92	70.03	200.95	24.15
27	1	2015	L670000003000400	52.72	34.62	87.34	11.78
28	1	2015	B190031000003400	15.82	8.73	24.55	3.04
29	1	2015	W230000058000700	8.70	4.76	13.46	1.66
30	1	2014	I200001000021300	309.37	224.03	533.40	70.54
31	1	2014	B190031000003400	18.48	12.41	30.89	3.88
32	1	2013	M500000004001315	988.16	670.31	1,658.47	174.90
33	1	2013	W475000000002805	48.99	36.66	85.65	10.21
34	1	2013	R470000014000900	53.44	37.67	91.11	10.10
35	1	2013	N480000004000203	24.56	17.32	41.88	4.64
36	1	2013	S295098000052316	20.07	15.22	35.29	4.27
37	1	2013	L685000000001400	5.80	4.08	9.88	1.09
38	1	2013	L685000000001400	5.44	3.81	9.25	1.02
39	1	2012	S728002000002000	440.88	349.04	789.92	84.65
40	1	2012	M415001000001110	199.27	153.11	352.38	36.17
41	1	2012	H190000000000900	167.94	139.68	307.62	35.27
42	1	2012	W010000037000224	65.35	49.99	115.34	11.76
43	1	2012	S295098000052316	46.10	40.48	86.58	10.65
44	1	2012	C687000000003300	41.26	32.26	73.52	7.74
45	1	2012	N861302000005600	31.23	25.97	57.20	6.56
46	1	2012	L165001001000200	18.21	15.46	33.67	3.96
47	1	2011	W380000081000009	319.59	271.11	590.70	58.00
48	1	2011	T094000000000100	130.51	132.46	262.97	33.48
49	1	2011	S110000002000900	97.51	85.32	182.83	18.87

50	1	2011	A210000066000600	55.59	58.46	114.05	15.18
51	1	2011	A210000066000600	53.33	56.08	109.41	14.56
52	1	2011	W010000037000224	65.35	57.83	123.18	12.94
53	1	2011	G590098004000101	59.15	52.75	111.90	11.89
54	1	2011	T525000009001000	59.81	52.94	112.75	11.84
55	1	2011	G390000000000400	56.22	50.13	106.35	11.30
56	1	2011	M415001000001110	55.44	49.25	104.69	11.06
57	1	2011	A210000066000600	23.49	24.71	48.20	6.41
58	1	2011	B158504000004200	28.03	26.48	54.51	6.31
59	1	2010	T210000237000822	238.43	223.73	462.16	44.35
60	1	2010	T094000000000100	131.85	149.66	281.51	36.19
61	1	2010	B158504000004200	112.85	120.19	233.04	27.42
62	1	2010	W010000037000224	65.35	65.67	131.02	14.12
63	1	2010	C140000033000312	47.71	44.29	92.00	8.66
64	1	2010	T525000009001000	21.47	21.59	43.06	4.64
65	1	2010	E540000020004900	16.76	17.47	34.23	3.89
66	1	2010	E540000020004900	16.76	17.47	34.23	3.89
67	1	2010	E540000020004900	16.43	17.05	33.48	3.82
68	1	2010	M355000152101910	5.98	6.01	11.99	1.29
69	1	2010	E540000020004900	-16.43	-17.05	-33.48	-3.82
70	1	2010	E540000020004900	-16.76	-17.47	-34.23	-3.89
71	1	2009	T210000237000822	342.91	362.91	705.82	69.95
72	1	2009	H440000000011000	173.34	199.05	372.39	42.38
73	1	2009	T094000000000100	132.74	166.59	299.33	38.83
74	1	2009	E720000004000100	173.58	190.63	364.21	38.53
75	1	2009	C140000033000312	139.85	146.61	286.46	27.90
76	1	2009	P811503000000600	92.35	98.04	190.39	18.98
77	1	2009	P320002008000400	54.92	70.39	125.31	16.72
78	1	2009	W010000037000224	63.23	71.14	134.37	14.80
79	1	2009	L502500000009406	44.32	56.06	100.38	13.16
80	1	2009	L245000000004100	46.92	55.09	102.01	12.10
81	1	2009	W010000040001045	52.35	58.36	110.71	12.01
82	1	2009	P811503000000600	47.93	50.68	98.61	9.85
83	1	2009	G405500000001600	27.94	37.49	65.43	9.01
84	1	2009	W010000035000510	37.53	37.94	75.47	6.92
85	1	2009	L165001001000200	21.23	25.66	46.89	5.76
86	1	2008	T210000237000822	342.91	404.06	746.97	76.13
87	1	2008	E720000004000100	203.52	247.95	451.47	48.84
88	1	2008	C140000033000312	148.96	174.04	323.00	32.40
89	1	2008	I200001000021300	81.27	117.36	198.63	27.31
90	1	2008	W010000040001045	41.09	50.75	91.84	10.17
91	1	2008	V280000002000300	18.03	21.59	39.62	4.16
92	1	2008	L672500000014000	13.54	17.22	30.76	3.57
93	1	2008	B156007000004400	11.18	12.20	23.38	2.05
94	1	2008	P927901000007000	6.63	8.52	15.15	1.79
95	1	2008	A370000016001800	6.10	7.82	13.92	1.64
96	1	2007	E720000004000100	185.02	247.61	432.63	47.73
97	1	2007	T094000000000100	134.97	201.78	336.75	44.34
98	1	2007	C140000033000312	152.48	196.44	348.92	35.91
99	1	2007	A413500000000100	127.50	149.81	277.31	23.52
100	1	2007	R284805000001000	47.61	76.95	124.56	17.49

101	1	2007	L605000000005005	61.75	80.38	142.13	14.91
102	1	2007	H365003000001100	22.98	28.47	51.45	4.90
103	1	2007	S245000000001200	8.98	11.63	20.61	2.14
104	1	2006	L605000000005005	253.44	360.30	613.74	65.77
105	1	2006	E720000004000100	201.54	293.91	495.45	55.62
106	1	2006	C140000033000312	137.95	194.29	332.24	34.97
107	1	2006	B030000010000400	131.09	180.24	311.33	31.26
108	1	2006	C630000012002100	43.41	57.96	101.37	9.57
109	1	2006	C211000000005900	27.71	35.07	62.78	5.24
110	1	2006	E540000026002500	14.00	19.54	33.54	3.47
111	1	2006	M035000007002700	1.38	1.73	3.11	0.26
112	1	2005	1004100011000007	305.42	407.74	713.16	56.35
113	1	2005	T094000000000100	137.19	238.03	375.22	50.01
114	1	2005	C140000033000312	127.25	194.48	321.73	34.55
115	1	2005	E720000004000100	61.08	96.40	157.48	17.96
116	1	2005	C211000000005900	50.69	70.21	120.90	10.49
117	1	2005	B158504000004200	29.10	48.45	77.55	9.69
118	1	2005	E640000263003111	44.50	61.00	105.50	9.01
119	1	2005	W380000238000005	18.02	27.66	45.68	4.95
120	1	2005	L045000024000002	16.34	25.08	41.42	4.48
121	1	2005	M355000150002100	14.02	22.26	36.28	4.18
122	1	2005	W230000052000300	8.29	13.49	21.78	2.61
123	1	2005	R225001003001900	2.35	4.04	6.39	0.84
124	1	2004	1004100011000007	305.42	444.39	749.81	61.85
125	1	2004	N440000000001500	296.47	419.51	715.98	54.70
126	1	2004	T094000000000100	138.53	256.97	395.50	52.99
127	1	2004	B355004000007900	238.11	336.93	575.04	43.93
128	1	2004	C140000033000312	85.47	140.89	226.36	24.74
129	1	2004	L605000000005005	62.70	104.19	166.89	18.53
130	1	2004	B158003004001400	24.11	40.47	64.58	7.31
131	1	2004	S477000000040600	21.66	37.44	59.10	7.05
132	1	2004	M355000056000400	10.58	17.48	28.06	3.08
133	1	2004	A413000000001700	8.47	13.55	22.02	2.26
134	1	2004	B496504000032900	3.91	7.02	10.93	1.39
135	1	2004	B496504000032900	3.91	7.02	10.93	1.39
136	1	2004	W010000044001052	6.91	9.79	16.70	1.28
137	1	2003	T094000000000100	121.48	239.92	361.40	48.65
138	1	2003	1004100011000007	217.32	342.28	559.60	47.92
139	1	2003	H120000052000700	26.44	53.19	79.63	11.03
140	1	2003	V305200000005400	42.58	65.37	107.95	8.63
141	1	2003	C180000010000900	40.84	62.70	103.54	8.27
142	1	2003	F420000000002300	25.81	41.76	67.57	6.19
143	1	2003	G040000006000100	9.46	17.57	27.03	3.28
144	1	2003	G570000001002800	7.23	13.84	21.07	2.70
145	1	2003	M355000056000400	1.28	2.27	3.55	0.40
146	1	2002	N440000000001500	285.90	473.16	759.06	63.04
147	1	2002	T094000000000100	130.52	273.44	403.96	54.62
148	1	2002	1004100011000007	217.32	368.36	585.68	51.83
149	1	2002	S244000000003000	128.83	241.54	370.37	41.16
150	1	2002	W010000030000728	71.51	142.41	213.92	26.60
151	1	2002	M167000000002200	64.64	104.37	169.01	13.08
152	1	2002	C715002009000900	41.76	70.77	112.53	9.96
153	1	2002	C690000001000700	2.47	4.28	6.75	0.63
154	1	2001	N440000000001500	237.76	422.03	659.79	56.71

155	1	2001	1004100011000007	191.35	347.30	538.65	49.08
156	1	2001	1004100010000006	36.77	71.15	107.92	11.42
157	1	2000	1004100011000007	182.04	352.25	534.29	49.97
158	1	2000	W010000030000728	83.08	185.41	268.49	33.90
159	1	2000	T094000000000100	65.84	153.74	219.58	29.93
160	1	2000	L205000050000100	80.77	164.64	245.41	25.93
161	1	2000	N440000000001500	34.66	65.68	100.34	8.89
162	1	2000	S436000000000600	13.49	26.66	40.15	3.95
163	1	2000	D380001000003500	2.05	4.68	6.73	0.88
164	1	2000	L205000050000100	-80.77	-164.64	-245.41	-25.93
165	1	1999	W010000030000728	21.38	50.28	71.66	9.11
166	1	1999	E810000007000800	10.62	22.25	32.87	3.30
167	1	1999	S165000000001600	9.25	17.80	27.05	2.16
168	1	1999	T094000000000100	1.32	3.25	4.57	0.62
169	1	1998	L045000017000002	103.03	215.83	318.86	28.28
170	1	1998	M355000019001100	51.66	133.04	184.70	25.34
171	1	1998	W010000030000728	24.43	60.38	84.81	10.85
172	1	1998	H495000004000300	13.95	36.89	50.84	7.20
173	1	1997	R170000000001500	30.14	66.73	96.87	8.81
174	1	1997	M190001000003300	17.72	39.24	56.96	5.18
175	1	1996	M190001000003300	20.02	46.74	66.76	6.22
176	1	1996	P200000019001800	4.36	11.46	15.82	1.93
177	1	1995	H120000095001700	12.61	34.97	47.58	5.95
178	1	1994	S144000000005100	5.40	14.81	20.21	2.27
179	1	1987	M215000001002000	1.25	4.28	5.53	0.59
180	12	1999	W010000030000728	0.53	1.25	1.78	0.23
181	12	1999	T094000000000100	0.04	0.10	0.14	0.02
182	12	1998	W010000030000728	1.07	2.65	3.72	0.48
183	12	1997	M190001000003300	1.47	3.26	4.73	0.43
184	12	1996	M190001000003300	1.07	2.49	3.56	0.33
185	1	2001	W010000031000205	4.08	9.10	13.18	1.81
186	1	1999	C695001000001300	11.07	26.55	37.62	4.95
187	1	1998	C695001000001300	78.35	197.32	275.67	36.43
188	1	1995	C695001000001300	64.05	184.35	248.40	33.24
189	1	1994	C695001000001300	59.45	178.25	237.70	31.92
190	1	1993	C695001000001300	54.83	170.98	225.81	30.43
191	1	1992	C695001000001300	53.72	173.97	227.69	30.78
192	1	1991	C695001000001300	24.40	81.95	106.35	14.42
193	12	1999	C695001000001300	0.27	0.65	0.92	0.12
194	12	1998	C695001000001300	3.42	8.61	12.03	1.59
195	12	1995	C695001000001300	3.59	10.33	13.92	1.86
196	12	1994	C695001000001300	2.87	8.60	11.47	1.54
197	12	1993	C695001000001300	2.69	8.39	11.08	1.49
198	12	1992	C695001000001300	2.69	8.72	11.41	1.54
199	12	1991	C695001000001300	0.64	2.14	2.78	0.38
200	1	2020	M530000001001200	0.12	0.04	0.16	0.03
201	1	2017	E825002000026500	512.06	285.05	797.11	114.45
202	1	2013	J54000000C001000	119.53	84.27	203.80	22.59
203	1	2013	J880000001002000	5.94	4.42	10.36	1.23
204	1	2006	E540000045000300	3.86	6.01	9.87	1.24

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

September 8, 2022

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

Re: July 2022 DTA Payment Request Report No. 2022-54

Dear Mr. Villarreal:

We completed a limited scope review of the July 2022 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 July 2022 DTA payment request in the amount of $281,668.62.

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 July 31, 2022. 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 July 2022."
- 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.

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 July 2022."

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

- Although DTA fees for 208 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 (200 tax accounts), and small amounts collected (8 tax accounts) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Enrique Leal, Internal Auditor I, at 318-2511, ext. 4641, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A

cc: Ms. Lucy Canales, Linebarger Goggan Blair & Sampson, LLP
Mr. Valde Guerra, County Executive Officer
Ms. Eva Mireles, Chief Deputy, Hidalgo County Tax Office

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2020	O39700000B000100	28.62	6.76	35.38	5.11
2	1	2020	M520000061000400	11.77	2.71	14.48	2.08
3	1	2020	L190000001001100	0.75	0.22	0.97	0.14
4	1	2020	T210000243000613	0.53	0.17	0.70	0.11
5	1	2019	E330000345001200	118.84	38.13	156.97	22.28
6	1	2019	H015299000000115	0.63	0.27	0.90	0.14
7	1	2018	C680003000004200	122.93	57.06	179.99	26.00
8	1	2018	M215000006001200	18.88	7.37	26.25	3.65
9	1	2018	F390000000002200	10.74	4.11	14.85	2.05
10	1	2018	C470000013001000	7.98	2.65	10.63	1.43
11	1	2018	C470000013001000	7.96	2.68	10.64	1.42
12	1	2018	T120099001000101	0.20	0.10	0.30	0.04
13	1	2018	S595000026000408	0.12	0.05	0.17	0.02
14	1	2017	H327000000009400	538.67	207.84	746.51	96.15
15	1	2017	C680003000004200	394.17	230.26	624.43	90.46
16	1	2017	B190027000002200	324.91	134.84	459.75	60.43
17	1	2017	C443502000006000	48.37	20.07	68.44	9.00
18	1	2017	A554002000002500	35.72	16.49	52.21	7.07
19	1	2017	R060000000001700	19.56	9.37	28.93	3.96
20	1	2017	A265500000003000	8.64	4.44	13.08	1.83
21	1	2016	L092001000002600	526.22	238.12	764.34	95.51
22	1	2016	V351500000003300	362.47	160.39	522.86	64.16
23	1	2016	H327000000009400	317.83	160.77	478.60	62.45
24	1	2016	M355000182000015	99.22	47.46	146.68	18.90
25	1	2016	B190027000002200	48.95	26.19	75.14	9.99
26	1	2016	C470000013001100	17.32	9.90	27.22	3.71
27	1	2016	C470000013001100	17.27	9.94	27.21	3.70
28	1	2016	T220000008001814	4.42	2.31	6.73	0.89
29	1	2015	L092001000002600	787.48	450.83	1,238.31	157.10
30	1	2015	S445000002000600	101.11	66.23	167.34	22.45
31	1	2015	L670000003000400	52.61	34.76	87.37	11.76
32	1	2015	W250000156000910	60.97	33.49	94.46	11.52
33	1	2015	R510000007000500	33.57	18.32	51.89	6.29
34	1	2015	W230000058000700	8.69	4.76	13.45	1.66
35	1	2015	T094000000000100	5.39	2.91	8.30	0.99
36	1	2014	L092001000002600	670.73	464.48	1,135.21	145.88
37	1	2014	M520000214000200	75.72	45.62	121.34	13.40
38	1	2013	M520000214000200	164.22	118.65	282.87	32.02
39	1	2013	S295098000052316	31.57	24.06	55.63	6.72
40	1	2013	V382000000016200	15.85	14.56	30.41	4.19
41	1	2013	F155501000007000	15.01	11.20	26.21	3.09
42	1	2013	R470000014000900	13.29	9.43	22.72	2.51
43	1	2013	V382000000016200	8.65	7.94	16.59	2.28
44	1	2013	H045000099000600	6.75	5.93	12.68	1.71
45	1	2012	M520000214000200	140.06	118.01	258.07	29.83
46	1	2012	A210000066000600	57.23	53.57	110.80	14.60
47	1	2012	D360000000000103	57.47	44.58	102.05	10.52
48	1	2012	A210000066000600	38.16	35.71	73.87	9.73
49	1	2012	C687000000003300	41.19	32.36	73.55	7.72

50	1	2012	R470000014000900	29.60	24.54	54.14	6.13
51	1	2012	A210000066000600	23.85	22.32	46.17	6.08
52	1	2012	S623000000000500	21.96	18.14	40.10	4.51
53	1	2012	S447004000000900	13.87	11.19	25.06	2.73
54	1	2012	E540000048001600	8.23	8.26	16.49	2.24
55	1	2012	L205000018000100	10.43	8.48	18.91	2.08
56	1	2012	L205000018000100	7.08	5.75	12.83	1.41
57	1	2011	S016000000002600	255.47	245.04	500.51	58.63
58	1	2011	B158504000000700	80.71	70.14	150.85	15.25
59	1	2011	S350000000001405	60.42	60.98	121.40	15.23
60	1	2011	M195000041000400	57.82	55.84	113.66	13.44
61	1	2011	K240000000007305	34.30	29.48	63.78	6.33
62	1	2011	R195001000000800	30.26	27.21	57.47	6.13
63	1	2011	E540000020004900	12.57	11.64	24.21	2.70
64	1	2011	E310000048000100	9.45	8.18	17.63	1.77
65	1	2011	E540000020004900	0.37	0.34	0.71	0.08
66	1	2010	W380000133000010	156.98	159.99	316.97	34.61
67	1	2010	W380000133000010	116.29	118.50	234.79	25.64
68	1	2010	W380000133000010	82.92	84.50	167.42	18.28
69	1	2010	B158504000000700	83.87	82.96	166.83	17.36
70	1	2010	P320002008000400	48.60	56.67	105.27	13.93
71	1	2010	M059002000001100	13.95	13.77	27.72	2.87
72	1	2010	J570098005000205	4.96	6.55	11.51	1.63
73	1	2010	J570098005000205	4.96	6.55	11.51	1.63
74	1	2010	E540000020004900	4.12	4.31	8.43	0.96
75	1	2009	K280000000001800	419.73	430.57	850.30	78.70
76	1	2009	M460000007000700	220.57	224.07	444.64	40.37
77	1	2009	E439501000006900	111.50	114.75	226.25	21.07
78	1	2009	P811503000000600	47.93	51.09	99.02	9.85
79	1	2009	W380000133000010	30.84	35.14	65.98	7.36
80	1	2009	M374500000004000	36.52	37.94	74.46	7.06
81	1	2009	G130000001000200	22.04	22.55	44.59	4.10
82	1	2009	L093000001001400	13.24	16.35	29.59	3.73
83	1	2009	H265000018006600	17.95	19.00	36.95	3.63
84	1	2009	R415000001000900	15.44	16.86	32.30	3.36
85	1	2008	E439501000006900	97.01	111.48	208.49	20.08
86	1	2008	H265000018006600	67.85	80.01	147.86	14.96
87	1	2008	B001001000004100	46.36	61.46	107.82	13.28
88	1	2008	B48200000C001100	45.50	56.22	101.72	11.19
89	1	2008	L007001000007300	13.84	17.43	31.27	3.55
90	1	2008	J570095010000700	17.57	19.38	36.95	3.27
91	1	2008	V280000002000300	8.99	10.82	19.81	2.08
92	1	2008	B505000015001100	6.60	7.42	14.02	1.30
93	1	2007	M460000007000700	186.15	233.78	419.93	40.77
94	1	2007	E439501000006900	96.33	122.27	218.60	21.68
95	1	2007	R284805000001000	47.53	77.03	124.56	17.46
96	1	2007	H265000018006600	59.00	76.65	135.65	14.07
97	1	2007	L093000001001400	24.19	35.69	59.88	7.69
98	1	2007	M015000062000401	16.71	24.03	40.74	5.03
99	1	2007	H365003000001100	22.95	28.51	51.46	4.89
100	1	2007	J570095010000700	11.29	13.81	25.10	2.30

101	1	2007	S245000000001200	8.96	11.65	20.61	2.14
102	1	2007	G99500000A000400	1.23	1.45	2.68	0.23
103	1	2006	M460000007000700	169.23	232.83	402.06	40.11
104	1	2006	C211000000005900	80.22	101.82	182.04	15.16
105	1	2006	G99500000A000400	38.65	50.22	88.87	7.83
106	1	2006	H265000018006600	27.29	38.73	66.02	7.00
107	1	2006	L108502000002700	16.18	22.68	38.86	4.03
108	1	2006	E540000026002500	13.98	19.57	33.55	3.46
109	1	2006	S447004000000900	4.88	7.45	12.33	1.49
110	1	2005	B190016000000900	313.32	432.12	745.44	63.45
111	1	2005	T210000236000211	134.91	236.44	371.35	49.98
112	1	2005	M460000007000700	171.38	256.36	427.74	43.70
113	1	2005	T220000018002100	71.44	101.38	172.82	15.75
114	1	2005	R010000001000500	75.77	101.47	177.24	13.98
115	1	2005	E640000263003111	44.42	61.09	105.51	8.99
116	1	2005	B158003004001400	25.20	39.40	64.60	7.19
117	1	2005	H265000018006600	23.15	35.63	58.78	6.35
118	1	2005	W230000052000300	8.29	13.50	21.79	2.61
119	1	2005	S447004000000900	7.89	13.01	20.90	2.55
120	1	2005	R225001003001900	2.34	4.05	6.39	0.84
121	1	2004	B190016000000900	323.90	485.58	809.48	71.42
122	1	2004	M460000007000700	220.57	356.41	576.98	60.22
123	1	2004	T220000018002100	159.68	245.77	405.45	38.08
124	1	2004	S001000000002600	122.46	203.19	325.65	35.82
125	1	2004	C170000000002200	135.05	192.12	327.17	25.12
126	1	2004	R010000001000500	61.61	89.90	151.51	12.48
127	1	2004	S477000000040600	21.62	37.48	59.10	7.04
128	1	2004	M190001000003200	24.73	35.99	60.72	5.01
129	1	2004	M190001000003200	24.71	36.03	60.74	5.00
130	1	2004	B496504000032900	7.82	14.05	21.87	2.77
131	1	2004	S447004000000900	7.54	13.30	20.84	2.56
132	1	2004	W010000044001052	6.91	9.80	16.71	1.27
133	1	2004	B158003004001400	0.08	0.13	0.21	0.02
134	1	2003	S001000000002600	252.63	449.46	702.09	78.44
135	1	2003	M460000007000700	212.57	368.99	581.56	61.86
136	1	2003	B240001000005300	95.87	150.75	246.62	20.85
137	1	2003	S477000000021000	98.05	146.99	245.04	18.09
138	1	2003	R010000001000500	63.93	100.96	164.89	14.10
139	1	2003	C180000010000900	30.59	47.08	77.67	6.20
140	1	2003	G040000006000100	9.47	17.58	27.05	3.28
141	1	2003	G570000001002800	7.21	13.86	21.07	2.70
142	1	2002	M460000007000700	193.25	358.65	551.90	59.72
143	1	2002	C715002009000900	32.92	55.93	88.85	7.85
144	1	2002	W010000030000728	20.56	41.04	61.60	7.65
145	1	2002	G390000000000400	13.38	26.44	39.82	4.86
146	1	2002	S477000000021000	22.63	36.65	59.28	4.58
147	1	2001	M460000007000700	161.80	319.69	481.49	52.91
148	1	2001	S690000003000700	53.23	102.52	155.75	16.21
149	1	2001	S477000000006600	39.58	82.68	122.26	14.96
150	1	2001	R010000001000500	53.40	97.14	150.54	13.70
151	1	2001	1004100010000006	36.73	71.22	107.95	11.40
152	1	2000	M460000007000700	158.62	332.44	491.06	54.72
153	1	2000	L205000050000100	80.77	164.98	245.75	25.93
154	1	2000	S690000003000700	46.25	94.62	140.87	14.92

155	1	2000	R010000001000500	52.78	102.36	155.14	14.49
156	1	2000	E810000007003005	24.96	51.71	76.67	8.34
157	1	2000	G570000001002900	20.80	44.07	64.87	7.39
158	1	2000	L205000050000100	-80.77	-164.98	-245.75	-25.93
159	1	1999	M460000007000700	139.75	309.67	449.42	50.73
160	1	1999	M355000019001100	13.09	32.17	45.26	6.18
161	1	1999	A130000001003700	13.53	27.91	41.44	3.98
162	1	1999	R385000003000700	7.53	16.71	24.24	2.75
163	1	1999	R385000003000700	7.54	16.71	24.25	2.74
164	1	1998	M460000007000700	139.75	326.44	466.19	53.25
165	1	1998	M355000019001100	38.99	100.57	139.56	19.13
166	1	1998	W380000197000001	14.48	30.39	44.87	3.97
167	1	1997	M460000007000700	192.02	471.56	663.58	76.62
168	1	1997	E540000002002100	29.10	65.72	94.82	9.03
169	1	1996	M460000007000700	176.95	455.79	632.74	73.79
170	1	1996	M625500000000600	26.69	63.55	90.24	8.78
171	1	1996	M625500000000600	26.71	63.54	90.25	8.77
172	1	1995	M460000007000700	169.58	457.16	626.74	73.77
173	1	1995	A080098000111600	7.05	21.37	28.42	4.06
174	1	1994	M460000007000700	157.41	443.24	600.65	71.31
175	1	1994	J570000001001034	12.21	31.22	43.43	4.10
176	1	1994	S144000000005100	5.40	14.82	20.22	2.27
177	1	1994	C120002000002600	4.14	11.36	15.50	1.73
178	1	1993	M550000097001303	260.04	758.23	1,018.27	120.14
179	1	1993	M460000007000700	127.85	375.35	503.20	60.22
180	1	1993	A080000000114909	10.51	31.80	42.31	5.38
181	1	1992	M460000007000700	125.27	382.81	508.08	61.26
182	1	1992	M550000097001303	51.04	154.95	205.99	24.50
183	1	1991	M460000007000700	118.62	376.72	495.34	60.14
184	1	1990	M460000007000700	116.62	384.36	500.98	61.23
185	1	1990	J570095010000700	6.67	21.74	28.41	3.40
186	1	1989	M460000007000700	116.68	398.56	515.24	63.36
187	1	1989	E484000000001400	5.09	16.21	21.30	2.25
188	1	1988	M460000007000700	113.54	401.46	515.00	63.70
189	1	1987	M460000007000700	82.02	299.86	381.88	47.49
190	1	1987	M215000001002000	1.26	4.28	5.54	0.59
191	12	1996	M625500000000600	1.44	3.40	4.84	0.47
192	12	1996	M625500000000600	1.43	3.40	4.83	0.47
193	1	2018	P100003000026300	34.41	11.96	46.37	6.25
194	1	2017	P100003000026300	130.46	60.99	191.45	26.03
195	1	2017	P100003000026300	77.39	36.18	113.57	15.44
196	1	2006	C695001000001300	6.84	10.68	17.52	2.19
197	1	2004	C695001000001300	85.08	153.36	238.44	30.37
198	1	1999	C695001000001300	32.26	77.50	109.76	14.42
199	12	1999	C695001000001300	0.79	1.89	2.68	0.35
200	1	2017	T220000016000020	0.59	0.38	0.97	0.14
201	1	2011	L075002000000300	0.31	0.45	0.76	0.12
202	1	2010	W380000515000005	169.04	173.97	343.01	38.03
203	1	2009	L136500000010300	8.00	11.08	19.08	2.66
204	1	2006	E540000045000300	4.71	7.35	12.06	1.51
205	1	2006	E540000045000300	3.87	6.01	9.88	1.23
206	1	2004	T210000262000400	0.65	1.05	1.70	0.17
207	1	2021	S300700000000100	0.41	0.08	0.49	0.08
208	1	2021	S484300000000500	0.09	0.01	0.10	0.01

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

October 3, 2022

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

Re: August 2022 DTA Payment Request Report No. 2022-58

Dear Mr. Villarreal:

We completed a limited scope review of the August 2022 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 August 2022 DTA payment request in the amount of $239,769.05 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 August 31, 2022. 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 August 2022."
- 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, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH 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 August 2022."
- Although DTA fees for 184 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 (175 tax accounts), and small amounts collected (9 tax accounts) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Enrique Leal, Internal Auditor I, at 318-2511, ext. 4641, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A

cc: Ms. Lucy Canales, Linebarger Goggan Blair & Sampson, LLP
Mr. Valde Guerra, County Executive Officer
Ms. Eva Mireles, Chief Deputy, Hidalgo County Tax Office

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	1987	M215000001002000	1.26	4.27	5.53	0.59
2	1	1989	E484000000001400	5.08	16.21	21.29	2.25
3	1	1990	J570095010000700	24.80	80.95	105.75	12.64
4	1	1990	J570095010000700	5.86	19.14	25.00	2.99
5	1	1991	J570095010000700	16.16	50.87	67.03	7.96
6	1	1991	J570095010000700	14.22	44.75	58.97	7.00
7	1	1992	J570095010000700	7.21	21.81	29.02	3.42
8	1	1994	J630000000000500	18.07	45.00	63.07	5.50
9	1	1994	S144000000005100	5.39	14.83	20.22	2.27
10	1	1994	F345000157001100	5.15	13.67	18.82	1.95
11	1	1995	T470000003000200	184.00	447.73	631.73	57.96
12	1	1995	V380002003003200	24.71	72.16	96.87	13.20
13	1	1995	A080098000111600	7.04	21.38	28.42	4.06
14	1	1996	V380002003003200	266.40	745.92	1,012.32	137.46
15	1	1996	T470000003000200	176.58	408.49	585.07	52.44
16	1	1996	C905000002000300	25.63	59.63	85.26	7.77
17	1	1997	V380002003003200	289.91	776.96	1,066.87	144.38
18	1	1997	T470000003000200	192.37	421.94	614.31	53.67
19	1	1997	C905000002000300	31.05	68.52	99.57	8.85
20	1	1997	E540000002002100	28.32	64.10	92.42	8.79
21	1	1998	V380002003003200	291.15	745.34	1,036.49	139.75
22	1	1998	S045000000001900	163.38	383.94	547.32	62.98
23	1	1998	T470000003000200	189.54	392.98	582.52	49.47
24	1	1998	C905000002000300	34.81	72.63	107.44	9.29
25	1	1998	E840000020000100	16.66	39.28	55.94	6.49
26	1	1999	V380002003003200	291.15	710.40	1,001.55	134.51
27	1	1999	T470000003000200	210.14	410.47	620.61	51.06
28	1	1999	M355000019001100	53.42	131.61	185.03	25.25
29	1	1999	C905000002000300	34.81	68.45	103.26	8.67
30	1	1999	L025000010000000	9.98	26.49	36.47	5.28
31	1	1999	A130000001003700	13.52	27.94	41.46	3.97
32	1	1999	T210000239000710	11.10	21.46	32.56	2.60
33	1	2000	S045000000001900	193.83	408.98	602.81	67.74
34	1	2000	T470000003000200	227.10	416.35	643.45	51.10
35	1	2000	L205000050000100	80.77	164.98	245.75	25.93
36	1	2000	C905000002000300	39.01	72.04	111.05	9.01
37	1	2000	C655000004000700	11.03	22.31	33.34	3.42
38	1	2000	D380001000003500	4.11	9.37	13.48	1.75
39	1	2000	L222500000001500	3.85	7.30	11.15	0.97
40	1	2000	L205000050000100	-80.77	-164.98	-245.75	-25.93
41	1	2001	V380002003003200	390.85	859.87	1,250.72	166.50
42	1	2001	T470000003000200	229.58	393.35	622.93	47.52
43	1	2001	S477000000006600	39.23	82.12	121.35	14.83
44	1	2001	C905000002000300	40.48	69.90	110.38	8.62
45	1	2001	C655000004000700	16.26	30.94	47.20	4.76
46	1	2001	S436000000000600	10.40	19.39	29.79	2.86
47	1	2002	V380002003003200	373.92	777.75	1,151.67	152.56
48	1	2002	T470000003000200	266.94	425.32	692.26	50.45
49	1	2002	W010000049001055	36.96	68.13	105.09	11.14

50	1	2002	C715002009000900	32.87	55.99	88.86	7.84
51	1	2003	V380002003003200	354.63	695.08	1,049.71	138.31
52	1	2003	E720000014000100	182.61	281.83	464.44	36.98
53	1	2003	G805000000013100	77.74	126.19	203.93	18.54
54	1	2003	C905000002000300	64.10	95.30	159.40	11.35
55	1	2003	C180000010000900	30.55	47.13	77.68	6.18
56	1	2003	F420000000002300	25.73	41.85	67.58	6.17
57	1	2003	G570000001002800	14.42	27.73	42.15	5.39
58	1	2003	G040000006000100	9.45	17.60	27.05	3.27
59	1	2003	B030000004001400	1.11	1.67	2.78	0.21
60	1	2003	W010000049001055	0.39	0.69	1.08	0.11
61	1	2004	V380002003003200	382.36	703.54	1,085.90	142.24
62	1	2004	R025001000001700	142.39	251.08	393.47	48.06
63	1	2004	E720000014000100	193.40	275.27	468.67	35.68
64	1	2004	L595002002002100	73.40	104.48	177.88	13.54
65	1	2004	S477000000040600	25.20	43.76	68.96	8.20
66	1	2004	B496504000032900	5.86	10.54	16.40	2.07
67	1	2004	W010000044001052	6.89	9.82	16.71	1.27
68	1	2004	M520000049001100	2.30	4.08	6.38	0.78
69	1	2005	V380002003003200	390.51	671.67	1,062.18	138.24
70	1	2005	R025001000001700	112.40	184.72	297.12	35.91
71	1	2005	L195800002001500	73.14	123.61	196.75	24.90
72	1	2005	E640000263003111	44.36	61.17	105.53	8.98
73	1	2005	W380000238000005	21.68	33.46	55.14	5.95
74	1	2005	B158003004001400	16.84	26.38	43.22	4.80
75	1	2005	L045000024000002	16.30	25.13	41.43	4.47
76	1	2005	W230000052000300	8.28	13.51	21.79	2.61
77	1	2006	T490001001000300	413.25	574.41	987.66	99.80
78	1	2006	L195800002001500	84.37	132.47	216.84	27.21
79	1	2006	C211000000005900	80.09	101.98	182.07	15.14
80	1	2006	L108502000002700	12.11	17.03	29.14	3.02
81	1	2007	V380002003003200	417.45	617.82	1,035.27	132.75
82	1	2007	T490001001000300	454.58	577.31	1,031.89	101.60
83	1	2007	A413500000000100	139.74	165.37	305.11	25.79
84	1	2007	L255001008002100	109.65	139.25	248.90	24.51
85	1	2007	M520000121000910	94.75	119.07	213.82	20.61
86	1	2007	1004100010000006	59.47	72.73	132.20	12.04
87	1	2007	L195800002001500	33.18	48.11	81.29	10.10
88	1	2007	S705000000003700	29.17	37.24	66.41	6.60
89	1	2007	M015000062000401	16.67	24.06	40.73	5.03
90	1	2007	H365003000001100	22.91	28.56	51.47	4.88
91	1	2007	R284805000001000	9.95	16.17	26.12	3.66
92	1	2007	S245000000001200	8.96	11.66	20.62	2.14
93	1	2008	T490001001000300	448.70	516.01	964.71	92.21
94	1	2008	R284805000001000	85.98	129.41	215.39	30.05
95	1	2008	M520000121000910	119.80	136.18	255.98	23.90
96	1	2008	L255001008002100	109.65	126.09	235.74	22.53
97	1	2008	L195800002001500	69.54	92.47	162.01	19.92
98	1	2008	M520000121000910	90.27	102.60	192.87	18.01
99	1	2008	L672500000014000	13.49	17.28	30.77	3.56
100	1	2008	L672500000014000	13.49	17.28	30.77	3.56

101	1	2008	V280000002000300	15.26	18.42	33.68	3.53
102	1	2008	P927901000007000	6.61	8.55	15.16	1.78
103	1	2008	B505000015001100	6.59	7.44	14.03	1.29
104	1	2009	T490001001000300	439.85	453.04	892.89	82.47
105	1	2009	V380002003003200	168.96	209.50	378.46	47.65
106	1	2009	C005000000002302	98.02	127.73	225.75	30.43
107	1	2009	L093000001001400	81.13	100.60	181.73	22.88
108	1	2009	L255001008002100	120.80	124.43	245.23	22.65
109	1	2009	K240000000032522	114.21	115.35	229.56	20.39
110	1	2009	L335500000002000	42.98	53.72	96.70	12.31
111	1	2009	P811503000000600	36.81	39.39	76.20	7.56
112	1	2009	G130000001000200	22.01	22.59	44.60	4.09
113	1	2009	E015700000009800	7.46	9.93	17.39	2.37
114	1	2009	L136500000010300	22.13	30.80	52.93	7.37
115	1	2010	P320002008000400	158.34	185.26	343.60	45.36
116	1	2010	L107003000000200	174.71	191.02	365.73	44.03
117	1	2010	H090000010001100	143.21	137.49	280.70	27.50
118	1	2010	H302000000000700	25.07	23.64	48.71	4.62
119	1	2010	S477000000041500	14.99	16.54	31.53	3.84
120	1	2010	M059002000001100	13.94	13.80	27.74	2.86
121	1	2010	W380000255000016	153.77	147.62	301.39	29.52
122	1	2010	W380000255000016	143.25	137.52	280.77	27.50
123	1	2011	L107003000000200	319.10	310.60	629.70	74.67
124	1	2011	A210000057000900	219.09	192.08	411.17	41.74
125	1	2011	W380000081000009	159.12	136.33	295.45	28.89
126	1	2011	B158504000000700	93.04	81.26	174.30	17.58
127	1	2011	G590098004000101	46.96	42.27	89.23	9.44
128	1	2011	E540000020004900	22.11	20.56	42.67	4.74
129	1	2011	K240000000007305	4.84	4.18	9.02	0.89
130	1	2012	R140003000005800	533.77	411.01	944.78	95.28
131	1	2012	L107003000000200	373.20	318.47	691.67	80.61
132	1	2012	A210000066000600	70.28	65.78	136.06	17.92
133	1	2012	R470000014000900	39.21	32.66	71.87	8.11
134	1	2012	C687000000003300	41.09	32.46	73.55	7.71
135	1	2012	L335500000002000	28.59	25.45	54.04	6.65
136	1	2012	G590098004000101	33.40	26.06	59.46	6.11
137	1	2012	L205000018000100	28.89	23.60	52.49	5.76
138	1	2012	G590098004000101	13.57	10.58	24.15	2.48
139	1	2012	S740000000000100	10.27	7.94	18.21	1.85
140	1	2012	S740000000000100	0.09	0.07	0.16	0.02
141	1	2013	L107003000000200	373.20	273.68	646.88	73.89
142	1	2013	W475000000002805	48.78	36.91	85.69	10.17
143	1	2013	W475000000002805	48.78	36.91	85.69	10.17
144	1	2013	S295098000052316	31.57	24.21	55.78	6.73
145	1	2013	V382000000016200	15.82	14.61	30.43	4.18
146	1	2013	W475000000002805	-48.78	-36.91	-85.69	-10.17
147	1	2014	L107003000000200	373.20	228.90	602.10	67.18
148	1	2014	A210000066000600	212.02	148.41	360.43	46.43
149	1	2014	P310800000002300	32.63	23.14	55.77	7.24
150	1	2014	S265001000004100	7.50	6.36	13.86	1.93
151	1	2015	L670000003000400	51.02	33.94	84.96	11.40
152	1	2015	A200000000003400	41.63	23.16	64.79	7.93
153	1	2015	A265500000002500	34.48	22.73	57.21	7.65
154	1	2015	S735000008001200	39.36	22.03	61.39	7.55

155	1	2015	R340000000000301	34.51	18.17	52.68	6.11
156	1	2015	C470000006000301	29.86	15.83	45.69	5.33
157	1	2015	C902500000000400	20.25	14.18	34.43	4.71
158	1	2015	W230000058000700	8.64	4.82	13.46	1.65
159	1	2015	L670000003000400	1.46	0.98	2.44	0.33
160	1	2016	H47000000P000006	39.83	24.26	64.09	8.84
161	1	2016	H47000000P000006	39.83	24.26	64.09	8.84
162	1	2016	C470000013001100	28.28	16.39	44.67	6.06
163	1	2016	O30000700G000000	8.40	3.99	12.39	1.58
164	1	2017	G785000000002700	130.51	64.60	195.11	26.82
165	1	2017	O210000005000037	74.26	38.55	112.81	16.04
166	1	2017	T525002018003900	18.22	8.81	27.03	3.69
167	1	2017	A265500000003000	8.63	4.46	13.09	1.82
168	1	2018	A554002000002500	243.28	84.14	327.42	43.79
169	1	2018	G785000000002700	172.47	64.68	237.15	32.34
170	1	2018	C470000013001000	13.03	4.43	17.46	2.33
171	1	2020	G815000002004200	800.56	187.46	988.02	141.70
172	1	2020	O39700000B000100	33.97	8.16	42.13	6.06
173	1	2020	P420002003000900	0.97	0.24	1.21	0.17
174	1	2020	P420002003000900	0.97	0.24	1.21	0.17
175	1	2020	P420002003000900	-0.97	-0.24	-1.21	-0.17
176	1	2002	I564081014200000	0.03	0.07	0.10	0.02
177	1	2002	I564081014200000	0.03	0.07	0.10	0.02
178	1	2002	I564081014200000	-0.03	-0.07	-0.10	-0.02
179	1	2019	H015299000000115	0.62	0.28	0.90	0.14
180	1	2019	M352501000001300	0.13	0.04	0.17	0.02
181	1	2020	K086003000000900	0.08	0.02	0.10	0.02
182	1	2021	H265000014001900	0.76	0.14	0.90	0.13
183	1	2021	H383000000001100	0.25	0.05	0.30	0.05
184	1	2021	L465000000002501	0.25	0.05	0.30	0.05

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

December 15, 2022

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

Re: September and October 2022 DTA Payment Request Report No. 2022-66 and 2022-67

Dear Mr. Villarreal:

We completed a limited scope review of the September and October 2022 payment requests 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 requests were accurate and properly authorized.

The results of the review revealed that the payment requests were generally accurate and properly authorized. Payment was processed for the September 2022 DTA payment request in the amount of $193,813.16 on November 15, 2022. We will proceed to process the October 2022 DTA payment request in the amount of $136,274.65.

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 months ended September 30, 2022 and October 31, 2022. 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 requests were 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 months of September and October 2022."
- 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, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

Based on the review, the following was noted:

- The payment requests were 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 months of September and October 2022.
- Although DTA fees in the month of September 2022 for 206 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 (202 tax accounts), and small amounts collected (4 tax accounts) (see Exhibit A).
- Although DTA fees in the month of October 2022 for 112 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 (108 tax accounts), and small amounts collected (4 tax accounts) (see Exhibit B).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for the months of September and October 2022 agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Enrique Leal, Internal Auditor I, at 318-2511, ext. 4641, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibits A & B

cc: Ms. Lucy Canales, Linebarger Goggan Blair & Sampson, LLP
Mr. Valde Guerra, County Executive Officer
Ms. Eva Mireles, Chief Deputy, Hidalgo County Tax Office

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	1987	M215000001002000	1.25	4.27	5.52	0.59
2	1	1990	N340000000207700	53.96	167.86	221.82	23.63
3	1	1991	N340000000207700	70.75	211.60	282.35	29.72
4	1	1992	N340000000207700	74.73	214.54	289.27	30.04
5	1	1992	J570095010000700	21.90	66.36	88.26	10.38
6	1	1992	J570095010000700	2.98	9.04	12.02	1.41
7	1	1993	N340000000207700	103.38	284.38	387.76	39.70
8	1	1993	J570095010000700	32.75	95.33	128.08	14.93
9	1	1993	A080000000114909	11.03	33.51	44.54	5.65
10	1	1994	N340000000207700	107.25	282.15	389.40	39.25
11	1	1994	W380000771000085	46.54	137.95	184.49	24.02
12	1	1994	J570095010000700	10.74	29.99	40.73	4.71
13	1	1994	J570000001001034	12.19	31.24	43.43	4.09
14	1	1994	S144000000005100	5.39	14.84	20.23	2.27
15	1	1995	W380000771000085	141.27	401.80	543.07	70.35
16	1	1995	N340000000207700	115.54	290.10	405.64	40.21
17	1	1995	C655000003002100	33.81	84.78	118.59	11.72
18	1	1995	A080098000111600	7.02	21.39	28.41	4.06
19	1	1996	N340000000207700	136.50	326.35	462.85	45.05
20	1	1996	P640000078001200	113.48	284.55	398.03	43.41
21	1	1996	T570000002000400	65.11	179.98	245.09	32.43
22	1	1996	C655000003002100	54.39	129.85	184.24	17.87
23	1	1996	M625500000000600	26.65	63.64	90.29	8.76
24	1	1996	C655000003002100	19.29	46.02	65.31	6.33
25	12	1996	M625500000000600	1.43	3.40	4.83	0.47
26	1	1997	W380000771000085	158.78	413.49	572.27	73.36
27	1	1997	P640000078001200	160.84	384.00	544.84	58.63
28	1	1997	N340000000207700	149.26	338.94	488.20	46.57
29	1	1997	T570000002000400	69.02	182.49	251.51	33.13
30	1	1997	C655000003002100	80.30	182.08	262.38	24.93
31	1	1997	E540000002002100	28.29	64.13	92.42	8.78
32	1	1998	W380000771000085	158.97	394.91	553.88	70.58
33	1	1998	N340000000207700	219.11	471.27	690.38	64.42
34	1	1998	P640000078001200	160.94	364.93	525.87	55.77
35	1	1998	C655000003002100	48.60	104.35	152.95	14.21
36	1	1998	C655000003002100	32.81	70.46	103.27	9.60
37	1	1998	M490000000009302	22.31	52.69	75.00	8.67
38	12	1998	M490000000009302	0.96	2.30	3.26	0.38
39	1	1999	W380000771000085	158.97	375.83	534.80	67.72
40	1	1999	N340000000207700	217.01	440.71	657.72	59.90
41	1	1999	P640000078001200	160.94	345.62	506.56	52.87
42	1	1999	C655000003002100	81.41	165.05	246.46	22.35
43	1	1999	M355000019001100	26.70	65.85	92.55	12.61
44	1	1999	L025000010000000	9.96	26.51	36.47	5.28
45	1	1999	S477000000040600	9.85	23.06	32.91	4.09
46	1	1999	R385000003000700	6.01	13.39	19.40	2.19
47	1	1999	S165000000001600	9.21	17.84	27.05	2.15
48	1	2000	D380001000003500	162.21	370.51	532.72	69.10
49	1	2000	N340000000207700	251.96	481.45	733.41	65.01

50	1	2000	P640000078001200	183.30	371.64	554.94	56.91
51	1	2000	C655000003002100	91.25	174.06	265.31	23.41
52	1	2001	D380001000003500	201.98	437.12	639.10	82.41
53	1	2001	W380000771000085	189.81	403.19	593.00	74.03
54	1	2001	N340000000207700	256.56	459.46	716.02	61.58
55	1	2001	P640000078001200	190.18	362.77	552.95	55.63
56	1	2001	C655000003002100	94.67	169.22	263.89	22.58
57	1	2001	1004100010000006	36.63	71.34	107.97	11.37
58	1	2001	S477000000006600	9.41	19.73	29.14	3.56
59	1	2002	W380000771000085	223.75	448.43	672.18	83.24
60	1	2002	N340000000207700	293.01	489.57	782.58	65.05
61	1	2002	P640000078001200	206.25	368.67	574.92	56.62
62	1	2002	C655000003002100	95.72	159.60	255.32	21.10
63	1	2002	S477000000006600	28.83	57.02	85.85	10.38
64	1	2002	W010000030000728	10.32	20.68	31.00	3.84
65	1	2002	C690000001000700	7.37	12.87	20.24	1.89
66	1	2003	W380000771000085	221.01	416.42	637.43	78.24
67	1	2003	N340000000207700	302.24	468.73	770.97	61.66
68	1	2003	P640000078001200	224.55	374.44	598.99	57.60
69	1	2003	R106000000000300	24.40	38.82	63.22	5.42
70	1	2003	G040000006000100	9.43	17.61	27.04	3.27
71	1	2003	W010000030000728	2.28	4.28	6.56	0.80
72	1	2004	W380000771000085	234.19	413.15	647.34	78.69
73	1	2004	N340000000207700	326.25	466.80	793.05	60.68
74	1	2004	P640000078001200	239.13	370.05	609.18	57.03
75	1	2004	H305000000000400	144.77	261.19	405.96	51.25
76	1	2004	R106000000000300	161.21	237.12	398.33	32.89
77	1	2004	T210000233001302	171.74	245.17	416.91	31.69
78	1	2004	B496504000032900	9.75	17.59	27.34	3.45
79	1	2004	M190001000003200	9.64	14.10	23.74	1.95
80	1	2004	W010000044001052	6.88	9.83	16.71	1.27
81	1	2005	H305000000000400	251.48	423.54	675.02	84.50
82	1	2005	W380000771000085	209.22	344.00	553.22	66.53
83	1	2005	R025001000001700	188.80	311.04	499.84	60.32
84	1	2005	P440000000001400	183.71	302.05	485.76	58.42
85	1	2005	P640000078001200	239.13	341.35	580.48	52.73
86	1	2005	R106000000000300	164.33	221.98	386.31	30.57
87	1	2005	H185000167000100	119.29	177.05	296.34	29.35
88	1	2005	L319000002001800	43.50	64.27	107.77	10.57
89	1	2005	B158003004001400	16.82	26.41	43.23	4.79
90	1	2005	W230000052000300	8.26	13.53	21.79	2.60
91	1	2005	M190001000003200	11.79	15.90	27.69	2.18
92	1	2005	M190001000003200	7.21	9.67	16.88	1.33
93	1	2005	R225001003001900	2.34	4.05	6.39	0.84
94	1	2005	R225001003001900	2.34	4.05	6.39	0.84
95	1	2006	H305000000000400	247.38	386.95	634.33	78.67
96	1	2006	H185000167000100	277.83	379.00	656.83	63.35
97	1	2006	W380000771000085	179.76	273.98	453.74	53.93
98	1	2006	R025001000001700	76.05	116.17	192.22	22.93
99	1	2006	C211000000005900	54.18	69.22	123.40	10.24
100	1	2006	L319000002001800	25.62	34.77	60.39	5.76

101	1	2006	E540000026002500	13.94	19.62	33.56	3.45
102	1	2006	G150000000000100	6.03	9.21	15.24	1.82
103	1	2006	E310000023000100	95.19	147.32	242.51	29.56
104	1	2006	E540000045000300	3.84	6.03	9.87	1.23
105	1	2007	H305000000000400	264.18	381.52	645.70	79.25
106	1	2007	W380000771000085	185.29	260.19	445.48	52.25
107	1	2007	P640000078001200	234.34	278.28	512.62	43.24
108	1	2007	D380001000003500	96.39	139.20	235.59	28.92
109	1	2007	H185000167000100	111.88	139.19	251.07	23.49
110	1	2007	A413500000000100	126.82	150.61	277.43	23.40
111	1	2007	H365003000001100	22.88	28.60	51.48	4.87
112	1	2007	M015000062000401	13.31	19.28	32.59	4.02
113	1	2007	S245000000001200	8.94	11.68	20.62	2.13
114	1	2007	M475000002001600	7.26	9.11	16.37	1.56
115	1	2007	T210000236000211	3.41	5.18	8.59	1.14
116	1	2007	L007001000007300	0.09	0.11	0.20	0.02
117	1	2008	I404600000004200	295.61	368.78	664.39	73.16
118	1	2008	W380000771000085	209.13	268.56	477.69	55.21
119	1	2008	H305000000000400	152.61	202.08	354.69	43.04
120	1	2008	H185000167000100	193.82	217.88	411.70	37.21
121	1	2008	R284805000001000	104.00	156.94	260.94	36.34
122	1	2008	R284805000001000	39.88	60.18	100.06	13.94
123	1	2008	L007001000007300	22.82	28.92	51.74	5.85
124	1	2008	B156007000004400	13.23	14.62	27.85	2.42
125	1	2008	B505000015001100	6.57	7.45	14.02	1.29
126	1	2009	E330000098000700	419.21	468.47	887.68	94.32
127	1	2009	I404600000004200	327.26	368.98	696.24	75.11
128	1	2009	W380000771000085	222.32	258.81	481.13	54.69
129	1	2009	S477000000028900	170.21	190.21	360.42	38.29
130	1	2009	T210000236000211	118.67	151.99	270.66	35.42
131	1	2009	D380001000003500	83.61	100.68	184.29	22.07
132	1	2009	L245000000004100	46.59	55.48	102.07	12.02
133	1	2009	P811503000000600	37.16	39.92	77.08	7.64
134	1	2009	G130000001000200	21.95	22.65	44.60	4.09
135	1	2009	L136500000010300	22.10	30.84	52.94	7.37
136	1	2010	E330000098000700	461.13	459.98	921.11	95.45
137	1	2010	I404600000004200	335.56	338.08	673.64	70.97
138	1	2010	W380000771000085	224.71	234.64	459.35	51.23
139	1	2010	S477000000028900	220.50	219.95	440.45	45.64
140	1	2010	B001001000004100	85.03	93.04	178.07	21.30
141	1	2010	D380001000003500	72.63	78.74	151.37	17.87
142	1	2010	P811503000000600	19.12	18.25	37.37	3.59
143	1	2010	N580000004001500	12.81	12.19	25.00	2.38
144	1	2010	M62500000K000600	7.59	8.41	16.00	1.95
145	1	2010	M355000152101910	2.14	2.18	4.32	0.46
146	1	2011	E330000098000700	466.56	409.41	875.97	88.18
147	1	2011	W380000771000085	224.71	207.67	432.38	47.19
148	1	2011	S477000000028900	140.29	123.11	263.40	26.52
149	1	2011	N476502000011200	117.30	108.79	226.09	24.81
150	1	2011	I404600000004200	113.45	100.68	214.13	21.95
151	1	2011	A210000057000900	80.09	70.54	150.63	15.26
152	1	2011	S350000000001405	60.21	61.25	121.46	15.17
153	1	2011	D380001000003500	35.46	34.19	69.65	8.09
154	1	2011	H520003000004300	31.46	31.58	63.04	7.74

155	1	2011	K240000000007305	29.62	25.69	55.31	5.46
156	1	2011	E540000020004900	22.06	20.62	42.68	4.73
157	1	2012	M355000173000300	136.08	111.13	247.21	27.15
158	1	2012	C220000002000800	107.09	91.11	198.20	22.81
159	1	2012	H520003000004300	57.46	50.81	108.27	13.10
160	1	2012	G590098004000101	66.66	52.28	118.94	12.20
161	1	2012	R470000014000900	34.31	28.73	63.04	7.10
162	1	2012	M465800000007500	31.49	25.01	56.50	5.90
163	1	2012	S740000000000100	19.92	15.40	35.32	3.59
164	1	2012	S740000000000100	19.87	15.46	35.33	3.58
165	1	2012	S740000000000100	-19.87	-15.46	-35.33	-3.58
166	1	2013	C220000002000800	241.85	176.76	418.61	47.16
167	1	2013	P460000003000600	200.20	142.98	343.18	37.54
168	1	2013	H520003000004300	51.15	39.09	90.24	10.74
169	1	2013	S295098000052316	5.24	4.03	9.27	1.12
170	1	2014	C220000002000800	316.94	193.59	510.53	56.10
171	1	2014	M374902000012300	191.53	121.46	312.99	35.91
172	1	2014	S295098000052316	27.18	17.69	44.87	5.30
173	1	2014	S265001000004100	7.47	6.38	13.85	1.93
174	1	2015	V368502000015000	402.48	238.80	641.28	82.11
175	1	2015	C840000001000400	243.46	151.56	395.02	51.49
176	1	2015	G51510000B001400	43.51	29.37	72.88	9.79
177	1	2015	R055002000000900	25.81	17.72	43.53	5.88
178	1	2015	E170003000003600	26.64	15.80	42.44	5.44
179	1	2015	L670000003000400	20.82	13.93	34.75	4.65
180	1	2015	W230000058000700	8.64	4.82	13.46	1.65
181	1	2016	G590001004003205	556.41	315.30	871.71	116.85
182	1	2016	V368502000015000	270.24	127.92	398.16	50.26
183	1	2016	R055002000000900	129.48	73.38	202.86	27.19
184	1	2016	R225001004001900	53.29	34.03	87.32	12.23
185	1	2016	L590000004000400	40.37	22.17	62.54	8.29
186	1	2016	T670000002000900	21.62	13.13	34.75	4.77
187	1	2016	C470000013001100	17.17	10.03	27.20	3.68
188	1	2016	C470000013001100	17.17	10.03	27.20	3.68
189	1	2016	L205000048000400	0.17	0.13	0.30	0.05
190	1	2016	C470000013001100	-17.17	-10.03	-27.20	-3.68
191	1	2017	G590001004003205	556.41	248.53	804.94	106.83
192	1	2017	T670000002000900	52.24	25.47	77.71	10.58
193	1	2017	T525002018003900	18.18	8.86	27.04	3.68
194	1	2017	A265500000003000	8.59	4.49	13.08	1.82
195	1	2018	K280000000014600	301.02	105.35	406.37	54.18
196	1	2018	H265000019000700	20.13	9.39	29.52	4.23
197	1	2018	Q200002008002600	12.45	4.72	17.17	2.33
198	1	2018	C470000013001000	4.06	1.40	5.46	0.72
199	1	2018	C470000013001000	4.06	1.40	5.46	0.72
200	1	2018	C470000013001000	-4.06	-1.40	-5.46	-0.72
201	1	2019	E482000000001300	604.02	181.20	785.22	108.72
202	1	2019	K600001005001300	37.79	13.11	50.90	7.26
203	1	2019	H015299000000115	0.62	0.28	0.90	0.14
204	1	2021	S683000000014800	0.69	0.14	0.83	0.13
205	1	2021	L045000157000010	0.65	0.12	0.77	0.11
206	1	2021	B255000000012000	0.08	0.02	0.10	0.01

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2021	H250095045000501	0.03	0.00	0.03	0.01
2	1	2020	C922000000001300	218.01	57.95	275.96	39.90
3	1	2020	C922000000001300	181.94	48.36	230.30	33.29
4	1	2020	R29750000A000100	29.53	7.50	37.03	5.31
5	1	2020	M520000061000400	11.66	2.83	14.49	2.07
6	1	2019	T094002000006600	56.72	20.57	77.29	11.06
7	1	2019	M418098000003600	51.17	19.44	70.61	10.21
8	1	2019	H015299000000115	0.62	0.28	0.90	0.14
9	1	2018	P811502000007600	95.58	33.86	129.44	17.21
10	1	2018	T525000015001600	61.17	29.16	90.33	12.94
11	1	2018	A290000000003100	48.80	18.41	67.21	9.07
12	1	2018	L040000017000610	41.33	18.73	60.06	8.49
13	1	2018	A290000000003100	44.38	16.75	61.13	8.25
14	1	2018	P670000001000200	30.21	13.53	43.74	6.17
15	1	2018	P640000063000100	24.90	12.01	36.91	5.30
16	1	2018	A280000000003000	9.84	3.71	13.55	1.83
17	1	2018	S295000000046537	0.19	0.11	0.30	0.05
18	1	2018	B190099000005302	0.10	0.06	0.16	0.03
19	1	2017	T525002018003900	18.13	8.92	27.05	3.67
20	1	2017	A265500000003000	17.15	9.04	26.19	3.63
21	1	2017	V380002010001000	9.61	4.21	13.82	1.81
22	1	2017	P640000063000100	5.07	3.06	8.13	1.17
23	1	2016	E010001003000500	133.56	86.37	219.93	30.65
24	1	2016	L590000004000400	40.27	22.28	62.55	8.28
25	1	2016	D780000005000800	27.53	13.94	41.47	5.33
26	1	2016	C470000013001100	17.11	10.07	27.18	3.68
27	1	2016	B505197000004300	2.20	1.30	3.50	0.47
28	1	2015	M500000001002300	197.18	107.46	304.64	35.79
29	1	2015	S436002000000100	135.91	76.56	212.47	26.30
30	1	2014	S295098000052316	33.93	22.23	56.16	6.62
31	1	2013	F155501000007000	14.92	11.31	26.23	3.07
32	1	2013	N480000004000203	7.44	5.36	12.80	1.40
33	1	2012	D711101000007500	67.27	55.28	122.55	13.32
34	1	2012	G590098004000101	66.53	52.44	118.97	12.17
35	1	2012	C687000000003300	40.92	32.67	73.59	7.67
36	1	2012	N861301000009900	17.81	14.71	32.52	3.56
37	1	2011	W380000081000009	60.14	52.02	112.16	10.92
38	1	2011	E540000020004900	22.04	20.66	42.70	4.72
39	1	2011	W060000001001100	20.63	19.16	39.79	4.33
40	1	2011	L110001003004302	4.69	4.09	8.78	0.87
41	1	2010	C005000000002302	59.47	70.88	130.35	17.40
42	1	2010	P811503000000600	50.82	48.70	99.52	9.53
43	1	2010	L136500000010300	20.00	25.59	45.59	6.30
44	1	2010	H302000000000700	24.96	23.76	48.72	4.61
45	1	2010	M059002000001100	13.89	13.86	27.75	2.85
46	1	2010	J570098005000205	5.93	7.90	13.83	1.95
47	1	2009	E015700000009800	24.13	32.35	56.48	7.67
48	1	2009	G130000001000200	21.92	22.69	44.61	4.08
49	1	2009	C005000000002302	8.57	11.24	19.81	2.66

50	1	2009	L136500000010300	2.63	3.68	6.31	0.88
51	1	2008	R284805000001000	103.84	157.14	260.98	36.29
52	1	2008	H305000000000400	81.08	107.71	188.79	22.86
53	1	2008	R284805000001000	39.82	60.27	100.09	13.92
54	1	2008	L672500000014000	13.46	17.31	30.77	3.56
55	1	2008	B156007000004400	11.89	13.18	25.07	2.17
56	1	2008	V280000002000300	7.16	8.70	15.86	1.65
57	1	2007	M015000062000401	16.62	24.14	40.76	5.01
58	1	2007	H365003000001100	22.83	28.65	51.48	4.86
59	1	2007	E540000026002500	10.18	13.14	23.32	2.34
60	1	2007	S245000000001200	8.92	11.70	20.62	2.13
61	1	2007	L108502000002700	6.76	8.74	15.50	1.56
62	1	2007	M475000002001600	-7.26	-9.11	-16.37	-1.56
63	1	2006	W380000238000005	21.55	30.87	52.42	5.53
64	1	2006	M215000003000300	13.54	17.23	30.77	2.50
65	1	2006	E540000026002500	5.23	7.38	12.61	1.29
66	1	2006	E540000045000300	3.84	6.04	9.88	1.23
67	1	2006	S728002000003800	4.63	6.30	10.93	1.04
68	1	2006	L108502000002700	1.45	2.05	3.50	0.36
69	1	2005	S356700000009600	102.85	156.54	259.39	26.85
70	1	2005	F345000157001100	94.54	126.85	221.39	17.02
71	1	2005	R382500008000500	50.34	73.25	123.59	11.63
72	1	2005	W230000052000300	8.25	13.55	21.80	2.60
73	1	2004	S297302000007000	240.84	381.73	622.57	61.05
74	1	2004	T210000233001302	171.74	245.17	416.91	31.69
75	1	2004	F345000157001100	89.57	130.92	220.49	17.73
76	1	2004	S356700000009600	23.11	37.93	61.04	6.45
77	1	2004	C180000010000900	8.27	11.82	20.09	1.52
78	1	2004	T210000233001302	-171.74	-245.17	-416.91	-31.69
79	1	2003	F345000157001100	83.21	131.61	214.82	17.97
80	1	2003	W010000030000728	21.49	40.59	62.08	7.61
81	1	2003	C180000010000900	22.49	34.90	57.39	4.55
82	1	2003	G570000001002800	7.19	13.89	21.08	2.69
83	1	2003	S477000000006600	7.18	13.37	20.55	2.46
84	1	2002	F345000157001100	85.24	145.05	230.29	19.95
85	1	2002	S477000000006600	37.90	75.11	113.01	13.65
86	1	2002	S477000000006600	31.07	61.57	92.64	11.19
87	1	2002	N812000000001000	52.97	84.31	137.28	9.77
88	1	2002	C715002009000900	32.78	56.11	88.89	7.82
89	1	2001	F345000157001100	71.96	131.08	203.04	18.13
90	1	2001	1004100010000006	36.59	71.40	107.99	11.36
91	1	2000	F345000157001100	69.35	134.66	204.01	18.72
92	1	2000	G570000001002900	20.72	44.16	64.88	7.36
93	1	1999	F345000157001100	61.87	127.55	189.42	17.82
94	1	1999	L025000010000000	9.96	26.52	36.48	5.27
95	1	1999	S477000000040600	9.85	23.07	32.92	4.09
96	1	1999	R385000003000700	6.00	13.40	19.40	2.19
97	1	1998	F345000157001100	61.87	134.97	196.84	18.93
98	1	1998	M625500000000600	1.82	3.92	5.74	0.53
99	1	1997	F345000157001100	61.93	142.55	204.48	20.07
100	1	1997	E540000002002100	22.60	51.33	73.93	7.02

101	1	1997	E540000002002100	5.64	12.84	18.48	1.76
102	1	1996	F345000157001100	58.60	141.91	200.51	20.04
103	1	1996	M625500000000600	25.55	61.10	86.65	8.39
104	1	1995	F345000157001100	56.16	142.73	198.89	20.22
105	1	1995	J570095010000700	29.35	78.52	107.87	12.33
106	1	1995	A080098000111600	7.03	21.40	28.43	4.05
107	1	1995	H120000095001700	6.27	17.52	23.79	2.97
108	1	1994	F345000157001100	46.98	125.04	172.02	17.76
109	1	1994	J570095010000700	22.56	63.06	85.62	9.88
110	1	1994	S144000000005100	5.39	14.85	20.24	2.26
111	1	1993	A080000000114909	11.04	33.52	44.56	5.64
112	12	1996	M625500000000600	1.36	3.26	4.62	0.45

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

January 9, 2023

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

Re: November 2022 DTA Payment Request Report No. 2022-68

Dear Mr. Villarreal:

We completed a limited scope review of the November 2022 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 November 2022 DTA payment request in the amount of $131,914.57 to LGBS.

The scope 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 November 30, 2022. 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 November 2022."
- 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.

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 November 2022."

- Although DTA fees for 174 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 (165 tax accounts), and small amounts collected (9 tax accounts) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for the month of November 2022 agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Enrique Leal, Internal Auditor I, at 318-2511, ext. 4641, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A

cc: Ms. Lucy Canales, Linebarger Goggan Blair & Sampson, LLP
Mr. Valde Guerra, County Executive Officer
Ms. Eva Mireles, Chief Deputy, Hidalgo County Tax Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2020	L025000017000007	92.78	25.05	117.83	16.98
2	1	2020	L025000017000007	92.78	25.05	117.83	16.98
3	1	2020	E330000269000900	45.95	12.68	58.63	8.48
4	1	2020	R29750000A000100	29.43	7.60	37.03	5.30
5	1	2020	L075500000001500	20.96	5.78	26.74	3.87
6	1	2020	M550000091001615	13.09	3.53	16.62	2.40
7	1	2020	M520000061000400	11.66	2.83	14.49	2.07
8	1	2020	H195000000010500	0.32	0.11	0.43	0.07
9	1	2020	L025000017000007	-92.78	-25.05	-117.83	-16.98
10	1	2019	E530000004001200	355.72	122.14	477.86	67.23
11	1	2019	S330000000007700	117.58	42.43	160.01	22.75
12	1	2019	V358000000003000	109.33	36.90	146.23	20.50
13	1	2019	T094002000006600	75.45	27.66	103.11	14.71
14	1	2019	M418098000003600	51.04	19.60	70.64	10.18
15	1	2019	K600001005001300	37.60	13.35	50.95	7.22
16	1	2018	L31000000C000200	637.22	243.20	880.42	118.52
17	1	2018	T525000015001600	63.48	30.53	94.01	13.43
18	1	2018	W190000000000300	63.89	29.59	93.48	13.22
19	1	2018	P640000063000100	30.34	14.76	45.10	6.46
20	1	2018	U050001002010200	7.38	3.60	10.98	1.57
21	1	2017	L31000000C000200	315.82	158.44	474.26	64.43
22	1	2017	D600001000000506	201.08	82.45	283.53	36.50
23	1	2017	D600001000000506	201.08	82.45	283.53	36.50
24	1	2017	V368504000015600	70.50	28.38	98.88	12.59
25	1	2017	C443503000011000	53.01	22.57	75.58	9.78
26	1	2017	L212195000001202	42.28	18.99	61.27	8.06
27	1	2017	R106000000004700	25.96	15.74	41.70	5.99
28	1	2017	C470000013001100	27.71	13.10	40.81	5.45
29	1	2017	T525002018003900	18.09	8.97	27.06	3.66
30	1	2017	B460001002000300	9.37	5.84	15.21	2.20
31	1	2017	D600001000000506	-201.08	-82.45	-283.53	-36.50
32	1	2016	D600001000000506	200.14	106.08	306.22	39.93
33	1	2016	D600001000000506	200.14	106.08	306.22	39.93
34	1	2016	R055002000000900	156.44	89.95	246.39	32.85
35	1	2016	H47000000P000006	39.65	24.48	64.13	8.80
36	1	2016	L590000004000400	40.17	22.40	62.57	8.26
37	1	2016	C470000013001100	1.19	0.70	1.89	0.26
38	1	2016	D600001000000506	-200.14	-106.08	-306.22	-39.93
39	1	2015	D600001000000506	136.13	88.49	224.62	29.61
40	1	2015	D600001000000506	136.13	88.49	224.62	29.61
41	1	2015	C443503000011000	49.73	33.11	82.84	10.97
42	1	2015	C470000006000301	44.47	24.13	68.60	7.94
43	1	2015	S295098000052316	17.31	9.33	26.64	3.06

44	1	2015	B255000000016100	10.93	6.20	17.13	2.12
45	1	2015	D600001000000506	-136.13	-88.49	-224.62	-29.61
46	1	2014	D600001000000506	90.48	69.67	160.15	21.31
47	1	2014	D600001000000506	90.48	69.67	160.15	21.31
48	1	2014	C070000101001320	41.40	25.64	67.04	7.33
49	1	2014	S295098000052316	27.34	18.02	45.36	5.33
50	1	2014	D600001000000506	-90.48	-69.67	-160.15	-21.31
51	1	2013	C070000101001320	129.86	95.99	225.85	25.32
52	1	2013	S520000000001100	121.61	85.43	207.04	21.71
53	1	2013	N861301000009900	4.14	2.94	7.08	0.75
54	1	2012	G590098004000101	66.38	52.61	118.99	12.15
55	1	2012	N861302000005600	44.82	38.21	83.03	9.41
56	1	2012	L205000018000100	23.93	19.84	43.77	4.77
57	1	2012	H440000000009900	13.82	16.36	30.18	4.36
58	1	2012	N861301000009900	14.71	12.20	26.91	2.93
59	1	2012	R470000014000900	10.31	8.72	19.03	2.13
60	1	2011	E540000020004900	52.75	49.72	102.47	11.32
61	1	2011	B190035000001500	54.75	48.50	103.25	10.35
62	1	2011	P033500000000300	46.04	42.16	88.20	9.32
63	1	2011	H440000000009900	26.45	34.47	60.92	8.81
64	1	2011	K240000000007305	40.83	35.76	76.59	7.53
65	1	2010	P033500000000300	260.18	269.50	529.68	57.37
66	1	2010	P811503000000600	58.53	56.33	114.86	10.97
67	1	2010	T670000002001700	51.37	49.28	100.65	9.56
68	1	2010	H302000000000700	24.91	23.81	48.72	4.60
69	1	2010	G330000004003200	9.45	9.95	19.40	2.16
70	1	2009	D600001000000506	87.40	119.74	207.14	28.45
71	1	2009	D600001000000506	87.40	119.74	207.14	28.45
72	1	2009	M270002000004200	144.20	150.33	294.53	27.04
73	1	2009	E439501000005900	114.40	120.40	234.80	21.96
74	1	2009	L245000000004100	53.36	63.98	117.34	13.77
75	1	2009	E015700000009800	36.13	48.60	84.73	11.49
76	1	2009	R284805000001000	30.94	43.22	74.16	10.25
77	1	2009	H305000000000400	1.70	2.08	3.78	0.45
78	1	2009	D600001000000506	-87.40	-119.74	-207.14	-28.45
79	1	2008	H47000000L000200	259.74	291.56	551.30	48.70
80	1	2008	D680000034001600	160.18	202.10	362.28	40.37
81	1	2008	R284805000001000	71.66	108.75	180.41	25.05
82	1	2008	H305000000000400	79.35	105.74	185.09	22.38
83	1	2008	E439501000005900	45.57	53.43	99.00	9.57
84	1	2008	H350000005000100	33.89	37.94	71.83	6.31
85	1	2008	L672500000014000	13.43	17.36	30.79	3.55
86	1	2008	P927901000007000	6.57	8.59	15.16	1.78
87	1	2008	B190008000000100	2.79	3.07	5.86	0.49
88	1	2007	D600001000000506	152.48	245.50	397.98	55.12
89	1	2007	D600001000000506	152.48	245.50	397.98	55.12
90	1	2007	H365003000001100	22.80	28.69	51.49	4.85

91	1	2007	M015000062000401	15.94	23.19	39.13	4.80
92	1	2007	L108502000002700	8.51	11.06	19.57	1.97
93	1	2007	M475000002001600	2.89	3.66	6.55	0.62
94	1	2007	D680000034001600	0.95	1.31	2.26	0.26
95	1	2007	D600001000000506	-152.48	-245.50	-397.98	-55.12
96	1	2006	D600001000000506	349.85	605.24	955.09	132.77
97	1	2006	D600001000000506	349.85	605.24	955.09	132.77
98	1	2006	L319000002001800	116.06	158.53	274.59	26.11
99	1	2006	D600001000000506	-349.85	-605.24	-955.09	-132.77
100	1	2005	D600001000000506	352.97	652.99	1,005.96	140.31
101	1	2005	D600001000000506	352.97	652.99	1,005.96	140.31
102	1	2005	B158003004001400	16.77	26.46	43.23	4.77
103	1	2005	M190001000003200	11.78	15.92	27.70	2.17
104	1	2005	D600001000000506	-352.97	-652.99	-1,005.96	-140.31
105	1	2004	D600001000000506	363.23	715.57	1,078.80	150.92
106	1	2004	D600001000000506	363.23	715.57	1,078.80	150.92
107	1	2004	1003800000023947	115.70	166.51	282.21	21.52
108	1	2004	C170000000002200	96.91	139.47	236.38	18.03
109	1	2004	C180000010000900	31.55	45.31	76.86	5.82
110	1	2004	B496504000032900	7.79	14.08	21.87	2.76
111	1	2004	W010000044001052	6.86	9.85	16.71	1.27
112	1	2004	D600001000000506	-363.23	-715.57	-1,078.80	-150.92
113	1	2003	D600001000000506	352.81	737.37	1,090.18	152.94
114	1	2003	D600001000000506	352.81	737.37	1,090.18	152.94
115	1	2003	1003800000023947	35.51	55.36	90.87	7.24
116	1	2003	D600001000000506	-352.81	-737.37	-1,090.18	-152.94
117	1	2002	D600001000000506	356.32	787.46	1,143.78	160.88
118	1	2002	D600001000000506	356.32	787.46	1,143.78	160.88
119	1	2002	C690000001000700	4.89	8.59	13.48	1.25
120	1	2002	D600001000000506	-356.32	-787.46	-1,143.78	-160.88
121	1	2001	D600001000000506	297.62	693.45	991.07	139.73
122	1	2001	D600001000000506	297.62	693.45	991.07	139.73
123	1	2001	A670000000003600	32.14	63.69	95.83	10.36
124	1	2001	1004100010000006	29.29	57.27	86.56	9.10
125	1	2001	D600001000000506	-297.62	-693.45	-991.07	-139.73
126	1	2000	D600001000000506	292.25	716.01	1,008.26	142.47
127	1	2000	D600001000000506	292.25	716.01	1,008.26	142.47
128	1	2000	D600001000000506	-292.25	-716.01	-1,008.26	-142.47
129	1	1999	D600001000000506	223.37	574.06	797.43	112.91
130	1	1999	D600001000000506	223.37	574.06	797.43	112.91
131	1	1999	S170002046001111	85.03	210.23	295.26	40.05
132	1	1999	S477000000040600	19.66	46.18	65.84	8.17
133	1	1999	L025000010000000	9.95	26.53	36.48	5.27
134	1	1999	N580000004001000	12.52	24.77	37.29	3.11
135	1	1999	S165000000001600	9.18	17.87	27.05	2.15
136	1	1999	A130000001003700	3.16	6.57	9.73	0.93
137	1	1999	D600001000000506	-223.37	-574.06	-797.43	-112.91

138	1	1998	D600001000000506	111.32	299.45	410.77	58.28
139	1	1998	D600001000000506	111.32	299.45	410.77	58.28
140	1	1998	M490000000009302	33.40	79.13	112.53	12.98
141	1	1998	B185000000000400	4.76	11.87	16.63	2.12
142	1	1998	D600001000000506	-111.32	-299.45	-410.77	-58.28
143	1	1997	B158504000007200	16.47	45.34	61.81	8.66
144	1	1997	R170000000001500	19.96	44.65	64.61	5.84
145	1	1997	R170000000001500	11.97	26.79	38.76	3.51
146	1	1997	C070000101001409	7.07	15.01	22.08	1.71
147	1	1997	R170000000001500	0.70	1.57	2.27	0.21
148	1	1997	R170000000001500	-19.96	-44.65	-64.61	-5.84
149	1	1996	C070000101001409	16.74	37.54	54.28	4.34
150	1	1995	A080098000111600	7.01	21.41	28.42	4.05
151	1	1994	J570000001001034	12.16	31.28	43.44	4.09
152	1	1994	S144000000005100	5.38	14.86	20.24	2.26
153	1	1992	H050000001003000	7.63	24.73	32.36	4.31
154	1	1989	E484000000001400	5.07	16.23	21.30	2.24
155	12	1999	D600001000000506	5.45	14.01	19.46	2.76
156	12	1999	D600001000000506	5.45	14.01	19.46	2.76
157	12	1999	D600001000000506	-5.45	-14.01	-19.46	-2.76
158	12	1998	D600001000000506	4.85	13.05	17.90	2.54
159	12	1998	D600001000000506	4.85	13.05	17.90	2.54
160	12	1998	M490000000009302	1.45	3.45	4.90	0.57
161	12	1998	D600001000000506	-4.85	-13.05	-17.90	-2.54
162	1	2010	L136500000010300	22.66	29.08	51.74	7.14
163	1	2008	P640000062000500	47.68	56.21	103.89	10.15
164	1	2008	P640000062000500	24.01	28.32	52.33	5.12
165	1	2006	E540000045000300	3.84	6.04	9.88	1.23
166	1	2021	H195000000020600	0.74	0.16	0.90	0.14
167	1	2020	H425003000010200	0.38	0.12	0.50	0.08
168	1	2019	H015299000000115	0.62	0.28	0.90	0.14
169	1	2019	L221800000001400	0.62	0.28	0.90	0.14
170	1	2017	M392000006001300	0.06	0.04	0.10	0.02
171	1	2011	S950081747800100	0.34	0.49	0.83	0.13
172	1	2004	S961681747800100	0.01	0.02	0.03	0.01
173	1	2002	S961881747800100	0.14	0.36	0.50	0.08
174	1	2018	P696000000015900	0.10	0.06	0.16	0.03

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

February 7, 2023

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

Re: December 2022 DTA Payment Request Report No. 2022-69

Dear Mr. Villarreal:

We completed a limited scope review of the December 2022 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 2022 DTA payment request in the amount of $113,348.04 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, 2022. 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 2022."
- 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, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH 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 2022.
- Although DTA fees for 122 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 (120 tax accounts), and small amounts collected (2 tax accounts) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for the month of December 2022 agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Enrique Leal, Internal Auditor II, at 318-2511, ext. 4641, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A

cc: Ms. Lucy Canales, Linebarger Goggan Blair & Sampson, LLP
Mr. Valde Guerra, County Executive Officer
Ms. Eva Mireles, Chief Deputy, Hidalgo County Tax Office

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2021	L515000001001500	0.14	0.03	0.17	0.02
2	1	2020	E310000038001600	213.91	54.90	268.81	38.18
3	1	2020	R29750000A000100	29.35	7.70	37.05	5.28
4	1	2020	L075500000001500	20.90	5.85	26.75	3.86
5	1	2020	M520000061000400	11.60	2.91	14.51	2.05
6	1	2020	S525001011001100	0.04	0.01	0.05	0.01
7	1	2019	E310000038001600	194.46	73.24	267.70	38.21
8	1	2019	E405002017000500	118.19	42.45	160.64	22.69
9	1	2019	T094002000006600	75.24	27.90	103.14	14.67
10	1	2019	M418098000003600	50.90	19.77	70.67	10.15
11	1	2019	E530000004001200	42.20	14.66	56.86	7.98
12	1	2018	E310000038001600	182.27	90.53	272.80	39.10
13	1	2018	E405002017000500	113.21	54.24	167.45	23.77
14	1	2018	T525000015001600	63.34	30.71	94.05	13.39
15	1	2018	P640000063000100	30.26	14.86	45.12	6.44
16	1	2018	P670000001000200	30.07	13.71	43.78	6.13
17	1	2017	E310000038001600	165.70	102.19	267.89	38.53
18	1	2017	E405002017000500	51.38	30.79	82.17	11.72
19	1	2017	L590000004000400	28.63	12.65	41.28	5.37
20	1	2017	A265500000003000	13.00	6.96	19.96	2.75
21	1	2016	C443503000011000	131.65	72.41	204.06	26.66
22	1	2016	L590000004000400	13.32	7.48	20.80	2.74
23	1	2016	C162300000002000	12.23	6.94	19.17	2.53
24	1	2016	A370000009000900	4.42	2.38	6.80	0.88
25	1	2015	C443503000011000	81.92	54.88	136.80	18.06
26	1	2015	A370000009000900	64.11	42.21	106.32	13.94
27	1	2015	M685000000000600	66.89	37.91	104.80	12.54
28	1	2015	S295098000052316	62.38	33.90	96.28	11.04
29	1	2014	N855800000001700	162.33	111.47	273.80	33.36
30	1	2014	M184001000000800	56.69	38.75	95.44	11.57
31	1	2013	N855800000001700	53.12	42.85	95.97	11.87
32	1	2013	H195000000004800	43.91	34.54	78.45	9.42
33	1	2013	N861301000009900	17.90	12.77	30.67	3.25
34	1	2012	G590098004000101	245.59	195.66	441.25	44.94
35	1	2012	L505000000016600	69.57	56.12	125.69	13.05
36	1	2012	L205000018000100	21.65	18.05	39.70	4.32
37	1	2011	M355000150002100	308.25	275.37	583.62	58.72
38	1	2011	S350000000001405	47.90	49.33	97.23	12.07
39	1	2011	K240000000007305	45.27	39.85	85.12	8.35
40	1	2011	E540000020004900	21.94	20.77	42.71	4.70
41	1	2011	J570098005000205	12.91	15.75	28.66	4.01
42	1	2011	J570098005000205	3.17	3.86	7.03	0.98
43	1	2010	M355000150002100	333.25	337.69	670.94	69.48
44	1	2010	M475000004001500	45.49	45.95	91.44	9.42
45	1	2010	P811503000000600	50.27	48.58	98.85	9.42
46	1	2010	H050000001003000	35.16	38.21	73.37	8.49
47	1	2010	H302000000000700	24.86	23.87	48.73	4.59
48	1	2010	N580000004001500	12.74	12.27	25.01	2.37
49	1	2010	J570098005000205	4.70	6.30	11.00	1.54

50	1	2009	R284805000001000	94.26	132.12	226.38	31.25
51	1	2009	R284805000001000	90.58	126.95	217.53	30.02
52	1	2009	H305000000000400	86.27	104.96	191.23	22.77
53	1	2009	O270003000003100	82.91	85.90	168.81	15.30
54	1	2009	M475000004001500	37.96	42.89	80.85	8.54
55	1	2009	G130000001000200	43.69	45.57	89.26	8.12
56	1	2008	D400000009000300	18.86	29.92	48.78	6.91
57	1	2008	G520002000001000	21.27	23.75	45.02	3.89
58	1	2008	G520002000001000	21.27	23.75	45.02	3.89
59	1	2008	V280000002000300	8.92	10.91	19.83	2.06
60	1	2008	B156007000004400	10.79	12.04	22.83	1.98
61	1	2008	R182000003000400	8.71	10.14	18.85	1.78
62	1	2008	B505000015001100	6.54	7.48	14.02	1.29
63	1	2008	G520002000001000	-21.27	-23.75	-45.02	-3.89
64	1	2007	H365003000001100	22.75	28.74	51.49	4.85
65	1	2007	M015000062000401	13.26	19.35	32.61	4.00
66	1	2007	S245000000001200	8.89	11.74	20.63	2.12
67	1	2007	M475000002001600	2.89	3.66	6.55	0.62
68	1	2007	C980000002000817	0.07	0.08	0.15	0.01
69	1	2006	L319000002001800	115.87	158.76	274.63	26.08
70	1	2006	B158003004001400	13.05	19.12	32.17	3.49
71	1	2006	E800000122000500	2.15	3.03	5.18	0.52
72	1	2005	M355000150002100	293.09	472.85	765.94	87.49
73	1	2005	C980098004001500	84.12	121.14	205.26	18.55
74	1	2005	M190001000003200	11.77	15.94	27.71	2.17
75	1	2005	B158003004001400	4.61	7.30	11.91	1.31
76	1	2004	E800000122000500	158.00	260.70	418.70	44.08
77	1	2004	1003800000023947	98.77	142.55	241.32	18.37
78	1	2004	L007001000007300	39.78	70.02	109.80	13.07
79	1	2004	L007001000007300	27.32	48.09	75.41	8.97
80	1	2004	C180000010000900	31.50	45.36	76.86	5.81
81	1	2004	B496504000032900	7.79	14.09	21.88	2.75
82	1	2004	M520000049001100	7.71	13.72	21.43	2.61
83	1	2004	W010000044001052	6.86	9.86	16.72	1.26
84	1	2004	S725002008000200	3.50	5.83	9.33	1.00
85	1	2004	G040000006000100	0.41	0.73	1.14	0.14
86	1	2003	C980098004001500	79.74	133.97	213.71	20.45
87	1	2003	S477000000006600	39.88	74.59	114.47	13.64
88	1	2003	S477000000006600	39.78	74.38	114.16	13.60
89	1	2003	W010000030000728	21.43	40.66	62.09	7.59
90	1	2003	G040000006000100	9.01	16.93	25.94	3.12
91	1	2003	C690000001000700	4.14	6.79	10.93	0.99
92	1	2002	G390000000000400	55.86	111.51	167.37	20.27
93	1	2002	1004100010000006	26.99	49.67	76.66	7.90
94	1	2002	C690000001000700	0.86	1.52	2.38	0.22
95	1	2001	A268000000000500	48.61	101.60	150.21	17.94
96	1	2001	C980000002000330	13.08	29.99	43.07	5.99
97	1	2001	1004100010000006	11.63	22.79	34.42	3.61
98	1	2000	S170002046001111	212.14	499.95	712.09	96.10
99	1	2000	E310000006001400	2.92	6.61	9.53	1.20
100	1	2000	L155002004000300	0.29	0.52	0.81	0.06

101	1	1999	S477000000040600	19.63	46.21	65.84	8.16
102	1	1999	S477000000040600	19.63	46.21	65.84	8.16
103	1	1999	L025000010000000	4.96	13.28	18.24	2.63
104	1	1998	M625500000000600	42.39	91.99	134.38	12.66
105	1	1995	H120000095001700	10.45	29.24	39.69	4.93
106	1	1995	A080098000111600	7.00	21.43	28.43	4.05
107	1	1994	J570000001001034	12.15	31.30	43.45	4.08
108	1	1994	S144000000005100	5.38	14.86	20.24	2.26
109	1	1993	H050000001003000	24.72	77.29	102.01	13.53
110	1	1993	A080000000114909	11.01	33.55	44.56	5.63
111	1	1992	H050000001003000	7.61	24.73	32.34	4.31
112	1	1992	H050000001003000	1.12	3.63	4.75	0.63
113	1	1987	M215000001002000	1.25	4.27	5.52	0.58
114	1	1982	S120000000003100	7.86	35.73	43.59	6.21
115	17	1982	S120000000003100	1.18	5.35	6.53	0.93
116	1	2010	L136500000010300	28.28	36.41	64.69	8.91
117	1	2010	L136500000010300	22.63	29.12	51.75	7.13
118	1	2008	P640000062000500	71.56	84.69	156.25	15.24
119	1	2006	E540000045000300	3.83	6.05	9.88	1.22
120	1	2006	E540000045000300	3.84	6.05	9.89	1.22
121	1	2021	S083002000002500	0.14	0.03	0.17	0.02
122	1	2016	A577002000013700	0.12	0.11	0.23	0.04

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

August 12, 2022

The Honorable Celestino Avila, Constable
Hidalgo County Precinct No. 1
1902 Joe Stephens Blvd. Suite 303
Weslaco, TX 78596

Re: Chapter 59 Asset Forfeiture Report YE 12-31-21 Audit No. 2022-05

Dear Constable Avila:

We completed an audit of the Chapter 59 Asset Forfeiture Audit Report by Law Enforcement Agency for the Year Ended December 31, 2021 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.

Executive Summary:
Based on the results of our audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported; however, improvements could be made to the system of internal controls for the accounting and reporting of Chapter 59 seizures, forfeitures, receipts, and expenditures.

More specifically, we noted that the Constable Precinct No. 1 Office policies and procedures regarding Chapter 59 seizures and forfeitures do not include procedures for determining when a forfeited vehicle or property will be put to use. In addition, pre-numbered official receipt forms were not utilized to record and control seizures.

Background:
Code of Criminal Procedure (CCP) Chapter 59 "Forfeiture of Contraband" provides law enforcement agencies with the authority to confiscate, forfeit, and dispose of contraband. 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 gained, acquired, and/or used to facilitate the commission of certain enumerated felonies and misdemeanors.

Local Government Code (LGC) §115.0035(b) provides that "at least once each county fiscal year, or more often if the county auditor desires, the auditor shall, without advance notice, fully examine the accounts of all precinct, county and district officials." LGC §115.0035(a) defines "accounts" as all public funds that are subject to the control of any precinct, county or district official, including the accounts of law enforcement agencies and the attorney for the state composed of money and proceeds of property seized.

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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

August 12, 2022

The Honorable Martin Cantu, Constable
Hidalgo County Precinct No. 2
300 W. Hall Acres
Pharr, TX 78577

Re: Chapter 59 Asset Forfeiture Report YE 12-31-21 Audit No. 2022-06

Dear Constable Cantu:

We completed an audit of the Chapter 59 Asset Forfeiture Audit Report by Law Enforcement Agency for the Year Ended December 31, 2021 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.

Executive Summary:
Based on the results of our audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported; however, improvements could be made to the system of internal controls for the accounting of Chapter 59 seizures. More specifically, we noted that the Constable Precinct No. 2 Office is not utilizing a pre-numbered official receipt form to record and control seizures.

Background:
Code of Criminal Procedure (CCP) Chapter 59 "Forfeiture of Contraband" provides law enforcement agencies with the authority to confiscate, forfeit, and dispose of contraband. 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 gained, acquired, and/or used to facilitate the commission of certain enumerated felonies and misdemeanors.

Local Government Code (LGC) §115.0035(b) provides that "at least once each county fiscal year, or more often if the county auditor desires, the auditor shall, without advance notice, fully examine the accounts of all precinct, county and district officials." LGC §115.0035(a) defines "accounts" as all public funds that are subject to the control of any precinct, county or district official, including the accounts of law enforcement agencies and the attorney for the state composed of money and proceeds of property seized.

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).

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. In addition, CCP § 59.06 (c) states, if a local agreement exists

between the District Attorney and the LEA, 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.

CCP §59.06 (d) states that awarded proceeds may be spent by a law enforcement agency after a detailed budget has been submitted to Commissioners Court. A budget was not submitted to Commissioners Court and expenditures were not incurred for the year ended December 31, 2021.

Pursuant to CCP §59.06 (d-3), an expenditure of proceeds received under this chapter is considered to be for a law enforcement purpose if the expenditure is made for an activity of a law enforcement agency that relates to the criminal and civil enforcement of the laws of the State, including an expenditure made for: (1) equipment, including vehicles, computers, firearms, protective body armor, furniture, software, uniforms, and maintenance equipment; (2) supplies, including office supplies, mobile phone and data account fees for employees, and internet services; (3) investigative and training-related travel expenses, including payment for hotel rooms, airfare, meals, rental of and fuel for a motor vehicle, and parking; (4) conferences and training expenses, including fees and materials; (5) investigative costs, including payments to informants and lab expenses; (6) crime prevention and treatment programs; (7) facility costs, including building purchases, lease payments, remodeling and renovating, maintenance, and utilities; (8) witness-related costs, including travel and security; and (9) audit costs and fees, including audit preparation and professional fees.

Pursuant to CCP §59.06 (t)(1), contraband for which forfeiture is authorized with respect to an offense under section 20.05, 20.06, 20.7, 43.04, or 43.05 or Chapter 20A of the Penal Code should be used to provide direct victim services or to cover the costs of a contract with local nonprofit organization to provide direct services to crime victims.

For the year ended December 31, 2021, the Constable Precinct No. 2 Office had no seizures or forfeitures.

Local Agreement Between District Attorney's Office and Constable Precinct No. 2

On June 30, 2015, the Hidalgo County District Attorney and Constable Precinct No. 2 entered into a local agreement pursuant to CCP §59.06 (b). According to the local agreement, Constable Precinct No. 2 is responsible for paying all court costs, attorney ad-litem fees, depositions, title searches, title policies, confidential informants, storage costs, and all other related costs in the forfeiture of vehicles and all other personal property.

Personal Property (Vehicles, laptops, computers, cell phones, weapons, etc...)- If personal property, including vehicles retained by Constable Precinct No. 2 are to be sold, net proceeds from the sale of said property, after deduction of costs, are to be divided as follows: 75% to Constable Precinct No. 2 and 25% to the District Attorney.

If personal property, including vehicles that are retained by the Constable for law enforcement purposes are at any time decommissioned and then sold, net proceeds from the sale of said property, after deduction of costs, are to be divided as follows: 75% to Constable Precinct No. 2 and 25% to the District Attorney.

All property seized, except for currency, bank accounts, negotiable instruments, and jewelry, shall be kept in the possession of the Constable. The Constable shall account for all seized property in his possession until the property is disposed of by court order.

All other personal property, not suitable or desired for use, shall be forfeited to the District Attorney and sold at public auction. The net proceeds of said sale of said property, after deductions of sale expenses, shall be divided as follows: 60% to Constable Precinct No. 2 and 40% to the District Attorney.

Proceeds from the sale of real, personal, tangible, or intangible property subject to the agreement shall be apportioned within thirty (30) days of said sale.

Constable Precinct No. 2 Procedures

The Constable Precinct No. 2 Office has formal procedures for the accounting and reporting of seizures and forfeitures. Deputies requesting to initiate seizure and forfeiture of vehicles, property, and/or currency will forward all required documents to the designated Supervisor for review and approval. Once approved, the deputy submits the file to the District Attorney's Office Civil Forfeiture Division.

Due to the expenses related to forfeiture proceedings, the following values of the described property and types are used as a guideline when considering seizure: vehicles $5,000, currency $5,000, and real property $20,000. Items such as jewelry, household items, electronics, etc, shall be in an aggregate amount value not less than $3,000 per case.

Motor vehicles seized will be treated as evidence. The vehicles are towed to a designated storage facility. All currency seized is deposited into the designated account set forth by the Hidalgo County District Attorney's Office on the same day of seizure, if possible. In the event this is not possible, the currency is properly sealed and secured in a safe designated by the Supervisor and deposited on the next business day.

The following documents are used by the Constable Precinct No. 2 Office to document seizures: 1.) a detailed report describing the circumstances of the seizure, 2.) asset forfeiture cover sheet, 3.) offense report, 4.) affidavits and search warrants, 5.) vehicle impound sheet, if applicable, 6.) DMV vehicle registration, 7.) arrest probable cause affidavit, 8.) receipt of property seizure, 9.) bank deposit slip, if applicable, 10.) seizure affidavit, 11.) criminal history of all parties claiming interest in item, 12.) mechanic vehicle review sheet, 13.) NADAR or Kelly Blue Book value, and 14.) photographs of items. The receipt of property seizure is not a pre-numbered form.

Scope and Methodology:

The scope of the audit was limited to a review of all seized currency and personal property for which an agent's affidavit was made available to the County Auditor's Office for review and all forfeited currency and personal property for which a final judgment was rendered and recorded in *Odyssey*, the County's justice information system, for the period of January 1, 2021 through December 31, 2021.

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 improvements could be made.

In conducting our review, the following procedures were performed:

1. Compared Chapter 59 revenue and expenditure reports generated from *Alio,* the County's financial accounting system, and the "Purchasing Department/Fixed Asset Division Auction Report" to the Chapter 59 Asset Forfeiture Report to determine if all revenues and expenditures were reported.
2. Generated "Cases filed" and "Cases disposed" index reports for the period of January 1, 2021 to December 31, 2021 from *Odyssey* to determine if all seized, forfeited, and property returned to respondents was reported on the Chapter 59 Asset Forfeiture Report.
3. Reviewed expenditures from the Constable Precinct No. 2 Chapter 59 Forfeiture Fund to determine if expenditures were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. Reviewed written policies and procedures for the accounting and reporting of seizures and forfeitures. In addition, inquired whether seizures were promptly recorded and controlled by using pre-numbered official receipt forms.

Conclusion:
Based on the results of our audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported; however, improvements could be made to the system of internal controls for the accounting of Chapter 59 seizures as noted on finding 4 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.

1. All Chapter 59 revenues and expenditures recorded in *Alio* and the "Purchasing Department/Fixed Asset Division Auction Report" were reported on the Chapter 59 Asset Forfeiture Report.
2. A review of the "Cases filed" and "Cases disposed" index reports generated from Odyssey for the period of review revealed that the Constable Precinct No. 2 had no seizures or forfeitures.
3. There were no expenditures incurred from the Constable Precinct No. 2 Chapter 59 Forfeiture Fund.
4. Formal policies and procedures have been developed and implemented by the Constable Precinct No. 2 Office regarding Chapter 59 seizures and forfeitures; however, pre-numbered official receipt forms are not utilized to record and control seizures.

Recommendation:
The issue noted in finding 4 could be addressed by ensuring that a pre-numbered form be developed for controlling seizures. Pre-numbered forms will assist management to ensure that all the seizures are properly accounted for. The form should require the signature of the agent counting and witness verifying the seizure and the respondent's signature, if possible.

Please provide a written management response to finding 4 noted in the conclusion section and the recommendation noted above by August 26, 2022.

If you have any questions or would like to schedule a meeting to discuss the above noted recommendations, please call Karen R. Ramirez, Internal Auditor II, at 318-2511 ext. 4606, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Kent Richardson, Assistant Attorney General
Mr. Vidal Roman, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

August 12, 2022

The Honorable Lazaro Gallardo, Jr., Constable
Hidalgo County Precinct No. 3
730 N. Breyfogle Ste. B
Mission, TX 78573

Re: Chapter 59 Asset Forfeiture Report YE 12-31-21 Audit No. 2022-07

Dear Constable Gallardo:

We completed an audit of the Chapter 59 Asset Forfeiture Audit Report by Law Enforcement Agency for the Year Ended December 31, 2021 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.

Executive Summary:
Based on the results of the audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported; however, improvements could be made to the system of internal controls for the accounting of Chapter 59 seizures. More specifically, we noted that the Constable Precinct No. 3 Office is not utilizing a pre-numbered official receipt form to record and control seizures.

Background:
Code of Criminal Procedure (CCP) Chapter 59 "Forfeiture of Contraband" provides law enforcement agencies with the authority to confiscate, forfeit, and dispose of contraband. 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 gained, acquired, and/or used to facilitate the commission of certain enumerated felonies and misdemeanors.

Local Government Code (LGC) §115.0035(b) provides that "at least once each county fiscal year, or more often if the county auditor desires, the auditor shall, without advance notice, fully examine the accounts of all precinct, county and district officials." LGC §115.0035(a) defines "accounts" as all public funds that are subject to the control of any precinct, county or district official, including the accounts of law enforcement agencies and the attorney for the state composed of money and proceeds of property seized.

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).

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. In addition, CCP § 59.06 (c) states, if a local agreement exists

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

between the District Attorney and the LEA, 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.

CCP §59.06 (d) states that awarded proceeds may be spent by a law enforcement agency after a detailed budget has been submitted to Commissioners Court. The Constable Precinct No. 3 Chapter 59 budget for the year ended December 31, 2021 was $37,170.88 and expenditures totaled $10,161.41 (i.e., equipment and supplies).

Pursuant to CCP §59.06 (d-3), an expenditure of proceeds received under this chapter is considered to be for a law enforcement purpose if the expenditure is made for an activity of a law enforcement agency that relates to the criminal and civil enforcement of the laws of the State, including an expenditure made for: (1) equipment, including vehicles, computers, firearms, protective body armor, furniture, software, uniforms, and maintenance equipment; (2) supplies, including office supplies, mobile phone and data account fees for employees, and internet services; (3) investigative and training-related travel expenses, including payment for hotel rooms, airfare, meals, rental of and fuel for a motor vehicle, and parking; (4) conferences and training expenses, including fees and materials; (5) investigative costs, including payments to informants and lab expenses; (6) crime prevention and treatment programs; (7) facility costs, including building purchases, lease payments, remodeling and renovating, maintenance, and utilities; (8) witness-related costs, including travel and security; and (9) audit costs and fees, including audit preparation and professional fees.

Pursuant to CCP §59.06 (t)(1), contraband for which forfeiture is authorized with respect to an offense under section 20.05, 20.06, 20.7, 43.04, or 43.05 or Chapter 20A of the Penal Code should be used to provide direct victim services or to cover the costs of a contract with local nonprofit organization to provide direct services to crime victims.

For the year ended December 31, 2021, the Constable Precinct No. 3 had no seizures or forfeitures.

Local Agreement Between District Attorney's Office and Constable Precinct No. 3

On June 2, 2015, the Hidalgo County District Attorney and Constable Precinct No. 3 entered into a local agreement pursuant to CCP §59.06 (b). According to the local agreement, Constable Precinct No. 3 is responsible for paying all court costs, attorney ad-litem fees, depositions, title searches, title policies, confidential informants, storage costs, and all other related costs in the forfeiture of vehicles and all other personal property.

Personal Property (Vehicles, laptops, computers, cell phones, weapons, etc...)- If personal property, including vehicles retained by Constable Precinct No. 3 are to be sold, net proceeds from the sale of said property, after deduction of costs, are to be divided as follows: 75% to Constable Precinct No. 3 and 25% to the District Attorney.

If personal property, including vehicles that are retained by the Constable for law enforcement purposes are at any time decommissioned and then sold, net proceeds from the sale of said property, after deduction of costs, are to be divided as follows: 75% to Constable Precinct No. 3 and 25% to the District Attorney.

All property seized, except for currency, bank accounts, negotiable instruments, and jewelry, shall be kept in the possession of the Constable. The Constable shall account for all seized property in his possession until the property is disposed of by court order. All other personal property, not suitable or desired for use, shall be forfeited to the District Attorney and sold at public auction. The net proceeds of said sale of said property, after deductions of sale expenses, shall be divided as follows: 60% to Constable Precinct No. 3 and 40% to the District Attorney.

Proceeds from the sale of real, personal, tangible, or intangible property subject to the agreement shall be apportioned within thirty (30) days of said sale.

Constable Precinct No. 3 Procedures

All seized currency, if possible, is counted by a minimum of two (2) deputies in the presence of a witness and the respondent(s), if possible. Funds are placed in a sealed evidence bag and immediately transported to the bank by at least two deputies, if it's within the bank's normal business hours; otherwise, the funds are transported to the Constable Precinct 3 Office. The following non pre-numbered forms are prepared to document the seized cash:

- "Itemization of Money Seizure" form includes the following information: date of seizure; case file number; deputy's name; the US currency, foreign currency, and checks by denomination, quantity, and total; and the signatures of the case deputy and seizure custodian.
- "Hidalgo County Constable Precinct 3 Receipt for Cash or Other Items" form includes the following information: the date, time, case number, description of items and signature of the seizing deputy, witness, and respondent. A copy of the completed form is provided to the respondent.

If the funds cannot be counted in the presence of the respondent, the funds are placed in a sealed evidence bag and transported to the Constable Precinct 3 Office by at least two deputies where it is placed in a safe pending transfer to the bank. In cases where currency is seized in an amount of $25,000.00 or more, sealed evidence bags are taken and signed into the bank vault. For these seizures, the bank requires that Constable Precinct 3 schedule an appointment with the Bank Cash Vault Services Manager. The bank employees along with at least two (2) Constable Precinct 3 employees unseal the evidence bags and count the currency. The count is recorded on an "Itemization of Money Seizure" form. Once the currency is counted, pursuant to CCP §59.08, the deputy places the seized currency in a certificate of deposit at the county depository, Lone Star National Bank, under the name of the Hidalgo County Constable Precinct 3 Department pending final disposition. If currency cannot be immediately deposited, the currency is safeguarded in a safe at the Constable Precinct 3 Office. Seized proceeds are placed in a certificate of deposit within 72 hours.

Personal property is safeguarded by Constable Precinct 3 until a final judgment is rendered by the court. Vehicles are maintained at the Constable Precinct 3 Office; however, most personal property (i.e., jewelry, cell phones, guns, etc.) is maintained at the Constable Precinct 3's evidence room. Personal property of high value is placed in a safe. The Chief Deputy and two (2) Sergeants have access to the evidence room and the safe. Once the evidence is ready to be placed in the Evidence Vault, a log is filled out with the deputy's name and badge number; date and time of seizure; case file number; description of items; and the chain of custody must be filled out for placement. The evidence room is under lock and key; has 24 hour surveillance cameras outside the room. If an item needs to be removed from the evidence room, the item is requested from one of the three employees with access to the evidence room. Property maintained in the evidence room is clearly labeled with the case number. Once the items are awarded to Constable Precinct 3, the high value small items are declared surplus and auctioned by the Hidalgo County Auctioneer. For cell phones, guns and other items, Constable Precinct 3 requests that an "Order of Disposition of Gambling Paraphernalia, Prohibited Weapon, Criminal Instrument, Other Contraband, Seized Weapon, or Stolen Property" be approved and signed by the presiding District Court Judge, granting Constable Precinct 3 authorization for destruction. A copy of the destruction order and photos of destroyed items are maintained in the case file.

When property is seized under CCP Chapter 59, the deputy is required to complete a case file consisting of the following: intake sheet; Constable Precinct 3's supplement report; booking sheet; Constable Precinct 3's intake sheet; case initiation; commitment; complaint; warrants; seizure report; drug to dollar amount conversion table; evidence submission; DPS lab submission; Miranda warnings; voluntary statement of the accused; arrest report/personal history; criminal case management report (i.,e, Odyssey); defendant's criminal history; affidavit of seizing deputy; asset forfeiture intake sheet; picture of the seized property; vehicle registration information and/or copy of certificate of deposit, if applicable; reports from other law enforcement agencies, etc.

If a vehicle is forfeited to Constable Precinct 3, Constable Gallardo or the designee determine whether the vehicle should be put in use for law enforcement purposes or auctioned. If the vehicle is retained for law enforcement purposes, Constable Precinct 3 submits the Application for Registration and Certificate of title issued under Alias for Use of Law Enforcement Vehicle (Form 62-G), Application for Texas Certificate of Title (Form 130-U), and a Certificate of Origin for a Vehicle (certified copy of final judgment) to the Texas Department of Transportation. All Constable Precinct 3 court-awarded vehicles are under "Alias" and the certificate of title is not released until a formal letter is submitted to the Texas Department of Transportation requesting the deletion of said vehicle from alias registration. Constable Precinct 3 requests an asset tag from the Hidalgo County Purchasing Department and insurance from Hidalgo County Safety Division. The Purchasing Department's Fixed Asset Division requires proof of insurance from the Hidalgo County Safety Division and a copy of the judgment in order to issue an asset tag for vehicles forfeited to Constable Precinct 3.

If a vehicle is not placed in use or if a vehicle previously put to use is no longer needed, a transfer form is prepared by Chief Deputy or his designee and the vehicle is declared surplus. Until an auction is conducted, the vehicle is safeguarded at the Constable Precinct 3 Office. In addition, a certificate of title is not obtained for vehicles not placed in use.

Scope and Methodology:

The scope of the audit was limited to a review of all seized currency and personal property for which an agent's affidavit was made available to the County Auditor's Office for review and all forfeited currency and personal property for which a final judgment was rendered and recorded in *Odyssey*, the County's justice information system, for the period of January 1, 2021 through December 31, 2021.

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 improvements could be made.

In conducting our review, the following procedures were performed:

1. Compared Chapter 59 revenue and expenditure reports generated from *Alio,* the County's financial accounting system, and the "Purchasing Department/Fixed Asset Division Auction Report" to the Chapter 59 Asset Forfeiture Report to determine if all revenues and expenditures were reported.
2. Generated "Cases filed" and "Cases disposed" index reports for the period of January 1, 2021 to December 31, 2021 from *Odyssey* to determine if all seized, forfeited, and property returned to respondents was reported on the Chapter 59 Asset Forfeiture Report.
3. Reviewed expenditures from the Constable Precinct No. 3 Chapter 59 Forfeiture Fund to determine if expenditures were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. Selected 1 Kawasaki Water Craft that was seized and/or forfeited and not sold for physical identification during the reporting period.
5. Reviewed written policies and procedures for the accounting and reporting of seizures and forfeitures. In addition, inquired whether seizures were promptly recorded and controlled by using pre-numbered official receipt forms.

Conclusion:

Based on the results of the audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported; however, improvements could be made to the system of internal controls for the accounting of Chapter 59 seizures as noted on finding 5 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.

1. All Chapter 59 revenues and expenditures recorded in *Alio* and the "Purchasing Department/Fixed Asset Division Auction Report" were reported on the Chapter 59 Asset Forfeiture Report.
2. A review of the "Cases filed" and "Cases disposed" index reports generated from Odyssey for the period of review revealed that the Constable Precinct No. 3 had no seizures or forfeitures.
3. All expenditures from Constable Precinct No. 3 Chapter 59 Forfeiture Fund were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. The Kawasaki water craft was physically located.
5. Formal policies and procedures have been developed and implemented by the Constable Precinct No. 3. Office regarding Chapter 59 seizures and forfeitures; however, pre-numbered official receipt forms are not utilized to record and control seizures.

Recommendation:
The issue noted in finding 5 could be addressed by ensuring that a pre-numbered form be developed for controlling seizures. Pre-numbered forms will assist management to ensure that all the seizures are properly accounted for. The form should require the signature of the agent counting and witness verifying the seizure and the respondent's signature, if possible.

Please provide a written management response to finding 5 noted in the conclusion section and the recommendation noted above by August 26, 2022.

If you have any questions or would like to schedule a meeting to discuss the above noted recommendations, please call Karen R. Ramirez, Internal Auditor II, at 318-2511 ext. 4606, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Kent Richardson, Assistant Attorney General
Mr. Vidal Roman, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

August 15, 2022

The Honorable Atanacio Gaitan, Constable
Hidalgo County Precinct No. 4
2814 S. Business Hwy. 281
Edinburg, TX 78539

Re: Chapter 59 Asset Forfeiture Report YE 12-31-21 Audit No. 2022-08

Dear Constable Gaitan:

We completed an audit of the Chapter 59 Asset Forfeiture Audit Report by Law Enforcement Agency for the Year Ended December 31, 2021 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.

Executive Summary:
Based on the results of the audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported; however, improvements could be made to the system of internal controls for the accounting of Chapter 59 seizures.

1. The Constable Precinct No. 4 Office policies and procedures regarding Chapter 59 seizures and forfeitures do not include procedures for cash seizures.
2. Pre-numbered official receipt forms were not utilized to record and control seizures.

Background:
Code of Criminal Procedure (CCP) Chapter 59 "Forfeiture of Contraband" provides law enforcement agencies with the authority to confiscate, forfeit, and dispose of contraband. 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 gained, acquired, and/or used to facilitate the commission of certain enumerated felonies and misdemeanors.

Local Government Code (LGC) §115.0035(b) provides that "at least once each county fiscal year, or more often if the county auditor desires, the auditor shall, without advance notice, fully examine the accounts of all precinct, county and district officials." LGC §115.0035(a) defines "accounts" as all public funds that are subject to the control of any precinct, county or district official, including the accounts of law enforcement agencies and the attorney for the state composed of money and proceeds of property seized.

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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

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).
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. In addition, CCP § 59.06 (c) states, if a local agreement exists between the District Attorney and the LEA, 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.

CCP §59.06 (d) states that awarded proceeds may be spent by a law enforcement agency after a detailed budget has been submitted to Commissioners Court. The Constable Precinct No. 4 Chapter 59 budget for the year ended December 31, 2021 was $48,767.31 and expenditures totaled $13,551.94 (i.e., equipment and in state travel).

Pursuant to CCP §59.06 (d-3), an expenditure of proceeds received under this chapter is considered to be for a law enforcement purpose if the expenditure is made for an activity of a law enforcement agency that relates to the criminal and civil enforcement of the laws of the State, including an expenditure made for: (1) equipment, including vehicles, computers, firearms, protective body armor, furniture, software, uniforms, and maintenance equipment; (2) supplies, including office supplies, mobile phone and data account fees for employees, and internet services; (3) investigative and training-related travel expenses, including payment for hotel rooms, airfare, meals, rental of and fuel for a motor vehicle, and parking; (4) conferences and training expenses, including fees and materials; (5) investigative costs, including payments to informants and lab expenses; (6) crime prevention and treatment programs; (7) facility costs, including building purchases, lease payments, remodeling and renovating, maintenance, and utilities; (8) witness-related costs, including travel and security; and (9) audit costs and fees, including audit preparation and professional fees.

Pursuant to CCP §59.06 (t)(1), contraband for which forfeiture is authorized with respect to an offense under section 20.05, 20.06, 20.7, 43.04, or 43.05 or Chapter 20A of the Penal Code should be used to provide direct victim services or to cover the costs of a contract with local nonprofit organization to provide direct services to crime victims.

For the year ended December 31, 2021, the Constable Precinct No. 4 had no seizures or forfeitures.

Local Agreement Between District Attorney's Office and Constable Precinct No. 4
On May 20, 2015, the Hidalgo County District Attorney and Constable Precinct No. 4 entered into a local agreement pursuant to CCP §59.06 (b). According to the local agreement, Constable Precinct No. 4 is responsible for paying all court costs, attorney ad-litem fees, depositions, title searches, title policies, confidential informants, storage costs, and all other related costs in the forfeiture of vehicles and all other personal property.

Personal Property (Vehicles, laptops, computers, cell phones, weapons, etc…)- If personal property, including vehicles retained by Constable Precinct No. 4 are to be sold, net proceeds from the sale of said property, after deduction of costs, are to be divided as follows: 75% to Constable Precinct No. 4 and 25% to the District Attorney.

If personal property, including vehicles that are retained by the Constable for law enforcement purposes are at any time decommissioned and then sold, net proceeds from the sale of said property, after deduction of costs, are to be divided as follows: 75% to Constable Precinct No. 4 and 25% to the District Attorney.

All property seized, except for currency, bank accounts, negotiable instruments, and jewelry, shall be kept in the possession of the Constable. The Constable shall account for all seized property in his possession until the property is disposed of by court order. All other personal property, not suitable or desired for use, shall be forfeited to the District Attorney and sold at public auction. The net proceeds of said sale of said property, after deductions of sale expenses, shall be divided as follows: 60% to Constable Precinct No. 4 and 40% to the District Attorney.

Proceeds from the sale of real, personal, tangible, or intangible property subject to the agreement shall be apportioned within thirty (30) days of said sale.

Constable Precinct No. 4 Procedures

The Constable Precinct No. 4 Office has formal procedures for the seizure and forfeiture of personal property; however, formal policies and procedures to provide direction and reference to officers seizing cash have not been established. In addition, pre-numbered official receipt forms were not utilized to record and control seizures.

Deputy Constables are required to call a towing company to tow and store vehicles and/or property pending forfeiture proceedings to the County's storage site. Before releasing vehicle(s) and or property to towing company, Deputy Constables conduct a full inspection and inventory of the seized vehicle(s) and/or property. Deputy Constables are required to include photographs with seizure documents.

The following forms must be turned in to the District Attorney's Office before the 30 day after the date of the offense: Asset Forfeiture Intake Sheet; Officer Sworn Affidavit; Vehicle Registration Form; Preliminary Offense Report; Detailed Report; Complete Wrecker Inventory Form; and Intake Sheet Receipt.

A log of all seized property is kept by the Constable Precinct No. 4 Office. The Log will indicate the status of the property, location and condition.

If a forfeited vehicle is put to use by the agency, an application for certificate of title, along with a copy of the final judgment, is submitted to the Motor Vehicle Department for the forfeited vehicle(s). The original title is sent to the Purchasing Department Fixed Asset Division to obtain an asset tag and a copy is maintained on file. Insurance coverage is also requested for all vehicles placed in use from the Hidalgo County Safety Division. Proof of insurance is sent to the Purchasing Department.

Scope and Methodology:

The scope of the audit was limited to a review of all seized currency and personal property for which an agent's affidavit was made available to the County Auditor's Office for review and all forfeited currency and personal property for which a final judgment was rendered and recorded in *Odyssey*, the County's justice information system, for the period of January 1, 2021 through December 31, 2021.

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 improvements could be made.

In conducting our review, the following procedures were performed:

1. Compared Chapter 59 revenue and expenditure reports generated from *Alio,* the County's financial accounting system, and the "Purchasing Department/Fixed Asset Division Auction Report" to the Chapter 59 Asset Forfeiture Report to determine if all revenues and expenditures were reported.
2. Generated "Cases filed" and "Cases disposed" index reports for the period of January 1, 2021 to December 31, 2021 from *Odyssey* to determine if all seized, forfeited, and property returned to respondents was reported on the Chapter 59 Asset Forfeiture Report.

3. Reviewed expenditures from the Constable Precinct No. 4 Chapter 59 Forfeiture Fund to determine if expenditures were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. Reviewed the petitions and judgements for property related to an offense under Section 20.05, 20.06, 20.07, 43.04, or 43.05 or Chapter 20A of the Penal Code to determine if the forfeited property was properly accounted for.
5. Selected 1 vehicle that was seized and/or forfeited and not sold during the reporting period for physical identification.
6. Reviewed written policies and procedures for the accounting and reporting of seizures and forfeitures. In addition, inquired whether seizures were promptly recorded and controlled by using pre-numbered official receipt forms.

Conclusion:

Based on the results of the audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported; however, improvements could be made to the system of internal controls for the accounting of Chapter 59 seizures as noted on finding 6 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.

1. All Chapter 59 revenues and expenditures recorded in *Alio* and the "Purchasing Department/Fixed Asset Division Auction Report" were reported on the Chapter 59 Asset Forfeiture Report.
2. A review of the "Cases filed" and "Cases disposed" index reports generated from *Odyssey* for the period of review revealed that the Constable Precinct No. 4 had no seizures or forfeitures.
3. All expenditures from Constable Precinct No. 4 Chapter 59 Forfeiture Fund were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. There were no petitions or judgments for property related to an offense under section 20.05, 20.06, 20.7, 43.04, or 43.05 or Chapter 20A of the Penal Code.
5. The vehicle was physically located.
6. The Constable Precinct No. 4 Office policies and procedures regarding Chapter 59 seizures do not include procedures for cash seizures. In addition, pre-numbered official receipt forms were not utilized to record and control seizures.

Recommendation:

The issues noted in finding 6 could be addressed by revising the policies and procedures to include cash seizures. Furthermore, a pre-numbered form should be developed for controlling seizures. The pre-numbered forms will assist management ensure that all the seizures are properly accounted for. The form should require the signature of the agent counting and witness verifying the seizure and the respondent's signature, if possible.

Please provide a written management response to finding 6 noted in the conclusion section and the recommendations noted above by August 26, 2022.

If you have any questions or would like to schedule a meeting to discuss the above noted recommendations, please call Karen R. Ramirez, Internal Auditor II, at 318-2511 ext. 4606, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Kent Richardson, Assistant Attorney General
Mr. Vidal Roman, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

August 15, 2022

The Honorable Atanacio "J.R." Gaitan
Hidalgo County Constable Precinct No. 4
2814 S. Business Highway 281
Edinburg, TX 78539

Ref: Constable Precinct No. 4 2021 Equitable Sharing Agreement and Certification
Audit No. 2022-16

Dear Constable Gaitan:

We conducted a limited scope review of the Constable Precinct No. 4 Equitable Sharing Agreement and Certification for the year ended December 31, 2021. The objectives of the review were to determine if: 1.) revenues and expenditures reported on the Equitable Sharing Agreement and Certification agreed to those recorded in *Alio,* the County's financial accounting system; 2.) expenditures were permissible and incurred for law enforcement purposes pursuant to the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies (*Guide*); and 3.) formal procedures to track equitably shared funds and tangible property have been developed as required by the *Guide*.

Executive Summary:
Based on the results of the review, we determined that the revenues and expenditures reported on the Equitable Sharing Agreement and Certification for the Justice Fund and Treasury Fund agreed to those recorded in *Alio.* Expenditures from the Treasury Fund were for permissible expenses incurred for law enforcement purposes. However, formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide*.

Background:
The Equitable Sharing Program is a Department of Justice and a Department of Treasury program designed to enhance cooperation among federal, state, and local law enforcement agencies through the sharing of proceeds resulting from Federal forfeitures. In order to become eligible, state or local law enforcement agencies must submit the Equitable Sharing Agreement and Certification through the eShare portal. The submission of the Equitable Sharing Agreement and Certification is a prerequisite to the approval of any equitable sharing request. Noncompliance may result in the denial of the agency's sharing request.

Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies
The Equitable Sharing Agreement and Certification binds its signatories to the statutes and guidelines that regulate the equitable sharing program and certifies that the agency (Constable Precinct No. 4) will comply with said guidelines and statutes. The Equitable Sharing Agreement and Certification stipulates that shared assets shall be used for law enforcement purposes as set forth in the *Guide.* The Equitable Sharing Agreement and Certification also stipulates that Constable Precinct No. 4 must agree to account separately for Federal equitable sharing funds received from the Department of Justice and the Department of Treasury. Funds from state and local forfeitures and other sources must not be commingled with Federal equitable sharing funds. Actual

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

signatures of approval are not required to be submitted along with the Equitable Sharing Report; however, the agency must obtain approval from the governing body. The fully executed Equitable Sharing Agreement must be maintained by the agency.

Equitable sharing funds may be used for any permissible agency expenditure and may be used by both sworn and non-sworn law enforcement personnel, with certain exceptions. The following are examples of permissible uses of equitable sharing funds: a) law enforcement operations and investigations; b) law enforcement training and education; c) law enforcement, public safety, and detention facilities; d) law enforcement equipment; e) joint law enforcement/public safety operations; f) contracts for services; g) law enforcement travel and per diem; h) law enforcement awards and memorials; i) drug, gang, and other prevention or awareness programs; j) matching grants; and k) support of community-based organizations. This community-based organization provision does not apply to the Department of Treasury equitable sharing funds; therefore, agencies may not use Department of Treasury Funds to support community-based organizations.

Equitable sharing funds may not be used to pay the salaries and benefits of sworn or non-sworn law enforcement personnel. However, equitable sharing funds may be used to pay salaries and benefits of current law enforcement officers and personnel in the following limited situations: 1) matching federal grants; 2) overtime; 3) federal task force replacement salary; and 4) specialized programs.

Participating law enforcement agencies must implement accounting procedures and internal controls that are consistent with the guidelines to track equitably shared funds and tangible property. At any time, the Department of Justice and the Department of Treasury may request documents related to equitable sharing.

Scope and Methodology:
The scope was limited to a review of the revenues and expenditures reported on the Constable's Equitable Sharing Agreement and Certification for the year ended December 31, 2021. The review was not designated nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this letter may not be all-inclusive of areas where improvement could be made.

More specifically, the following procedures were performed:

1. Generated revenue and expenditure reports from *Alio* for the Constable's Justice and Treasury Funds and compared the reports to the Equitable Sharing Agreement and Certification to determine whether the revenues and expenditures reported agreed to those recorded in *Alio*.
2. Reviewed all expenditures from the Constable's Justice and Treasury Funds to determine if the expenditures were incurred for law enforcement purposes pursuant to the *Guide*.
3. Requested written policies and procedures governing the Constable's Justice and Treasury funds.

Conclusion:
Based on the results of the review, we determined that the revenues and expenditures reported on the Equitable Sharing Agreement and Certification for the Justice Fund and Treasury Fund agreed to those recorded in *Alio.* Expenditures from the Treasury Fund were for permissible expenses incurred for law enforcement purposes. However, formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide*.

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 lost from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

Observation No. 1:
Formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide*.

Pursuant to the *Guide*, Section VI, participating law enforcement agencies must implement accounting procedures consistent with the *Guide* to track equitably shared funds and tangible property.

At any time, the Department of Justice and the Department of Treasury may request documents related to equitable sharing; therefore, failure to ensure that Constable Precinct No. 4 develops and implements accounting procedures consistent with the *Guide* to track equitably shared funds and tangible property may result in the inability to participate in the equitable sharing program.

Recommendation:
Management should develop and implement formal procedures to track equitably shared funds and tangible property. At a minimum, procedures developed should be consistent with the *Guide* (see pg.21, Section VI).

Please provide a management response to the observation above by August 19, 2022.

If you have any questions, please contact Karen Ramirez, Internal Auditor II, at 318-2511 ext. 4606, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Vidal Roman, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

August 15, 2022

The Honorable Celestino Avila, Constable
Hidalgo County Precinct No. 1
1902 Joe Stephens Blvd. Suite 303
Weslaco, TX 78596

Ref: Constable Precinct No. 1 2021 Equitable Sharing Agreement and Certification
Audit No. 2022-13

Dear Constable Avila:

We conducted a limited scope review of the Constable Precinct No. 1 Equitable Sharing Agreement and Certification for the year ended December 31, 2021. The objectives of the review were to determine if: 1.) revenues and expenditures reported on the Equitable Sharing Agreement and Certification agreed to those recorded in *Alio,* the County's financial accounting system; 2.) expenditures were permissible and incurred for law enforcement purposes pursuant to the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies (*Guide*); and 3.) formal procedures to track equitably shared funds and tangible property have been developed as required by the *Guide*.

Executive Summary:
Based on the results of the review, we determined that the revenues and expenditures reported on the Equitable Sharing Agreement and Certification for the Justice Fund and Treasury Fund agreed to those recorded in *Alio*. No expenditures were incurred from the Constable's Justice and Treasury Funds. However, formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide*.

Background:
The Equitable Sharing Program is a Department of Justice and a Department of Treasury program designed to enhance cooperation among federal, state, and local law enforcement agencies through the sharing of proceeds resulting from Federal forfeitures. In order to become eligible, state or local law enforcement agencies must submit the Equitable Sharing Agreement and Certification through the eShare portal. The submission of the Equitable Sharing Agreement and Certification is a prerequisite to the approval of any equitable sharing request. Noncompliance may result in the denial of the agency's sharing request.

Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies
The Equitable Sharing Agreement and Certification binds its signatories to the statutes and guidelines that regulate the equitable sharing program and certifies that the agency (Constable Precinct No. 1) will comply with said guidelines and statutes. The Equitable Sharing Agreement and Certification stipulates that shared assets shall be used for law enforcement purposes as set forth in the *Guide.* The Equitable Sharing Agreement and Certification also stipulates that Constable Precinct No. 1 must agree to account separately for Federal equitable sharing funds received from the Department of Justice and the Department of Treasury. Funds from state and local forfeitures and other sources must not be commingled with Federal equitable sharing funds. Actual

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

signatures of approval are not required to be submitted along with the Equitable Sharing Report; however, the agency must obtain approval from the governing body. The fully executed Equitable Sharing Agreement must be maintained by the agency.

Equitable sharing funds may be used for any permissible agency expenditure and may be used by both sworn and non-sworn law enforcement personnel, with certain exceptions. The following are examples of permissible uses of equitable sharing funds: a) law enforcement operations and investigations; b) law enforcement training and education; c) law enforcement, public safety, and detention facilities; d) law enforcement equipment; e) joint law enforcement/public safety operations; f) contracts for services; g) law enforcement travel and per diem; h) law enforcement awards and memorials; i) drug, gang, and other prevention or awareness programs; j) matching grants; and k) support of community-based organizations. This community-based organization provision does not apply to the Department of Treasury equitable sharing funds; therefore, agencies may not use Department of Treasury Funds to support community-based organizations.

Equitable sharing funds may not be used to pay the salaries and benefits of sworn or non-sworn law enforcement personnel. However, equitable sharing funds may be used to pay salaries and benefits of current law enforcement officers and personnel in the following limited situations: 1) matching federal grants; 2) overtime; 3) federal task force replacement salary; and 4) specialized programs.

Participating law enforcement agencies must implement accounting procedures and internal controls that are consistent with the guidelines to track equitably shared funds and tangible property. At any time, the Department of Justice and the Department of Treasury may request documents related to equitable sharing.

Scope and Methodology:
The scope was limited to a review of the revenues and expenditures reported on the Constable's Equitable Sharing Agreement and Certification for the year ended December 31, 2021. The review was not designated nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this letter may not be all-inclusive of areas where improvement could be made.

More specifically, the following procedures were performed:

1. Generated revenue and expenditure reports from *Alio* for the Constable's Justice and Treasury Funds and compared the reports to the Equitable Sharing Agreement and Certification to determine whether the revenues and expenditures reported agreed to those recorded in *Alio*.
2. Reviewed all expenditures from the Constable's Justice and Treasury Funds to determine if the expenditures were incurred for law enforcement purposes pursuant to the *Guide*.
3. Requested written policies and procedures governing the Constable's Justice and Treasury funds.

Conclusion:
Based on the results of the review, we determined that the revenues and expenditures reported on the Equitable Sharing Agreement and Certification for the Justice Fund and Treasury Fund agreed to those recorded in *Alio.* No expenditures were incurred from the Constable's Justice and Treasury Funds. However, formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide* 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 lost from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

Observation No. 1:
Formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide*.

Pursuant to the *Guide*, Section VI, participating law enforcement agencies must implement accounting procedures consistent with the *Guide* to track equitably shared funds and tangible property.

At any time, the Department of Justice and the Department of Treasury may request documents related to equitable sharing; therefore, failure to ensure that Constable Precinct No. 1 develops and implements accounting procedures consistent with the *Guide* to track equitably shared funds and tangible property may result in the inability to participate in the equitable sharing program.

Recommendation:
Management should develop and implement formal procedures to track equitably shared funds and tangible property. At a minimum, procedures developed should be consistent with the *Guide* (see pg.21, Section VI).

Please provide a management response to the observation above by August 19, 2022.

If you have any questions, please contact Karen Ramirez, Internal Auditor II, at 318-2511 ext. 4606, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Vidal Roman, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

August 15, 2022

The Honorable Lazaro Gallardo
Hidalgo County Constable Precinct No. 3
730 N. Breyfogle Ste. B
Mission, TX 78572

Re: Constable Precinct No. 3 2021 Equitable Sharing Agreement and Certification
Audit No. 2022-15

Dear Constable Gallardo:

We conducted a limited scope review of the Constable Precinct No. 3 Equitable Sharing Agreement and Certification for the year ended December 31, 2021. The objectives of the review were to determine if: 1.) revenues and expenditures reported on the Equitable Sharing Agreement and Certification agreed to those recorded in *Alio*, the County's financial accounting system; 2.) expenditures were permissible and incurred for law enforcement purposes pursuant to the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies (Guide); and 3.) formal procedures to track equitably shared funds and tangible property have been developed as required by the Guide.

Executive Summary:
Based on the results of the review, we determined that the revenues and expenditures reported on the Equitable Sharing Agreement and Certification for the Justice Fund and Treasury Fund agreed to those recorded in *Alio.* Expenditures from the Justice and Treasury Fund were for permissible expenses incurred for law enforcement purposes. However, formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide*. According to staff, they are in the process of developing the procedures.

Background:
The Equitable Sharing Program is a Department of Justice and a Department of Treasury program designed to enhance cooperation among federal, state, and local law enforcement agencies through the sharing of proceeds resulting from Federal forfeitures. In order to become eligible, state or local law enforcement agencies must submit the Equitable Sharing Agreement and Certification through the eShare portal. The submission of the Equitable Sharing Agreement and Certification is a prerequisite to the approval of any equitable sharing request. Noncompliance may result in the denial of the agency's sharing request.

Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies
The Equitable Sharing Agreement and Certification binds its signatories to the statutes and guidelines that regulate the equitable sharing program and certifies that the agency (Constable Precinct No. 3) will comply with said guidelines and statutes. The Equitable Sharing Agreement and Certification stipulates that shared assets shall be used for law enforcement purposes as set forth in the Guide. The Equitable Sharing Agreement and Certification also stipulates that Constable Precinct No. 3 must agree to account separately for Federal equitable sharing funds received from the Department of Justice and the Department of Treasury. Funds from state and local forfeitures and other sources must not be commingled with Federal equitable sharing funds. Actual local

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

signatures of approval are not required to be submitted along with the Equitable Sharing Report; however, the agency must obtain approval from the governing body. The fully executed Equitable Sharing Agreement must be maintained by the agency.

Equitable sharing funds may be used for any permissible agency expenditure and may be used by both sworn and non-sworn law enforcement personnel, with certain exceptions. The following are examples of permissible uses of equitable sharing funds: a) law enforcement operations and investigations; b) law enforcement training and education; c) law enforcement, public safety, and detention facilities; d) law enforcement equipment; e) joint law enforcement/public safety operations; f) contracts for services; g) law enforcement travel and per diem; h) law enforcement awards and memorials; i) drug, gang, and other prevention or awareness programs; j) matching grants; and k) support of community-based organizations. This community-based organization provision does not apply to the Department of Treasury equitable sharing funds; therefore, agencies may not use Department of Treasury Funds to support community-based organizations.

Equitable sharing funds may not be used to pay the salaries and benefits of sworn or non-sworn law enforcement personnel. However, equitable sharing funds may be used to pay salaries and benefits of current law enforcement officers and personnel in the following limited situations: 1) matching federal grants; 2) overtime; 3) federal task force replacement salary; and 4) specialized programs.

Participating law enforcement agencies must implement accounting procedures and internal controls that are consistent with the guidelines to track equitably shared funds and tangible property. At any time, the Department of Justice and the Department of Treasury may request documents related to equitable sharing.

Scope and Methodology:
The scope was limited to a review of the revenues and expenditures reported on the Constable's Equitable Sharing Agreement and Certification for the year ended December 31, 2021. The review was not designated nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this letter may not be all-inclusive of areas where improvement could be made.

More specifically, the following procedures were performed:

1. Generated revenue and expenditure reports from *Alio* for the Constable's Justice and Treasury Funds and compared the reports to the Equitable Sharing Agreement and Certification to determine whether the revenues and expenditures reported agreed to those recorded in *Alio*.
2. Reviewed all expenditures from the Constable's Justice and Treasury Funds to determine if the expenditures were incurred for law enforcement purposes pursuant to the *Guide*.
3. Requested written policies and procedures governing the Constable's Justice and Treasury funds.

Conclusion:
Based on the results of the review, we determined that the revenues and expenditures reported on the Equitable Sharing Agreement and Certification for the Justice Fund and Treasury Fund agreed to those recorded in *Alio.* Expenditures from the Justice and Treasury Fund were for permissible expenses incurred for law enforcement purposes. However, formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide*. According to staff, they are in the process of developing the procedures.

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 lost from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

Observation No. 1:
Formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide*.

Pursuant to the *Guide*, Section VI, participating law enforcement agencies must implement accounting procedures consistent with the *Guide* to track equitably shared funds and tangible property.

At any time, the Department of Justice and the Department of Treasury may request documents related to equitable sharing; therefore, failure to ensure that Constable Precinct No. 3 develops and implements accounting procedures consistent with the *Guide* to track equitably shared funds and tangible property may result in the inability to participate in the equitable sharing program.

Recommendation:
Management should develop and implement formal procedures to track equitably shared funds and tangible property. At a minimum, procedures developed should be consistent with the *Guide* (see pg.21, Section VI).

Please provide a management response to the observation above by August 19, 2022.

If you have any questions, please contact Karen Ramirez, Internal Auditor II, at 318-2511 ext. 4606, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Vidal Roman, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

August 18, 2022

The Honorable Martin Cantu, Constable
Hidalgo County Constable Precinct No. 2
300 W. Hall Acres, Ste. E
Pharr, TX 78577

Re: Constable Precinct No. 2 2021 Equitable Sharing Agreement and Certification
Audit No. 2022-14

Dear Constable Cantu:

We conducted a limited scope review of the Constable Precinct No. 2 Equitable Sharing Agreement and Certification for the year ended December 31, 2021. The objectives of the review were to determine if: 1.) revenues and expenditures reported on the Equitable Sharing Agreement and Certification agreed to those recorded in *Alio,* the County's financial accounting system; 2.) expenditures were permissible and incurred for law enforcement purposes pursuant to the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies (*Guide*); and 3.) formal procedures to track equitably shared funds and tangible property have been developed as required by the *Guide*.

Executive Summary:
Based on the results of the review, we determined that the revenues reported on the Equitable Sharing Agreement and Certification for the Justice Fund and Treasury Fund agreed to those recorded in *Alio.* No expenditures were incurred from the Constable's Justice and Treasury Funds. However, formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide*.

Background:
The Equitable Sharing Program is a Department of Justice and a Department of Treasury program designed to enhance cooperation among federal, state, and local law enforcement agencies through the sharing of proceeds resulting from Federal forfeitures. In order to become eligible, state or local law enforcement agencies must submit the Equitable Sharing Agreement and Certification through the eShare portal. The submission of the Equitable Sharing Agreement and Certification is a prerequisite to the approval of any equitable sharing request. Noncompliance may result in the denial of the agency's sharing request.

Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies
The Equitable Sharing Agreement and Certification binds its signatories to the statutes and guidelines that regulate the equitable sharing program and certifies that the agency (Constable Precinct No. 2) will comply with said guidelines and statutes. The Equitable Sharing Agreement and Certification stipulates that shared assets shall be used for law enforcement purposes as set forth in the *Guide.* The Equitable Sharing Agreement and Certification also stipulates that Constable Precinct No. 2 must agree to account separately for Federal equitable sharing funds received from the Department of Justice and the Department of Treasury. Funds from state and local forfeitures and other sources must not be commingled with Federal equitable sharing funds. Actual signatures of approval are not required to be submitted along with the Equitable Sharing Report; however, the

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

agency must obtain approval from the governing body. The fully executed Equitable Sharing Agreement must be maintained by the agency.

Equitable sharing funds may be used for any permissible agency expenditure and may be used by both sworn and non-sworn law enforcement personnel, with certain exceptions. The following are examples of permissible uses of equitable sharing funds: a) law enforcement operations and investigations; b) law enforcement training and education; c) law enforcement, public safety, and detention facilities; d) law enforcement equipment; e) joint law enforcement/public safety operations; f) contracts for services; g) law enforcement travel and per diem; h) law enforcement awards and memorials; i) drug, gang, and other prevention or awareness programs; j) matching grants; and k) support of community-based organizations. This community-based organization provision does not apply to the Department of Treasury equitable sharing funds; therefore, agencies may not use Department of Treasury Funds to support community-based organizations.

Equitable sharing funds may not be used to pay the salaries and benefits of sworn or non-sworn law enforcement personnel. However, equitable sharing funds may be used to pay salaries and benefits of current law enforcement officers and personnel in the following limited situations: 1) matching federal grants; 2) overtime; 3) federal task force replacement salary; and 4) specialized programs.

Participating law enforcement agencies must implement accounting procedures and internal controls that are consistent with the guidelines to track equitably shared funds and tangible property. At any time, the Department of Justice and the Department of Treasury may request documents related to equitable sharing.

Scope and Methodology:
The scope was limited to a review of the revenues and expenditures reported on the Constable's Equitable Sharing Agreement and Certification for the year ended December 31, 2021. The review was not designated nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this letter may not be all-inclusive of areas where improvement could be made.

More specifically, the following procedures were performed:

1. Generated revenue and expenditure reports from *Alio* for the Constable's Justice and Treasury Funds and compared the reports to the Equitable Sharing Agreement and Certification to determine whether the revenues and expenditures reported agreed to those recorded in *Alio*.
2. Reviewed all expenditures from the Constable's Justice and Treasury Funds to determine if the expenditures were incurred for law enforcement purposes pursuant to the *Guide*.
3. Requested written policies and procedures governing the Constable's Justice and Treasury funds.

Conclusion:
Based on the results of the review, we determined that the revenues reported on the Equitable Sharing Agreement and Certification for the Justice Fund and Treasury Fund agreed to those recorded in *Alio.* No expenditures were incurred from the Constable's Justice and Treasury Funds. However, formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide* 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 lost from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

Observation No. 1:
Formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide*.

Pursuant to the *Guide*, Section VI, participating law enforcement agencies must implement accounting procedures consistent with the *Guide* to track equitably shared funds and tangible property.

At any time, the Department of Justice and the Department of Treasury may request documents related to equitable sharing; therefore, failure to ensure that Constable Precinct No. 2 develops and implements accounting procedures consistent with the *Guide* to track equitably shared funds and tangible property may result in the inability to participate in the equitable sharing program.

Recommendation:
Management should develop and implement formal procedures to track equitably shared funds and tangible property. At a minimum, procedures developed should be consistent with the *Guide* (see pg.21, Section VI).

Please provide a management response to the observation above by August 19, 2022.

If you have any questions, please contact Karen Ramirez, Internal Auditor II, at 318-2511 ext. 4606, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Vidal Roman, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

August 19, 2022

The Honorable J.E. "Eddie" Guerra, Sheriff
Hidalgo County Sheriff's Office
711 El Cibolo Rd.
Edinburg, TX 78539

Ref: Sheriff's Office 2021 Equitable Sharing Agreement and Certification
Audit No. 2022-12

Dear Sheriff Guerra:

We conducted a limited scope review of the Sheriff's Office Equitable Sharing Agreement and Certification for the year ended December 31, 2021. The objectives of the review were to determine if: 1.) revenues and expenditures reported on the Equitable Sharing Agreement and Certification agreed to those recorded in *Alio,* the County's financial accounting system; 2.) expenditures were permissible and incurred for law enforcement purposes pursuant to the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies (*Guide*); and 3.) formal procedures to track equitably shared funds and tangible property have been developed as required by the *Guide*.

Executive Summary:

Based on the results of the review, we determined that the revenues and expenditures reported on the Equitable Sharing Agreement and Certification for the Justice Fund and Treasury Fund agreed to those recorded in *Alio* and expenditures from the Justice and Treasury Funds were for permissible expenses incurred for law enforcement purposes. However, formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide.*

Background:

The Equitable Sharing Program is a Department of Justice and a Department of Treasury program designed to enhance cooperation among federal, state, and local law enforcement agencies through the sharing of proceeds resulting from Federal forfeitures. In order to become eligible, state or local law enforcement agencies must submit the Equitable Sharing Agreement and Certification through the eShare portal. The submission of the Equitable Sharing Agreement and Certification is a prerequisite to the approval of any equitable sharing request. Noncompliance may result in the denial of the agency's sharing request.

Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies

The Equitable Sharing Agreement and Certification binds its signatories to the statutes and guidelines that regulate the equitable sharing program and certifies that the agency (Sheriff's Office) will comply with said guidelines and statutes. The Equitable Sharing Agreement and Certification stipulates that shared assets shall be used for law enforcement purposes as set forth in the *Guide.* The Equitable Sharing Agreement and Certification also stipulates that the Sheriff's Office must agree to account separately for Federal equitable sharing funds

received from the Department of Justice and the Department of Treasury. Funds from state and local forfeitures and other sources must not be commingled with Federal equitable sharing funds. Actual signatures of approval are not required to be submitted along with the Equitable Sharing Report; however, the agency must obtain approval from the governing body. The fully executed Equitable Sharing Agreement must be maintained by the agency.

Equitable sharing funds may be used for any permissible agency expenditure and may be used by both sworn and non-sworn law enforcement personnel, with certain exceptions. The following are examples of permissible uses of equitable sharing funds: a) law enforcement operations and investigations; b) law enforcement training and education; c) law enforcement, public safety, and detention facilities; d) law enforcement equipment; e) joint law enforcement/public safety operations; f) contracts for services; g) law enforcement travel and per diem; h) law enforcement awards and memorials; i) drug, gang, and other prevention or awareness programs; j) matching grants; and k) support of community-based organizations. This community-based organization provision does not apply to the of Department of Treasury equitable sharing funds; therefore, agencies may not use Department of Treasury Funds to support community-based organizations.

Equitable sharing funds may not be used to pay the salaries and benefits of sworn or non-sworn law enforcement personnel. However, equitable sharing funds may be used to pay salaries and benefits of current law enforcement officers and personnel in the following limited situations: 1) matching federal grants; 2) overtime; 3) federal task force replacement salary; and 4) specialized programs.

Participating law enforcement agencies must implement accounting procedures and internal controls that are consistent with the *Guide* to track equitably shared funds and tangible property. At any time, the Department of Justice and the Department of Treasury may request documents related to equitable sharing.

Scope and Methodology:
The scope was limited to a review of the revenues and expenditures reported on the Sheriff's Equitable Sharing Agreement and Certification for the year ended December 31, 2021. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this letter may not be all-inclusive of areas where improvement could be made.

More specifically, the following procedures were performed:

1. Generated revenue and expenditure reports from *Alio* for the Sheriff's Justice and Treasury funds and compared the reports to the Equitable Sharing Agreement and Certification to determine whether the revenues and expenditures reported agreed to those recorded in *Alio*.
2. Reviewed all expenditures from the Sheriff's Justice and Treasury funds to determine if the expenditures were incurred for law enforcement purposes pursuant to the *Guide*.
3. Requested written policies and procedures governing the Sheriff's Justice and Treasury funds.

Conclusion:
Based on the results of the review, we determined that the revenues and expenditures reported on the Equitable Sharing Agreement and Certification for the Justice Fund and Treasury Fund agreed to those recorded in *Alio* and expenditures from the Justice and Treasury Funds were for permissible expenses incurred for law enforcement purposes. However, formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide.*

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

Observation No. 1:
Formal procedures to track equitably shared funds and tangible property have not been developed as required by the *Guide*.

Pursuant to the *Guide*, Section VI, participating law enforcement agencies must implement accounting procedures consistent with the *Guide* to track equitably shared funds and tangible property.

At any time, the Department of Justice and the Department of Treasury may request documents related to equitable sharing; therefore, failure to ensure that the Sheriff's Office develops and implements accounting procedures consistent with the *Guide* to track equitably shared funds and tangible property may result in the inability to participate in the equitable sharing program.

Recommendation:
Management should develop and implement formal procedures to track equitably shared funds and tangible property. At a minimum, procedures developed should be consistent with the *Guide* (see pg.21, Section VI).

Please provide a management response to the observation above by August 26, 2022.

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

Respectfully,

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Vidal Roman, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY	FERNANDO MANCIAS	J. R. "BOBBY" FLORES	ROSE GUERRA REYNA	MARLA CUELLAR	MARIO E. RAMIREZ, JR.	NOE GONZALEZ	LETICIA LOPEZ	L. KENO VASQUEZ	ISRAEL RAMON, JR.	RENEE R. BETANCOURT	JOSE "JOE" RAMIREZ
JUDGE, 92ND D.C.	JUDGE, 93RD D.C.	JUDGE, 139TH D.C.	JUDGE, 206TH D.C.	JUDGE, 275TH D.C.	JUDGE, 332ND D.C.	JUDGE, 370TH D.C. OVERSEER	JUDGE, 389TH D.C.	JUDGE, 398TH D.C.	JUDGE, 430TH D.C.	JUDGE, 449TH D.C.	JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

August 22, 2022

The Honorable Ricardo Rodriguez, Jr., Criminal District Attorney
Hidalgo County Criminal District Attorney's Office
100 E. Cano, 2nd Floor
Edinburg, TX 78539

Ref: District Attorney's Office 2021 Equitable Sharing Agreement and Certification
Audit No. 2022-11

Dear Mr. Rodriguez:

We conducted a limited scope review of the District Attorney's Office Equitable Sharing Agreement and Certification for the year ended December 31, 2021. The objectives of the review were to determine if: 1.) revenues and expenditures reported on the Equitable Sharing Agreement and Certification agreed to those recorded in *Alio,* the County's financial accounting system; and 2.) expenditures were permissible and incurred for law enforcement purposes pursuant to the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies (*Guide*).

Executive Summary:
Based on the results of the review, we determined that all revenues and expenditures reported on the Equitable Sharing Agreement and Certification for the Justice and Treasury Fund agreed to those recorded in *Alio*. In addition, all expenditures from the Justice Fund and Treasury Fund were for permissible expenses incurred for law enforcement purposes.

Background:
The Equitable Sharing Program is a Department of Justice and a Department of Treasury program designed to enhance cooperation among federal, state, and local law enforcement agencies through the sharing of proceeds resulting from Federal forfeitures. In order to become eligible, state or local law enforcement agencies must submit the Equitable Sharing Agreement and Certification through the eShare portal. The submission of the Equitable Sharing Agreement and Certification is a prerequisite to the approval of any equitable sharing request. Noncompliance may result in the denial of the agency's sharing request.

Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies
The Equitable Sharing Agreement and Certification binds its signatories to the statutes and guidelines that regulate the equitable sharing program and certifies that the agency (District Attorney's Office) will comply with said guidelines and statutes. The Equitable Sharing Agreement and Certification stipulates that shared assets shall be used for law enforcement purposes as set forth in the *Guide.* The Equitable Sharing Agreement and Certification also stipulates that the District Attorney's Office must agree to account separately for Federal equitable sharing funds received from the Department of Justice and the Department of Treasury. Funds from state and local forfeitures and other sources must not be commingled with Federal equitable sharing funds. Actual signatures of approval are not required to be submitted along with the Equitable Sharing Report; however, the agencies must obtain approval from the governing body. The fully executed Equitable Sharing Agreement must be maintained by the agency.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

Equitable sharing funds may be used for any permissible agency expenditure and may be used by both sworn and non-sworn law enforcement personnel, with certain exceptions. The following are examples of permissible uses of equitable sharing funds: a) law enforcement operations and investigations; b) law enforcement training and education; c) law enforcement, public safety, and detention facilities; d) law enforcement equipment; e) joint law enforcement/public safety operations; f) contracts for services; g) law enforcement travel and per diem; h) law enforcement awards and memorials; i) drug, gang, and other prevention or awareness programs; j) matching grants; and k) support of community-based organizations. The use of Department of Treasury funds to support community-based organizations is prohibited.

Equitable sharing funds may not be used to pay the salaries and benefits of sworn or non-sworn law enforcement personnel. However, equitable sharing funds may be used to pay salaries and benefits of current law enforcement officers and personnel in the following limited situations: 1) matching federal grants; 2) overtime; 3) federal task force replacement salary; and 4) specialized programs.

Pursuant to the *Guide*, Section V.B.2 (i), "shared funds may not be used to purchase equipment or other impermissible items for other law enforcement agencies."

Participating law enforcement agencies must implement accounting procedures and internal controls that are consistent with the guidelines to track equitably shared funds and tangible property. At any time, the Department of Justice and the Department of Treasury may request documents related to equitable sharing. The District Attorney's Office has developed formal monitoring procedures to fulfill the requirement as set forth by the *Guide*.

District Attorney's Office Policy for Approved Use of Forfeited Funds

The District Attorney's Office is responsible for the administration and expenditure of forfeited funds, will ensure that forfeited funds are used only for authorized purposes, and comply with policy and any applicable state and federal legal requirements for the approved use of forfeited funds. Forfeited funds may be used only for approved statutory purposes and as budgeted and approved by the Hidalgo County Commissioner's Court.

Any forfeited funds received by the District Attorney's Office through the Equitable Sharing of Federally Forfeited Property shall be administered in accordance with applicable state and federal law and U.S. Department of Justice or U.S. Department of Treasury guidelines as appropriate.

Unless otherwise required by law or by order of a court, all forfeited money, financial instruments including but not limited to securities, negotiable instruments, stocks, or bonds, or things of value or funds from the sale of those items, shall be deposited to the appropriate Hidalgo County Special Revenue Account designated for such purposes, and thereafter expended only for law enforcement purposes in accordance with state law and any applicable federal guidelines. Forfeited funds must be administered in accordance with accepted accounting practices and in accordance with the provisions of any local agreement regarding the sharing and use of forfeited funds entered into between the attorney representing the state and law enforcement agencies. Failure to properly account for, administer, or expend forfeited funds could result in disciplinary action, up to and including termination, and could result in civil or criminal penalties.

All requests for the expenditure of forfeited funds must be documented and approved by the Hidalgo County Commissioners' Court. All requests must document a detailed list of categories for expenditure; include backup information for expenditure, if required; be reviewed to ensure the proposed use of funds complies with applicable state and federal requirements regarding the use of forfeited funds; and be reviewed to ensure that the use of forfeited funds supports the District Attorney's Office strategic plan.

Scope and Methodology:

The scope was limited to a review of the revenues and expenditures reported on the District Attorney's Office Equitable Sharing Agreement and Certification for the year ended December 31, 2021. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the

opportunities for improvement presented in this letter may not be all-inclusive of areas where improvement could be made.

More specifically, the following procedures were performed:

1. Generated revenue and expenditure reports from *Alio* for the District Attorney's Office Justice and Treasury Funds and compared the reports to the Equitable Sharing Agreement and Certification to determine whether the revenues and expenditures reported agreed to those recorded in *Alio*.
2. Reviewed all expenditures from the District Attorney's Office Justice and Treasury Funds to determine if the expenditures were incurred for law enforcement purposes pursuant to the *Guide*.

Conclusion:
Based on the results of the review, we determined that all revenues and expenditures reported on the Equitable Sharing Agreement and Certification for the Justice and Treasury Fund agreed to those recorded in *Alio*. In addition, all expenditures from the Justice Fund and Treasury Fund were for permissible expenses incurred for law enforcement purposes.

If you have any questions, please contact Enrique Leal, Internal Auditor I, at 318-2511 ext. 4641, Reynaldo Cantu III, Compliance Audit Supervisor, ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Vidal Roman, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

September 8, 2022

The Honorable Ricardo Rodriguez, Jr., Criminal District Attorney
Hidalgo County District Attorney's Office
100 N. Closner
Edinburg, TX 78539

Re: Chapter 59 Asset Forfeiture Report YE 12-31-21 Audit No. 2022-04

Dear Mr. Rodriguez:

We completed an audit of HIDTA's Chapter 59 Asset Forfeiture Report by Law Enforcement Agency for the Year Ended December 31, 2021 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.

Executive Summary:
Based on the results of the audit, we determined that generally Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported; however, improvements could be made to the system of internal controls for the accounting of Chapter 59 seizures. We noted during our review that a seized Samsung TV was stolen.

Background:
Code of Criminal Procedure (CCP) Chapter 59 "Forfeiture of Contraband" provides law enforcement agencies with the authority to confiscate, forfeit, and dispose of contraband. 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 gained, acquired, and/or used to facilitate the commission of certain enumerated felonies and misdemeanors.

Local Government Code (LGC) §115.0035 (b) provides that "at least once each county fiscal year, or more often if the county auditor desires, the auditor shall, without advance notice, fully examine the accounts of all precinct, county and district officials." LGC §115.0035 (a) defines "accounts" as all public funds that are subject to the control of any precinct, county or district official, including the accounts of law enforcement agencies and the attorney for the state composed of money and proceeds of property seized.

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."

Pursuant to CCP §59.04 (a) and (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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

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).

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. In addition, CCP § 59.06 (c) states, if a local agreement exists between the District Attorney and the LEA, 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.

CCP §59.06 (d) states that awarded proceeds may be spent by a law enforcement agency after a detailed budget has been submitted to Commissioners Court. HIDTA's Chapter 59 budget for the year ended December 31, 2021 was $463,500.00 and expenditures totaled $446,944.26 (i.e., salaries, equipment, training, facility costs, cooperating agencies, and transferred funds to County LEAs).

Pursuant to CCP §59.06 (d-3), an expenditure of proceeds received under this chapter is considered to be for a law enforcement purpose if the expenditure is made for an activity of a law enforcement agency that relates to the criminal and civil enforcement of the laws of the State, including an expenditure made for: (1) equipment, including vehicles, computers, firearms, protective body armor, furniture, software, uniforms, and maintenance equipment; (2) supplies, including office supplies, mobile phone and data account fees for employees, and internet services; (3) investigative and training-related travel expenses, including payment for hotel rooms, airfare, meals, rental of and fuel for a motor vehicle, and parking; (4) conferences and training expenses, including fees and materials; (5) investigative costs, including payments to informants and lab expenses; (6) crime prevention and treatment programs; (7) facility costs, including building purchases, lease payments, remodeling and renovating, maintenance, and utilities; (8) witness-related costs, including travel and security; and (9) audit costs and fees, including audit preparation and professional fees.

Pursuant to CCP §59.06 (t)(1), contraband for which forfeiture is authorized with respect to an offense under Section 20.05, 20.06, 20.07, 43.04, or 43.05 or Chapter 20A of the Penal Code should be used to provide direct victim services or to cover the costs of a contract with a local nonprofit organization to provide direct services to crime victims.

For the year ended December 31, 2021, HIDTA seized cash totaling $94,889.00; 3 motor vehicles; and other property consisting of jewelry (5). In addition, cash totaling $63,358.99; 5 motor vehicles; and 302 other property consisting of: jewelry (4), golf cart (1), electronics (23), equipment (258), supplies (15), and ATV (1) were forfeited (awarded) to HIDTA. Furthermore, 1 firearm and 400 other property consisting of: jewelry (5), electronics (19), equipment (355), supplies (18), trailer (1), Jet Ski (1), and ATV (1) were returned to the respondents during the year ended December 31, 2021.

Local Agreement between District Attorney's Office and HIDTA

On June 2, 2022, the Hidalgo County District Attorney and HIDTA entered into a local agreement pursuant to CCP §59.06 (b). According to the local agreement, HIDTA is responsible for paying all court costs, attorney ad-litem fees, depositions, title searches, title policies, confidential informants, storage costs, and all other related costs in the forfeiture of vehicles and all other personal property.

Real Estate - Upon the sale of real estate, all costs are to be paid from the final sum received with the remaining amount to be paid 100% to HIDTA.

Personal Property (Vehicles, jewelry, phones, etc.) - All property is to be forfeited to HIDTA. If property is sold, proceeds from the sale of property are to be disbursed 100% to HIDTA, except for passenger vehicles (i.e., pick-up trucks, sport utility vehicles, vans, tractor trailers, etc.) that are to be used for law enforcement purposes. HIDTA is responsible for the use and upkeep of the vehicles and obtaining a certificate of title. All other seized vehicles, except those mentioned above and not used for law enforcement purposes are to be sold and proceeds disposed of in accordance with Chapter 59 of the Texas Code of Criminal Procedure.

All property seized, except for currency, bank accounts and negotiable instruments, shall be kept in the possession of HIDTA. HIDTA will account for all seized property in their possession until the property is disposed of by court order. Currency, bank accounts, and negotiable instruments shall be held and maintained by the District Attorney until a final disposition is ordered. All other personal property not suitable or desired for use shall be forfeited to the District Attorney and shall be sold at public auction. The proceeds after deduction of sale expenses shall be paid 100% to HIDTA. Proceeds from the sale of real, personal, tangible or intangible property shall be apportioned within thirty (30) days of sale.

Currency - Currency, bank accounts, and negotiable instruments are to be distributed 100% to HIDTA, after all costs have been paid.

Proceeds or property which has been awarded to the State via court order, and thereafter disbursed and divided in accordance with the agreement, may be transferred from the LEA to the State attorney upon requests, for the purposes of the State utilizing proceeds.

HIDTA's Procedures

Seized currency under $5,000.00 is counted by a HIDTA agent in the presence of a witness and the respondent(s). Funds are placed in a sealed evidence bag and immediately transported to the bank by at least two agents, if it's within the bank's normal business hours; otherwise, the funds are transported to the HIDTA Office. The following non-pre-numbered forms are prepared to document the seized cash:

- "Itemization of Money Seizure" form includes the following information: date of seizure; case file number; agent's name; the US currency, foreign currency, and checks by denomination, quantity, and total; and the signatures of the case agent and seizure custodian.
- "Hidalgo County HIDTA Task Force Receipt for Cash or Other Items" form includes the following information: the date, time, case number, description of items and signature of the seizing agent, witness, and respondent. A copy of the completed form is provided to the respondent.

If the funds cannot be counted in the presence of the respondent, the funds are placed in a sealed evidence bag and transported to HIDTA by at least two agents where it is placed in a safe pending transfer to the bank. In cases where currency is seized in an amount of $25,000.00 or more, sealed evidence bags are taken and signed into the bank vault. For these seizures, the bank requires that HIDTA schedule an appointment with the Bank Cash Vault Services Manager. The bank employees along with at least 2 HIDTA employees unseal the evidence bags and count the currency. The count is recorded on an "Itemization of Money Seizure" form. Once the currency is counted, pursuant to CCP §59.08, the agent places the seized currency in a certificate of deposit at the county depository, Lone Star National Bank, under the name of the District Attorney's Office pending final disposition. If currency cannot be immediately deposited, the currency is safeguarded in a safe at the HIDTA Office. Seized currency is placed in a certificate of deposit within 72 hours.

Personal property is safeguarded by HIDTA until a final judgment is rendered by the court. Vehicles are maintained at Hidalgo County Sheriff's Office or other County approved location; however, most personal property (i.e., jewelry, cell phones, guns, etc.) is maintained at HIDTA's evidence room. Personal property of high value is placed in a safe. The Commander and Assistant Commander have access to the evidence room and the safe. The evidence room is under lock and key; an alarm must be deactivated to access the evidence room; and the evidence room has 24-hour surveillance cameras inside and outside the room. If an item needs to be removed from the evidence room, the item is requested from one of the three employees with access to the evidence room. Property maintained in the evidence room is clearly labeled with the case number. Once the items are awarded to HIDTA, the high value small items are declared surplus and auctioned by the

assigned auctioneer. For cell phones, guns and other items, HIDTA requests that an "Order of Disposition of Gambling Paraphernalia, Prohibited Weapon, Criminal Instrument, Other Contraband, Seized Weapon, or Stolen Property" be approved and signed by the presiding District Court Judge, granting HIDTA authorization for destruction. A copy of the destruction order and photos of destroyed items are maintained in the case file.

When property is seized under CCP Chapter 59, the agent is required to complete a case file consisting of the following: intake sheet; DA's supplement report; booking sheet; DA's intake sheet; case initiation; commitment; complaint; warrants; seizure report; drug to dollar amount conversion table; evidence submission; DPS lab submission; Miranda warnings; voluntary statement of the accused; arrest report/personal history; criminal case management report (i.,e, *Odyssey*); defendant's criminal history; affidavit of seizing officer; asset forfeiture intake sheet; picture of the seized property; vehicle registration information and/or copy of certificate of deposit, if applicable; reports from other law enforcement agencies, etc. The agent inputs the entry of incident, arrest, and related data information into the Cardinal Tracking Badge System under a pre-assigned task force case number.

If a vehicle is forfeited to HIDTA, HIDTA's Commander determines whether the vehicle should be retained for use or auctioned. If the vehicle is retained for use, HIDTA submits the Application for Registration and Certificate of title issued under Alias for Use of Law Enforcement Vehicle (Form 62-G), Application for Texas Title and/or Registration (Form 130-U), and a Certificate of Origin for a Vehicle (certified copy of final judgment) to the Texas Department of Transportation. All HIDTA vehicles are under "Alias" and the certificate of title is not released until a formal letter is submitted to the Texas Department of Transportation requesting the deletion of said vehicle from alias registration. HIDTA requests an asset tag from the Hidalgo County Purchasing Department and insurance from Hidalgo County Safety Division. The Purchasing Department's Fixed Asset Division requires proof of insurance from the Hidalgo County Safety Division and a copy of the judgment in order to issue an asset tag for vehicles forfeited to HIDTA.

If a vehicle is not retained for use or if a vehicle previously retained for use is no longer needed, it is entered into the Asset to Surplus System by HIDTA Division Manager and the vehicle is declared surplus. Until the auction is conducted, the vehicle is safeguarded at a County approved location. In addition, a certificate of title is not obtained for vehicles not retained for use.

The Purchasing Department is responsible for conducting the sale of assets. The Purchasing Department receives the proceeds from the sale of assets from the assigned auctioneer at time of sale and prepares a "Purchasing Department/Fixed Asset Division Auction Report" that details the manner in which the auction proceeds will be distributed. The proceeds are then deposited with the Hidalgo County Treasurer.

HIDTA maintains the BADGE and the Performance Management Process (PMP). BADGE is a police records management system, used by HIDTA to document when assets are placed and removed from the evidence room. BADGE is used to document the chain of custody for items seized and maintained as evidence. The Performance Management Process (PMP) system is utilized to identify and track information about HIDTA-funded training, information and intelligence sharing, drug and asset seizures, and case support. The PMP database and BADGE work hand in hand in cooperation and synchronize the activity of the other. The Criminal Research Specialist inputs information obtained from the Badge System into the PMP database. The PMP database is reviewed monthly and randomly audited by HIDTA's Regional Office for accuracy. The Criminal Research Specialist provides monthly PMP reports and Badge System reports to HIDTA's Division Manager, who creates a schedule of seized items based on said reports/information. In addition, on a monthly basis, HIDTA's Division Manager, receives a copy of the HIDTA HB65 bank statement and balance sheet from the District Attorney's Budget Manager. Once a case has been disposed, the District Attorney's Legal Assistant from the Asset Forfeiture and Expunction Section provides a copy of the judgment to HIDTA's Division Manager, who is responsible for the preparation of the Chapter 59 Asset Forfeiture Report.

Agreement for Auctioneer Services

On July 26, 2019, the Hidalgo County Commissioners Court entered into a contract with AMT Auction Marketing for the provision of auctioneer services. The contract was effective from July 30, 2019 to July 29, 2020, with the option to extend for two (2) one (1) year terms. On June 23, 2020, the Hidalgo County

Commissioners Court approved their option to exercise the (1st) of two (1) year extension/renewal terms. The contract was extended until July 29, 2021. On July 13, 2021, the Hidalgo County Commissioners Court approved their option to exercise the (2nd) of two (1) year extension/renewal terms. The contract was extended until July 29, 2022.

Scope and Methodology:

The scope of the audit was limited to a review of all seized currency and personal property for which an agent's affidavit was made available to the County Auditor's Office for review and all forfeited currency and personal property for which a final judgment was rendered and recorded in *Odyssey*, the County's justice information system, for the period of January 1, 2021 through December 31, 2021.

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 improvements could be made.

In conducting the review, the following procedures were performed:

1. Compared Chapter 59 revenue and expenditure reports generated from *Alio,* the County's financial accounting system, and the "Purchasing Department/Fixed Asset Division Auction Report" to the Chapter 59 Asset Forfeiture Report to determine if all revenues and expenditures were reported.
2. Generated "Cases filed" and "Cases disposed" index reports for the period of January 1, 2021 to December 31, 2021 from *Odyssey* to determine if all seized, forfeited, and property returned to respondents was reported on the Chapter 59 Asset Forfeiture Report.
3. Reviewed expenditures from HIDTA's Chapter 59 Forfeiture Fund to determine if expenditures were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. Reviewed the affidavit prepared by the seizing officer and the certificate of deposit receipt to determine if a certificate of deposit was opened within 72 hours of seizure for the amount seized and if a petition was filed within 30 days after the date of seizure.
5. Verified on *Odyssey* if court costs were paid to the District Clerk for forfeitures to the state of an amount greater than $2,500.00.
6. Reviewed the petitions and judgements for property related to an offense under Section 20.05, 20.06, 20.07, 43.04, or 43.05 or Chapter 20A of the Penal Code to determine if the forfeited property was properly accounted for.
7. Selected 4 seizures (2 vehicles, Rigid Wet Shop Vac, and a 55 inch Samsung TV) that were seized and/or forfeited and not sold for physical identification.

Conclusion:

Based on the results of the audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported; however, improvements could be made to the system of internal controls for the accounting of Chapter 59 seizures as noted on finding 7 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.

1. All Chapter 59 revenues and expenditures recorded in *Alio* and the "Purchasing Department/Fixed Asset Division Auction Report" were reported on the Chapter 59 Asset Forfeiture Report.
2. A review of the "Cases filed" and "Cases disposed" index reports generated from Odyssey for the period of review revealed that HIDTA had seized cash totaling $94,889.00; 3 motor vehicles; and other property consisting of jewelry (5). In addition, cash totaling $63,358.99; 5 motor vehicles; and 302 other property consisting of: jewelry (4), golf cart (1), electronics (23), equipment (258), supplies (15), and ATV (1) were forfeited (awarded) to HIDTA. Furthermore, 1 firearm and 400 other property consisting of: jewelry (5), electronics (19), equipment (355), supplies (18), trailer (1), Jet Ski (1), and ATV (1) were returned to the respondents during the year ended December 31, 2021. All items were properly reported on the Chapter 59 Asset Forfeiture Report.

3. All expenditures from the HIDTA Chapter 59 Forfeiture Fund were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. All certificates of deposit were opened for the amount seized within 72 hours of seizure. In addition, all petitions were filed with the District Clerk's Office on or before the 30th day after the date of seizure as required by CCP §59.04(a) and (b).
5. Court costs were assessed on 6 cases. Of the 6 cases:
   - 5 cases resulted in forfeitures in amounts of $2,500.00 or greater.
     - Court costs were paid to the District Clerk for 3 cases.
     - Court costs were not paid by the state to the District Clerk for 2 cases; however, court costs were due/paid by defendant.
   - 1 case did not generate forfeitures in amounts greater than $2,500.00; however, court costs were due/paid by the defendant.
6. All 2 cases (2 petitions filed) for property related to an offense under section 20.05, 20.06, 20.07, 43.04, or 43.05 or Chapter 20A of the Penal Code were properly accounted for.
7. 2 of 4 seizures selected were physically identified.
   - 2 vehicles were physically located
   - 1 Rigid Wet Shop Vac and 1 55 inch Samsung TV were not located.
     - The Rigid Wet Shop Vac was physically returned to respondent on August 19, 2021; however, the Agreed Final Judgment signed on May 7, 2021 did not include the item due to a clerical error. A Nunc Pro Tunc judgement to correct the error was signed on June 21, 2022.
     - According to HIDTA staff, the 55 inch Samsung TV was stolen from the place of storage. The item was stored at a seized property. A police report was filed on April 19, 2022. In addition, we noted that the Agreed Final Judgment signed on May 7, 2021 did not include the TV as awarded to HIDTA due to a clerical error. A Nunc Pro Tunc Judgment to correct the error was signed on June 21, 2022.

Recommendation:

In our opinion, the issue noted in finding 7 could be addressed by developing and implementing formal monitoring procedures to account for seized items. At a minimum, we recommend that all seizures are properly secured in a location with surveillance. In addition, we recommend that the final orders are reviewed against the petition to ensure all items are accounted for prior to requesting the judge's signature.

Please provide a written management response to finding 7 on the attached Management Response Form by Friday, September 23, 2022. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions or would like to schedule a meeting to discuss the above noted recommendations, please call Enrique Leal, Internal Auditor I, at 318-2511 ext. 4641, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Hidalgo County Interim Auditor

Enclosure: Management Response Form

cc: Mr. Valde Guerra, County Executive Officer
Mr. Kent Richardson, Assistant Attorney General
Mr. Vidal Roman, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator
Mr. Juan Sifuentes, HIDTA Commander

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

December 14, 2022

The Honorable Lita Leo
Hidalgo County Treasurer
2810 South Business Highway 281
Edinburg, TX 78539-6243

Re: Cash Count Report No. 2022-62 and 2022-63

Dear Ms. Leo:

We conducted a surprise cash count of the cash held at the County Treasurer's Office on June 29, 2022 and September 28, 2022 pursuant to Local Government Code §115.003 and §115.0035. The objective of the cash counts was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash counts and the approved change fund.

Executive Summary:
Based on the cash counts, we concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash counts and the approved change fund of $50.00. In addition, we noted that the observation identified in the cash count on March 30, 2022 has not been resolved.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up to evaluate the progress toward resolving the observation identified in the cash count conducted on March 30, 2022. 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.

Conclusion:
Cash on hand at the time of the cash counts totaled $2,505,998.06 on June 29, 2022 and $144,183.50 on September 28, 2022. Based on the cash counts, we concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash counts and the approved change fund of $50.00. In addition, we noted that the observation identified in the cash count on March 30, 2022 has not been resolved.

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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

Observation No. 1:
We noted that cashiers have access to modify receipts (i.e., receipt amount, payer name, payment description, and general ledger account number) that have been printed and issued to the payor, but have not been posted to *Alio*. According to staff, as a compensating control, all cashiers must obtain approval from the Chief Deputy before making any modifications to receipts. An update to resolve the issue was installed by LINQ *(Alio)* on October 8, 2020. According to the Chief Deputy, he is waiting for the approval of the County Treasurer to proceed with the implementation of the new process.

Access controls provide management with reasonable assurance that data files and application programs are protected against unauthorized modification, disclosure, loss, or impairment. Access controls require users to authenticate themselves (through the use of unique user IDs and passwords) and limit the files and other resources that they can access and the actions that they can execute. For access controls to be effective, management must analyze the responsibilities of individual users and determine the type of access needed for the users to effectively fulfill their responsibilities. Access granted must be restricted to those authorized functions alone. Access authorizations and related controls should be monitored, maintained, and adjusted on an ongoing basis to accommodate for changes in a user's responsibilities (i.e., new hire, promotions, termination, and/or transfer of employees).

Failure to ensure that access to modify receipts is not available to staff may result in the loss or misuse of County funds.

Recommendation:
Management should implement the update installed by LINQ (*Alio*) that removes the employee's ability to modify receipts.

Please provide a written management response to the observation noted above on the attached Management Response Form by December 29, 2022. The Management Response Form should be emailed to managmentresponse@auditor.co.hidalgo.tx.us.

If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Karen Ramirez, Internal Auditor II, at (956) 318-2511, ext. 4606, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Mr. Valde Guerra, County Executive Officer
Mr. Alfredo Zamarripa, Chief Deputy, Hidalgo County Treasurer's Office

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Lita Leo**	**AUDIT NO.:**	**2022-62 & 2022-63**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**December 29, 2022**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

Management should implement the update installed by LINQ (Alio) that removes the employee's ability to modify receipts.

Management Response (Choose One):

AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)

AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION

DISAGREE THAT RISK EXISTS (Specify below)

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

December 16, 2022

The Honorable Atanacio Gaitan Jr., Constable
Hidalgo County Precinct No. 4
2814 S. Business Highway 281
Edinburg, TX 78539

Re: Cash Count Report No. 2022-61

Dear Constable Gaitan:

We conducted a surprise cash count of the cash held at your office on May 31, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Executive Summary:
There were no collections at the time of the cash count; however, we noted that the system of internal controls for the collection and safeguarding of cash require improvement. More specifically, we noted the following:

- The Administrative Assistant performed incompatible duties (custody and recording);
- Security cameras were not utilized in areas where cash is safeguarded; and
- A computer-generated receipt was not posted by the notice for the public's view.

Scope:
The scope of our review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up of the observations identified in the cash count conducted on July 25, 2019. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

Conclusion:
There were no collections at time of cash count. However, we noted that the system of internal controls for the collection and safeguarding of cash require improvement as noted in the following observations.

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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

Observation No. 1:
We noted that segregation of duties over the handling of collections requires improvement. The Administrative Assistant performs the following incompatible duties:

Custody:	Receives money, issues receipts, opens and lists mail receipts, balances copies of receipts against the cash drawer, maintains a cash drawer, prepares deposits, and has access to the inventory of unused receipts
Recording:	Prepares reports of cash received

According to staff, management does not agree that duties need to be segregated since they haven't experienced any issues.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties prevents one individual from performing a transaction from beginning to end. In addition, it provides an individual with the opportunity to catch an error before a transaction is fully executed. Duties that should be segregated include: custody of assets, recording transactions, and authorization. The individual responsible for receiving money, issuing receipts, opening and listing mail receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, preparing deposits, and having access to the inventory of unused receipts should be different from the individual responsible for preparing reports of cash received.

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

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

Recommendation:
Management should ensure that incompatible duties such as those noted above are adequately segregated. Management should not wait until an issue arises to segregate duties. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented (ex. rotate duties).

Observation No. 2:
We noted that security cameras were not utilized in the area where cash is safeguarded. According to staff, cameras are not utilized since the cash is safeguarded in the Administrative Assistant's Office.

The County Auditor's Office recommends that security cameras be installed in areas where cash collections and receipts are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

The use of security cameras acts as a crime deterrent. Failure to properly utilize security cameras where cash is received and safeguarded increases the risk of loss or misuse of County funds.

Recommendation:
Management should install cameras in areas where cash is received and safeguarded.

Observation No. 3:
We noticed that a copy of the official computer-generated County receipt was not posted next to the notice that states, "Make sure you receive an official County receipt when making payments at this office."

The County Auditor's Office requires departments to post a notice stating "Make sure you receive an Official County receipt when making payments at this office" in a conspicuous location for the public's view. A sample of each official County receipt issued by the department should be posted by the notice in order to indicate to the payee what he/she should expect to receive.

Failure to post the required notice with each official County receipt increases the risk of loss or misuse of County funds.

Recommendation:
Management should ensure the required notice posted in a place visible to the public includes both the computer-generated and manual official County receipt.

Please provide written management response to the observations noted above on the attached Management Response Forms by January 3, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Forms

cc: Mr. Valde Guerra, County Executive Officer
Mr. Horaldo Sanchez, Chief Deputy Constable, Constable Precinct No. 4

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Atanacio Gaitan Jr., Constable**	**AUDIT NO.:**	**2022-61**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**January 3, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

Management should ensure that incompatible duties such as those noted under observation no. 1 are adequately segregated. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented (ex. rotate duties).

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Atanacio Gaitan Jr., Constable**	**AUDIT NO.:**	**2022-61**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**January 3, 2023**
FINDING No.:	**2**	**RECOMMENDATION:**	**2**

Management should install cameras in areas where cash is received and safeguarded.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Atanacio Gaitan Jr., Constable**	**AUDIT NO.:**	**2022-61**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**January 3, 2023**
FINDING No.:	**3**	**RECOMMENDATION:**	**3**

Management should ensure the required notice posted in a place visible to the public, includes both the computer-generated and manual official County receipt.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

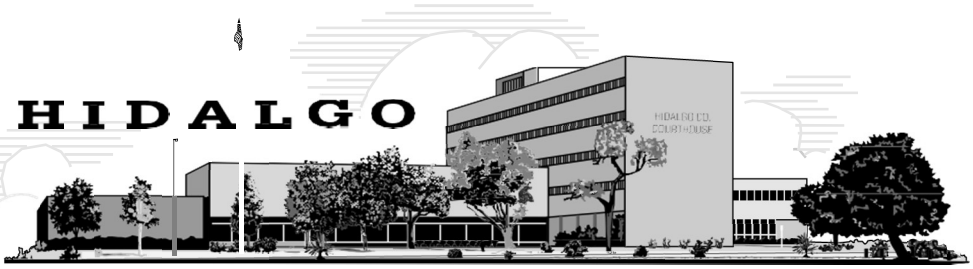
Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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



EDINBURG, TEXAS 78539

December 16, 2022

Mr. T.J. Arredondo, Director
Hidalgo County Planning Department
2818 S. Business Hwy 281
Edinburg, Texas 78539

Re: Cash Count Report No. 2022-65

Dear Mr. Arredondo:

We conducted a surprise cash count of the cash held at the Planning Department's Edinburg Office on June 23, 2022 as required by Local Government Code §115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Executive Summary:

Based on the cash count, we concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change of $300.00; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- Passwords to gain access to *Hidalgo Permits*, the County's planning software system, are not changed at least every 90 days; and
- Security cameras were not utilized in areas where cash is safe guarded.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

Conclusion:
Cash on hand at the time of the cash count was $935.00. Based on the cash count, we concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of $300.00; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation 1:
According to staff, passwords to gain access to *Hidalgo Permits*, the County's planning software system, are not changed at least every 90 days. According to staff, the *Hidalgo Permits* system has not been programmed to prompt users to change passwords at least every 90 days.

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

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

Recommendation:
Management should request that the *Hidalgo Permits* system be programmed to prompt users to change passwords at least every 90 days.

Observation No. 2:
We noted that security cameras were not utilized in the area where cash is safeguarded.

The County Auditor's Office recommends that security cameras be installed in areas where cash collections and receipts are received and safeguarded.

The use of security cameras acts as a crime deterrent. Failure to properly utilize security cameras where cash is received and safeguarded increases the risk of loss or misuse of County funds.

Recommendation:
Management should request that cameras be installed in areas where cash is received and safeguarded.

Please provide written management response to the observations noted above on the attached Management Response Forms by December 29, 2022. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count please contact Francisco Saenz, Internal Auditor I, at 318-2511 ext. 4667, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosures: Management Response Forms

cc: Mr. Valde Guerra, County Executive Officer
Mr. Jorge J. Garcia, Division Manager, Hidalgo County Planning Department

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Mr. T.J. Arredondo, Director, Planning Department**	**AUDIT NO.:**	**2022-65**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**December 29, 2022**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

Management should request that the *Hidalgo Permits* system be programmed to prompt users to change passwords at least every 90 days.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Mr. T.J. Arredondo, Director, Planning Department**	**AUDIT NO.:**	**2022-65**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**December 29, 2022**
FINDING No.:	**2**	**RECOMMENDATION:**	**2**

Management should request that cameras be installed in areas where cash is received and safeguarded.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

December 14, 2022

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

Re: Cash Count Report No. 2022-64

Dear Constable Avila:

We conducted a surprise cash count of the cash held at your office on June 7, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Executive Summary:
There were no collections at the time of the cash count; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- The Administrative Assistant II performed incompatible duties (custody and recording)
- The Daily Close-out Reports are not prepared daily if the person in charge is unavailable
- Employees responsible for handling cash are not properly trained to perform the *Cashier's Daily Close-Out procedures*

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review of the observation identified in the cash count conducted on November 5, 2019. 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 improvements could be made.

Conclusion:
At the time of the cash count, receipts had not been issued and collections had not been made. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

Observation No. 1:
We noted that segregation of duties over the handling of collections requires improvement. The Administrative Assistant II performs the following incompatible duties:

Custody:	Receives money, issues receipts, opens and lists mail receipts, balances copies of receipts against the cash drawer, maintains a cash drawer, prepares deposits, and has access to the inventory of unused receipts
Recording:	Accounts for numerical sequence of cash receipts, records receipts, maintains inventory log of unused cash receipts, prepares reports of cash received, and prepares the monthly report

According to staff, they are unable to segregate duties due to the small number of employees.

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

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

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

Recommendation:
Management should ensure that incompatible duties such as those noted above are adequately segregated. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented (ex. rotate duties).

Observation No. 2
We noted that the June 6, 2022 (prior day) *Cashier's Daily Close-Out Report* was not prepared. According to staff, the cashier normally responsible for preparing the *Cashier's Daily Close-Out* was on leave and training was not provided to the cashier on duty.

Pursuant to the Cash Handling Guidelines and Procedures, each day, cashiers must reconcile the cash drawer against receipts issued using the *Cashier's Daily Close-Out Report*. Everyone involved in the cash collection process must be trained properly in case the person in charge of preparing the *Cashier's Daily Close-Out Report* is not present.

Failure to ensure that the *Cashier's Daily Close-out Report* is prepared each day may increase the risk of loss or misuse of County revenues.

Recommendation:
Management should ensure that the *Cashier's Daily Close-Out Report* is prepared each day and everyone involved in the cash collection process is properly trained.

Please provide written management response to the observations noted above on the attached Management Response Forms by December 29, 2022. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Karen Ramirez, at 318-2511 ext. 4606, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosures: Management Response Forms

cc: Mr. Valde Guerra, County Executive Officer
Mr. Joe Espinosa, Chief Deputy Constable, Constable Precinct No. 1

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Celestino Avila, Constable**	**AUDIT NO.:**	**2022-64**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**December 29, 2022**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

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

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Celestino Avila, Constable**	**AUDIT NO.:**	**2022-64**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**December 29, 2022**
FINDING No.:	**2**	**RECOMMENDATION:**	**2**

Management should ensure that the *Cashier's Daily Close-Out Report* is prepared each day and everyone involved in the cash collection process is properly trained.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

December 15, 2022

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

Re: Chapter 59 Asset Forfeiture Audit Report for FYE 8-31-2022
Audit No. 2022-55

Dear Mr. Rodriguez:

We 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, 2022 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.

Executive Summary:
Based on the results of the audit, we determined that generally Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported; however, we noted the following:

- Not all CDs were opened by the Law Enforcement Agencies (LEAs) within 72 hours pursuant to CCP § 59.03 (c).
- Not all LEAs sent the District Attorney's portion of auction proceeds to Hidalgo County as required by the local agreements.

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, 2022, the District Attorney's Office had no Chapter 59 seizures. However, the District Attorney's Office was awarded (forfeited) funds totaling $673,014.63.

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. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH 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. Failure to file the petition within 30 days after the date of seizure may result in the case being dismissed.

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 75th 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, Peñitas, 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.

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.

Pursuant to CCP § 59.06 (d-3) an expenditure of proceeds or property received under this chapter is considered to be for a law enforcement purpose if the expenditure is made for an activity of a law enforcement agency that relates to the criminal and civil enforcement of the laws of this state, including an expenditure made for: (1) equipment, including vehicles, computers, firearms, protective body armor, furniture, software, uniforms, and maintenance equipment; (2) supplies, including office supplies, mobile phone and data account fees for employees, and Internet services; (3) investigative and training-related travel expenses, including payment for hotel rooms, airfare, meals, rental of and fuel for a motor vehicle, and parking; (4) conferences and training expenses, including fees and materials; (5) investigative costs, including payments to informants and lab expenses; (6) crime prevention and treatment programs; (7) facility costs, including building purchase, lease payments, remodeling and renovating, maintenance, and utilities; (8) witness-related costs, including travel and security; and (9) audit costs and fees, including audit preparation and professional fees.

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 30th day after the date of the seizure.

The District Attorney commences proceedings no later than the 30th 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, 2022.

The audit 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.

In conducting the audit, 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, 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, 2022 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, 2022 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. 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.
8. 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.
9. Reviewed schedules of filed cases generated from *Odyssey* to determine if petitions were filed by the District Attorney's Office no later than the 30th day after the date of the seizure pursuant to CCP § 59.04 (a) & (b).
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 *Alio* revenue reports and confirmation letters received from 10 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 within 30 days after the date of the sale pursuant to the Local Agreements with LEAs.

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 to address 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.

4. 10 LEAs responded to the confirmation request (Edinburg PD, La Villa PD, McAllen ISD PD, Mercedes PD, Mission PD, Palmhurst PD, Peñitas PD, Pharr PD, Sullivan City PD, and Weslaco PD). 10 of the 10 LEAs 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.

5. There were 120 CDs totaling $3,668,219.57 held as of August 31, 2022 at the county depository. All 120 CDs were properly accounted by the District Attorney's Office on the financial statements.

6. There were 117 judgments that included cash disbursements during the period of review. Of the 117 judgments:
   - 44 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).
   - 48 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).
   - 25 judgments were for amounts greater than $2,500; however, according to the judgment court costs were to be paid by the respondent.

7. 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.

8. All 105 judgments were disbursed 30 days after the forfeited judgment became final.

9. There were 163 petitions filed by the District Attorney's Office during the period of review. 162 petitions were filed within 30 days after the date of seizure as required by CCP § 59.04 (a) & (b). 1 out of 163 petitions was not filed within 30 days.

10. 83 CDs were opened for the cash seizures made by LEAs and the District Attorney's Office during the period of review. Of the 83 CDs:
    - All the petitions filed by the District Attorney's Office were in the amount of the CDs and the seizing officer's affidavit.
    - 40 CDs were opened within 72 hours of seizure as required by CCP § 59.03 (c).
    - 43 CDs were not opened within 72 hours of seizure. The CDs were opened 1 to 25 days late.

11. Of the 10 confirmation letters received:

    - 5 LEAs (Mercedes PD, Mission PD, Peñitas PD, Sullivan City PD, and Weslaco PD) confirmed that auctions were held during the reporting period; however, proceeds had not been forwarded to the District Attorney's Office within 30 days after the date of the sale. More specifically:
        - 1 LEA (Peñitas PD) issued a check during our review for the portion belonging to the District Attorney's Office.
        - 1 LEA (Mission PD) issued a check during our review; however, the proceeds were not for the portion belonging to the District Attorney's Office. According to Mission PD, the total proceeds were not forwarded due to sale of a vehicle not exceeding $2,500.
        - 2 LEAs (Sullivan City PD and Weslaco PD) stated that a disbursement would be issued out as soon as possible.
        - 1 LEA (Mercedes PD) did not provide an estimated disbursement date for portion of the auction proceeds belonging to the District Attorney's Office.
    - 5 LEAs (Edinburg PD, La Villa PD, McAllen ISD PD, Palmhurst PD, and Pharr PD) confirmed that no auctions were held during the scope of our review.

Recommendations:

In our opinion, the issues identified during the audit could be addressed by developing and implementing formal policies and procedures to ensure that:

1. Law Enforcement Agencies are notified that CDs must be opened within 72 hours of seizure; and
2. All LEAs send the District Attorney's portion of auction proceeds to Hidalgo County as required by the local agreements.

In addition, management should coordinate with the 4 LEAs to ensure that the auction proceeds belonging to the District Attorney's Office are immediately forwarded to the County Treasurer's Office.

Please provide management responses to finding 10 and 11 noted in the conclusion section of the report on the attached Management Response Forms by January 3, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions or would like to schedule a meeting to discuss the above noted recommendations, contact Francisco Saenz, Internal Auditor I, at 318-2511 ext. 4667, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim Hidalgo County Auditor

Enclosure: Management Response Forms

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

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Ricardo Rodriguez, Jr. Criminal District Attorney**	**AUDIT NO.:**	**2022-55**
AUDIT:	**Chapter 59 Asset Forfeiture Audit Report FYE 8-31-2022**	**MANAGEMENT RESPONSE DUE:**	**January 3, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

Law Enforcement Agencies are notified that CDs must be opened within 72 hours of seizure

---

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Ricardo Rodriguez, Jr. Criminal District Attorney**	**AUDIT NO.:**	**2022-55**
AUDIT:	**Chapter 59 Asset Forfeiture Audit Report FYE 8-31-2022**	**MANAGEMENT RESPONSE DUE:**	**January 3, 2023**
FINDING No.:	**2**	**RECOMMENDATION:**	**2**

Management should coordinate with the 4 LEAs to ensure that the auction proceeds belonging to the District Attorney's Office are immediately forwarded to the County Treasurer's Office.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

December 15, 2022

The Honorable J.E. "Eddie" Guerra, Sheriff
Hidalgo County Sheriff's Office
711 El Cibolo Road
Edinburg, TX 78540

Re: Chapter 59 Asset Forfeiture Report YE 12-31-21 Audit No. 2022-03

Dear Sheriff Guerra:

We completed an audit of the Chapter 59 Asset Forfeiture Audit Report by Law Enforcement Agency for the Year Ended December 31, 2021 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.

Executive Summary:
Based on the results of the audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported; however, improvements could be made to the system of internal controls for the accounting and reporting of Chapter 59 seizures and receipts. More specifically, we noted the following:

1. The Sheriff's Office did not open all CDs within 72 hours of seizure.
2. Pre-numbered official receipt forms were not used to record and control seizures.

Background:
Code of Criminal Procedure (CCP) Chapter 59 "Forfeiture of Contraband" provides law enforcement agencies with the authority to confiscate, forfeit, and dispose of contraband. 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 gained, acquired, and/or used to facilitate the commission of certain enumerated felonies and misdemeanors.

Local Government Code (LGC) §115.0035(b) provides that "at least once each county fiscal year, or more often if the county auditor desires, the auditor shall, without advance notice, fully examine the accounts of all precinct, county and district officials." LGC §115.0035(a) defines "accounts" as all public funds that are subject to the control of any precinct, county or district official, including the accounts of law enforcement agencies and the attorney for the state composed of money and proceeds of property seized.

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."

Pursuant to CCP §59.04 (a) and (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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

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).

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. In addition, CCP § 59.06 (c) states, if a local agreement exists between the District Attorney and the LEA, 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.

CCP §59.06 (d) states that awarded proceeds may be spent by a law enforcement agency after a detailed budget has been submitted to Commissioners Court. The Sheriff's Chapter 59 budget for the year ended December 31, 2021 was $226,439.78 and expenditures totaled $91,284.69 (i.e., salary, equipment, training, investigative costs, facility costs, and court costs).

Pursuant to CCP §59.06 (d-3), an expenditure of proceeds received under this chapter is considered to be for a law enforcement purpose if the expenditure is made for an activity of a law enforcement agency that relates to the criminal and civil enforcement of the laws of the State, including an expenditure made for: (1) equipment, including vehicles, computers, firearms, protective body armor, furniture, software, uniforms, and maintenance equipment; (2) supplies, including office supplies, mobile phone and data account fees for employees, and internet services; (3) investigative and training-related travel expenses, including payment for hotel rooms, airfare, meals, rental of and fuel for a motor vehicle, and parking; (4) conferences and training expenses, including fees and materials; (5) investigative costs, including payments to informants and lab expenses; (6) crime prevention and treatment programs; (7) facility costs, including building purchases, lease payments, remodeling and renovating, maintenance, and utilities; (8) witness-related costs, including travel and security; and (9) audit costs and fees, including audit preparation and professional fees.

Pursuant to CCP §59.06 (t)(1), contraband for which forfeiture is authorized with respect to an offense under section 20.05, 20.06, 20.07, 43.04, or 43.05 or Chapter 20A of the Penal Code should be used to provide direct victim services or to cover the costs of a contract with a local nonprofit organization to provide direct services to crime victims.

On February 26, 1991, Commissioner's Court approved a resolution stating, "District Attorney and the Sheriff of Hidalgo County have expressed a willingness to assist in turning over some funds for use in drug rehabilitation in Hidalgo County, [not to exceed 10%] and be it resolved that any forfeited funds turned over to the Hidalgo County Commissioners Court shall be deposited in a special fund and with any interest generated by said fund will be distributed to worthy programs on timely application to said Commissioners Court until further orders of the Court."

Pursuant to Property Code §12.007 (a), after the plaintiff's statement in an eminent domain proceeding is filed or during the pendency of an action involving title to real property, the establishment of an interest in real property, or the enforcement of an encumbrance against real property, a party to the action who is seeking affirmative relief may file for record with the County Clerk of each county where a part of the property is located a notice (lis pendens) that the action is pending.

For the year ended December 31, 2021, the Sheriff's Office seized cash totaling $344,405.59; 8 motor vehicles; 3 real properties; 1 firearm; and 326 other property consisting of 1 trailer, 247 computer motherboards, 2 bill counters, 1 drone with accessories, 2 firearm magazines, 1 pistol reflex sight, 1 magazine pouch, (32) 9mm cartridges, (5) 12 gauge shells, 21 rifle cartridges, and 13 televisions. In addition, cash totaling $102,723.95; 1 motor vehicle; 1 firearm; and 748 other property consisting of 670 computer motherboards, 2 bill counters, 1 drone

with accessories, 2 firearm magazines, 1 pistol reflex sight, 1 magazine pouch, (32) 9mm cartridges, (5) 12 gauge shells, 21 rifle cartridges, and 13 televisions were forfeited (awarded) to the Sheriff's Office. Furthermore, 4 motor vehicles and 1 real property were returned to the respondent, and 1 motor vehicle and 13 televisions were put to use during the year ended December 31, 2021.

Local Agreement Between District Attorney's Office and Sheriff's Office

On June 25, 2015, the Hidalgo County District Attorney and the Sheriff's Office entered into a local agreement pursuant to CCP §59.06 (b). According to the agreement, the Sheriff's Office agrees to pay all court costs, attorney ad litem fees, depositions, title searches, title policies, confidential informants, storage costs, and all other related costs in the forfeiture of vehicles and all other personal property.

Personal Property (Vehicles, jewelry, phones, etc…) - If personal property, including vehicles retained by the Sheriff's Office are to be sold, net proceeds from the sale of said property, after deduction of costs, are to be divided as follows: 75% to the Sheriff's Office and 25% to the District Attorney.

If personal property, including passenger vehicles, pick-ups trucks, sport utility vehicles, vans, tractor trailers, etc., are to be used for law enforcement purposes pursuant to CCP §59.06 (b), the Sheriff shall obtain the title of said vehicles and will be solely responsible for their use and maintenance. The District Attorney will not retain an interest in said vehicles and will be completely absolved of any liability.

All property seized in accordance with the Agreement, with the exception of currency, bank accounts, negotiable instruments, and jewelry, shall be kept in the possession of the Sheriff's Office. The Sheriff's Office shall be responsible for the upkeep and maintenance of said property and the District Attorney will be completely absolved of any liability.

The parties further agreed that the Sheriff's Office shall account for all seized property in their possession until the property is disposed of by court order. Disposition of all property shall comply with Article 59 of the Texas Code of Criminal Procedure.

All other personal property, not suitable for or desired for use, pursuant to Article 59 of the Texas Code of Criminal Procedure, shall be forfeited to the District Attorney, as an agent for the State of Texas, and shall be sold at public auction. The net proceeds of said sale of said property, after deduction of costs, shall be divided as follows: 60% to the Sheriff's Office and 40% to the District Attorney.

For the purpose of this agreement, the definition of "personal property" includes, but is not limited to, vehicles of all types, weapons, laptops, computers, cell phones, jewelry, gold, and other precious metals and tangible objects of value. The Sheriff's Office and the District Attorney reserve the right to negotiate unique individual agreements on a case by case basis to satisfy special requirements; however, if an agreement cannot be reached, this local agreement shall be binding.

Real Estate - Upon the sale of real estate, all court costs, attorney ad litem fees, depositions, title searches, title policies, confidential informants, storage costs, and all other related costs shall be paid or credit to the Sheriff's Office if such costs have been previously paid by the Sheriff's Office, from the final sum received, with the remaining amounts disbursed to the Sheriff's Office and the District Attorney as agreed upon for currency, banking accounts, and negotiable instruments as listed below.

Currency, Banking Accounts, and Negotiable Instruments – Upon being awarded to the State via court order, are to be disbursed and divided up as follows, after the payment of costs:

Amount	Sheriff's Office	District Attorney's Office
Over $50,000.00	70%	30%
Less than $50,000.00	60%	40%

Jewelry – Will be sold and its proceeds divided as follows: 60% to the Sheriff's Office and 40% to the District Attorney.

Proceeds from the sale of real, personal, tangible or intangible property subject to the agreement shall be apportioned within thirty (30) days of said sale, or pursuant to any other agreements reached by the Sheriff's Office and the District Attorney's Office.

Sheriff's Office Procedures

Section 5.21 of the Hidalgo County Sheriff's Office Policy and Procedures establishes the procedures and provides direction to officers seizing cash or tangible property. Seizing officers must contact their supervisor and provide all the pertinent facts and circumstances surrounding a potential seizure and receive authorization to continue the forfeiture investigation.

Seized currency is counted by a Sheriff's agent in the presence of the respondent and a receipt (copy of Evidence/Inventory Control Report) is issued, if possible. The receipt is not pre-numbered. If the funds cannot be counted in the presence of the respondent, the funds are placed in an evidence bag and transported to the Sheriff's Office where it is then counted by two Sheriff's agents. The count is documented on the "Itemization of Money Seizure" form, which is not pre-numbered. Once the currency is counted, pursuant to CCP §59.08 and Section 5.21.03.08 of the Hidalgo County Sheriff's Office Policy and Procedures, the agent places seized currency in a certificate of deposit at the county depository, Lone Star National Bank, under the name of the District Attorney's Office pending final disposition. If the currency cannot be immediately deposited on the date of seizure, the currency is safeguarded in a vault in the Sheriff's Office evidence room and deposited the next business day. In most cases the currency is placed in a certificate of deposit within 72 hours. A "Financial Seizure Account History" form, which is not pre-numbered, is used by the Sheriff's Office Accountant to maintain the forfeiture and the financial breakdown of seizure.

Personal property is safeguarded at the Sheriff's Office until a final judgment is rendered by the court. Vehicles are maintained at the Sheriff's Motor Pool and all other personal property is maintained at the Sheriff's Office evidence room. Only two Evidence Technicians have access to the evidence room. The evidence room is under lock and key and has 24-hour surveillance. The personal property is logged in by an agent and submitted to an Evidence Technician. If an item needs to be removed from the evidence room, the item is requested from one of the two Evidence Technicians and the agent is required to log the item out.

When cash and/or property are seized, the agent is required to generate a synopsis report describing the circumstances of the seizure. The synopsis report must include all of the following documents: an asset forfeiture cover sheet, offense report, affidavits, search warrants, vehicle impoundment sheet (if applicable), vehicle registration information with lien enhancement (if applicable), arrest probable cause affidavit (if arrest was made), bank deposit slip (if applicable), seizure affidavit, criminal histories on all parties claiming interest in the items seized, motor pool mechanic review sheet (if applicable), vehicle estimate value utilizing NADA or Kelley Blue Book (if applicable), and picture of the seized property. If the seized property is a vehicle, photographs of all four sides of the vehicle depicting the license plates, VIN, odometer mileage, interior, any damage and special equipment must also be placed in the file. The file is submitted to the Sheriff's Office Financial Services Bureau Administrative Assistant, who is responsible for ensuring the file contains all required documents. Original files are maintained by the Financial Services Bureau Administrative Assistant and copies of the file are forwarded to the District Attorney's Office and the Sheriff's Office Accountant II. Once the case has been disposed, the District Attorney's Office provides a copy of the judgment to the Financial Services Bureau Administrative Assistant. The Financial Services Bureau Administrative Assistant then forwards a copy of the judgment to the Sheriff's Office Accountant II, who is responsible for the preparation of the Chapter 59 Asset Forfeiture Report and the Quartermaster, who is responsible for overseeing the inventory and maintenance of Sheriff's Office equipment.

If a vehicle is forfeited to the Sheriff's Office, the vehicle is inspected by the Motor Pool Mechanic to determine whether the vehicle is in good working condition for law enforcement purposes. The Mechanic documents the inspection on the "Hidalgo County Sheriff's Office Newly Acquired Vehicle Checklist" (checklist). The checklist is provided to the Lieutenant and the Commander who determine whether to retain the vehicle for use or to auction the vehicle.

The Sheriff's Office submits an application for certificate of title, along with a copy of the final judgment, to the Motor Vehicle Department for all forfeited vehicles. Upon receipt of the certificate of title, the Sheriff's Office maintains a copy of the title and submits the original title to the Purchasing Department's Fixed Asset Division and

requests an asset tag. Insurance coverage is also requested for all vehicles retained for use from the Hidalgo County Safety Division by preparing and submitting an "Insurance Change-Vehicles" form. Once the vehicle is insured, the Safety Division submits proof of insurance to the Purchasing Department.

If the vehicle is not retained for use, a transfer form is prepared and the vehicle is declared surplus. Until the auction is conducted, the vehicle is safeguarded at the Sheriff's Office Motor Pool.

Agreement for Auctioneer Services

On July 26, 2019, the Hidalgo County Commissioners Court entered into a contract with AMT Auction Marketing for the provision of auctioneer services. The contract is effective from July 30, 2019 to July 29, 2020, with the option to extend for two (2) one (1) year terms. On July 13, 2021, the Hidalgo County Commissioners Court approved their option to exercise the second of two one-year extension/renewal terms. The contract was extended until July 29, 2022.

Scope and Methodology:

The scope of the audit was limited to a review of all seized currency and personal property for which an agent's affidavit was made available to the County Auditor's Office for review and all forfeited currency and personal property for which a final judgment was rendered and recorded in *Odyssey*, the County's justice information system, for the period of January 1, 2021 through December 31, 2021.

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 improvements could be made.

In conducting our review, the following procedures were performed:

1. Compared Chapter 59 revenue and expenditure reports generated from *Alio,* the County's financial accounting system, and the "Purchasing Department/Fixed Asset Division Auction Report" to the Chapter 59 Asset Forfeiture Report to determine if all revenues and expenditures were reported.
2. Generated "Cases filed" and "Cases disposed" index reports for the period of January 1, 2021 to December 31, 2021 from *Odyssey* to determine if all seized, forfeited, and property returned to respondents was reported on the Chapter 59 Asset Forfeiture Report.
3. Reviewed expenditures from the Sheriff's Chapter 59 Forfeiture Fund to determine if expenditures were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. Verified on *Odyssey* if court costs were paid to the District Clerk for forfeitures to the state of an amount greater than $2,500.00.
5. Reviewed the "District Attorney Investigation Funds Accounting Control Sheet" and supporting documentation to determine if 10% of net forfeited currency was paid to Hidalgo County for cases that were award over $3,000 (after costs) for the prevention of drug abuse and for the treatment of persons with drug-related problems pursuant to the resolution dated February 26, 1991.
6. Verified on *Odyssey* if a lis pendens was filed for all real estate property seized by the Sheriff's Office pursuant to Property Code §12.007.
7. Reviewed the petitions and judgements for property forfeited to the Sheriff's Office to determine if property with respect to an offense under section 20.05, 20.06, 20.07, 43.04, or 43.05 or Chapter 20A of the Penal Code was properly accounted for.
8. Selected 6 vehicles, 1 firearm, and 325 other property consisting of 247 computer motherboards, 2 bill counters, 1 drone with accessories, 2 firearm magazines, 1 pistol reflex sight, 1 magazine pouch, (32) 9mm cartridges, (5) 12 gauge shells, 21 rifle cartridges, and 13 televisions that were seized and/or forfeited and not sold as of December 31, 2021 for physical identification.
9. Reviewed the "Financial Seizure Account History" form, the affidavit prepared by the seizing officer, certificate of deposit receipt, and schedule of filed cases generated from *Odyssey* to determine if a certificate of deposit was opened within 72 hours of seizure for the amount seized and if a petition was filed within 30 days after the date of seizure.
10. Reviewed written policies and procedures for the accounting and reporting of seizures and forfeitures. In addition, inquired whether seizures were promptly recorded and controlled by using pre-numbered official receipt forms.

Conclusion:

Based on the results of the audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported; 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 on findings 9 through 10 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.

1. All Chapter 59 revenues and expenditures recorded in *Alio* and the "Purchasing Department/Fixed Asset Division Auction Report" were reported on the Chapter 59 Asset Forfeiture Report.
2. A review of the "Cases filed" and "Cases disposed" index reports generated from *Odyssey* for the period of review revealed that the Sheriff's Office seized cash totaling $344,405.59; 8 motor vehicles; 3 real properties; 1 firearm; and 326 other property consisting of 1 trailer, 247 computer motherboards, 2 bill counters, 1 drone with accessories, 2 firearm magazines, 1 pistol reflex sight, 1 magazine pouch, (32) 9mm cartridges, (5) 12 gauge shells, 21 rifle cartridges, and 13 televisions. In addition, cash totaling $102,723.95; 1 motor vehicle; 1 firearm; and 748 other property consisting of 670 computer motherboards, 2 bill counters, 1 drone with accessories, 2 firearm magazines, 1 pistol reflex sight, 1 magazine pouch, (32) 9mm cartridges, (5) 12 gauge shells, 21 rifle cartridges, and 13 televisions were forfeited (awarded) to the Sheriff's Office. Furthermore, 4 motor vehicles and 1 real property were returned to respondent, and 1 motor vehicle and 13 televisions were put to use during the year ended December 31, 2021. All items were properly reported on the Chapter 59 Asset Forfeiture Report.
3. All expenditures from the Sheriff's Office Chapter 59 Forfeiture Fund were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. Court costs were only paid to the District Clerk for cases where forfeitures were greater than $2,500.00 as required by CCP §59.05 (f).
5. For 17 judgments awarded over $3,000 (after cost), the 10% of net forfeited currency was paid to Hidalgo County for the prevention of drug abuse and for the treatment of persons with drug-related problems pursuant to the resolution dated February 26, 1991.
6. A lis pendens for real estate property seized by the Sheriff's Office was recorded with the Hidalgo County Clerk.
7. All 3 cases (2 petitions filed and 1 judgment) for property related to an offense under section 20.05, 20.06, 20.07, 43.04, or 43.05 or Chapter 20A of the Penal Code were properly accounted for.
8. All items selected were physically identified.
9. There were 17 cash seizures made by the Sheriff's Office. Of the 17 cash seizures:
    - 14 certificates of deposit were opened within 72 hours of seizure as required by CCP §59.03 (c).
    - 3 certificates of deposit were opened 1, 3, and 5 days late.

    In addition, 17 petitions were filed with the District Clerk's Office. Of the 17 petitions, all 17 were filed on or before the 30th day after the date of the seizure as required by CCP §59.04 (a).
10. Formal policies and procedures have been developed by the Sheriff's Office regarding Chapter 59 seizures and forfeitures; however, pre-numbered official receipt forms are not utilized to record and control seizures.

Recommendation:

In our opinion, the issues noted in findings 9 and 10 could be addressed by developing and implementing formal policies and procedures to ensure:

1. CDs are opened within 72 hours of seizure as required by CCP §59.03 (c).
2. Pre-numbered forms are used to record and control seizures. The form should require the signature of the agent counting and witness verifying the seizure. In addition, the respondent's signature, if possible, should be obtained and documented on the receipt form.

Please provide a written management response to findings 9 and 10 noted above on the attached Management Response Forms by January 3, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions or would like to schedule a meeting to discuss the above noted recommendations, please call Karen Ramirez, Internal Auditor II, at 318-2511 ext. 4606, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure

cc: Mr. Valde Guerra, County Executive Officer
Mr. Kent Richardson, Assistant Attorney General

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable J.E. "Eddie" Guerra, Sheriff**	**AUDIT NO.:**	**2022-03**
AUDIT:	**Chapter 59 Asset Forfeiture Report YE 12-31-21**	**MANAGEMENT RESPONSE DUE:**	**January 3, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

CDs are opened within 72 hours of seizure as required by CCP §59.03 (c).

Management Response (Choose One):

AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)

AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION

DISAGREE THAT RISK EXISTS (Specify below)

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable J.E. "Eddie" Guerra, Sheriff**	**AUDIT NO.:**	**2022-03**
AUDIT:	**Chapter 59 Asset Forfeiture Report YE 12-31-21**	**MANAGEMENT RESPONSE DUE:**	**January 3, 2023**
FINDING No.:	**2**	**RECOMMENDATION:**	**2**

Pre-numbered forms are used to record and control seizures. The form should require the signature of the agent counting and witness verifying the seizure. In addition, the respondent's signature, if possible, should be obtained and documented on the receipt form.

Management Response (Choose One):

AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)

AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION

DISAGREE THAT RISK EXISTS (Specify below)

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

December 16, 2022

The Honorable Homer Jasso, Sr.
Justice of the Peace, Pct. 4, Pl. 2
224 N. 12th Ave.
Edinburg, Texas 78539

Re: JP Precinct 4 Place 2 Asset Inventory Listing Audit No. 2022-60

Dear Judge Jasso:

It is the practice of the County Auditor's Office to conduct an asset inventory audit when a change in administration occurs; therefore, we conducted an audit of the Justice of the Peace Precinct 4 Place 2 asset inventory listing pursuant to Local Government Code §115.001. The objective of the audit was to evaluate the accuracy and completeness of the asset inventory listing maintained by the Purchasing Department on behalf of JP Precinct 4 Place 2.

BACKGROUND:

The Justice of the Peace, as an elected official, is inherently responsible for ensuring that County assets in the custody of the Justice of the Peace are properly accounted, safeguarded, and disposed. Some of these responsibilities include:

- Verifying the receipt of all assets purchased and/or assigned to the Justice of the Peace;
- Ensuring assets are properly tagged;
- Conducting periodic physical inventories of assets;
- Ensuring assets are only used for County purposes;
- Safeguarding assets in the Department's possession until disposal;
- Filing police reports in the event an asset is lost or stolen;
- Preparing an asset transfer form when transferring assets to or from other departments; and
- Requiring that a formal request and formal approval from the Department Head or Designee be obtained when equipment is taken off County premises, including when taken off-site for repairs.

Employees of the Justice of the Peace are also inherently responsible for protecting County property entrusted to them. This includes the proper care, maintenance, control, and reasonable safeguards to prevent loss, damage, or theft of such assets.

As of November 29, 2022, the JP Precinct 4 Place 2 asset inventory listing consisted of 39 assets with a total acquisition cost of $37,280.95.

SCOPE AND METHODOLOGY:

The scope of the audit was limited to the asset inventory listing as of November 29, 2022. The audit was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

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

In conducting the audit, the following procedures were performed:

- Selected all 39 assets on the asset inventory listing for physical identification to determine whether the assets were properly tagged; and
- Compared assets located at the JP Precinct 4 Place 2 premises to the asset inventory listing to determine whether the asset inventory listing was complete.

CONCLUSION:

Based on the results of our review, we concluded that the JP Precinct 4 Place 2 inventory listing per *Alio* was generally accurate and complete. More specifically, the following was noted:

- 29 (74%) assets were physically located. Of the 29 assets:
  - 22 contained an asset tag.
  - 3 assets (tag numbers 41968, 49539 and 49540) were traced to the asset inventory utilizing the asset description.
  - 4 assets (tag numbers 43738, 65275, 68198, and LE0338) were traced to the asset inventory listing utilizing the serial number.
- 10 (26%) assets were not physically located. Of the 10 assets:
  - 6 assets (tag numbers 64833 through 64836, 64840, and 51564) were taken by the IT Department, according to the Purchasing Department. A copy of the "Asset Transfer Form" was not maintained.
  - 4 assets (tag numbers 10285, 16431, 19103, and 44203) were unaccounted for. JP Precinct 4 Place 2 staff was unable to provide an explanation or an asset transfer form.

We physically located 16 assets that were not included on the asset inventory listing. Of the 16 assets:

- 3 assets (tag numbers 79554, 51568, and 74548) were tagged; however, they were on the asset inventory listing of the IT Department. No asset transfer forms were submitted by staff. According to the Purchasing Department, assets will remain under IT.
- 2 assets (tag numbers 65267 and 63305) were traced to the IT Department's asset inventory listing utilizing the serial number. No asset transfer forms were submitted by staff.
- 11 assets did not contain an asset tag; however, the assets appear to be capital or subject to inventory that should be included in the asset inventory listing (see Exhibit A).

RECOMMENDATION:

Management should coordinate with the Purchasing Department to take corrective action to address the deficiencies identified in the audit and ensure the asset inventory listing is updated, as follows:

1. An asset tag should be affixed to asset numbers 41968, 49539, 49540, 43738, 65275, 68198, and LE0338.
2. Further research on the 10 assets that were not located should be conducted. An asset transfer form should be prepared if the asset was transferred to another County department. Furthermore, if the asset cannot be located, an incident report should be obtained and presented to Commissioners Court for approval to remove the asset from the asset inventory listing.

3. An asset transfer form should be prepared to document the transfer/removal of asset tag numbers 79554, 51568, 74548, 65267, and 63305.
4. Purchasing Department should conduct research on the 11 assets that did not contain an asset tag to determine if the assets are subject to inventory control (see Exhibit A).

Please ensure that corrective action is finalized and an updated asset inventory listing is submitted to the County Auditor's Office. In addition, please provide a written management response to the observations noted above on the attached Management Response Forms. Please email the updated inventory listing and the Management Response Forms to managementresponse@auditor.co.hidalgo.tx.us by Thursday, December 29, 2022. Your prompt response is greatly appreciated.

If you have any questions, please contact Alejandro Torres, Internal Auditor I, at 318-2511 ext. 4644, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A and Management Response Forms

cc: Valde Guerra, County Executive Officer
Eduardo Belmarez, Hidalgo County Purchasing Agent

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

EXHIBIT A

	Tag Description	Serial No.	Location
1	Wisenet Dome Security Camera		Waiting area - front of courtrooom
2	Wisenet Dome Security Camera		Waiting area - front of courtrooom
3	Wisenet Dome Security Camera		Lobby
4	Wisenet Dome Security Camera		Lobby
5	Wisenet Dome Security Camera		Inside reception area
6	Wisenet Dome Security Camera		Inside reception area
7	Wisenet Bullet Security Camera		Exterior - back building
8	Wisenet Bullet Security Camera		Exterior - left building
9	Wisenet Bullet Security Camera		Exterior - right building
10	Wisenet Bullet Security Camera		Exterior - front building
11	LifeSize Camera and mic pad	DJ6B460ACD31	Judge's bench

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Homer Jasso, Sr.**	**AUDIT NO.:**	**2022-60**
AUDIT:	**Asset Inventory Audit**	**MANAGEMENT RESPONSE DUE:**	**December 29, 2022**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

An asset tag should be affixed to asset numbers 41968, 49539, 49540, 43738, 65275, 68198, and LE0338.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Homer Jasso, Sr.**	**AUDIT NO.:**	**2022-60**
AUDIT:	**Asset Inventory Audit**	**MANAGEMENT RESPONSE DUE:**	**December 29, 2022**
FINDING No.:	**2**	**RECOMMENDATION:**	**2**

Further research on the 10 assets that were not located should be conducted. An asset transfer form should be prepared if the asset was transferred to another County department. Furthermore, if the asset cannot be located, an incident report should be obtained and presented to Commissioners Court for approval to remove the asset from the asset inventory listing.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Homer Jasso, Sr.**	**AUDIT NO.:**	**2022-60**
AUDIT:	**Asset Inventory Audit**	**MANAGEMENT RESPONSE DUE:**	**December 29, 2022**
FINDING No.:	**3**	**RECOMMENDATION:**	**3**

An asset transfer form should be prepared to document the transfer/removal of asset tag numbers 79554, 51568, 74548, 65267, and 63305.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Homer Jasso, Sr.**	**AUDIT NO.:**	**2022-60**
AUDIT:	**Asset Inventory Audit**	**MANAGEMENT RESPONSE DUE:**	**December 29, 2022**
FINDING No.:	**4**	**RECOMMENDATION:**	**4**

Purchasing Department should conduct research on the 11 assets that did not contain an asset tag to determine if the assets are subject to inventory control (see Exhibit A).

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

January 31, 2023

Ms. Hilda A. Salinas, Interim Elections Administrator
Hidalgo County Elections Department
101 S. 10th Street
Edinburg, Texas 78539

Re: Election Department Asset Inventory Listing Audit No. 2022-57

Dear Ms. Salinas:

It is the practice of the County Auditor's Office to conduct an asset inventory audit when a change in administration occurs; therefore, we conducted an audit of the Elections Department asset inventory listing pursuant to Local Government Code §115.001. The objective of the audit was to evaluate the accuracy and completeness of the asset inventory listing maintained by the Purchasing Department on behalf of the Elections Department.

EXECUTIVE SUMMARY:

Based on the results of the audit, we concluded that the Elections Department asset inventory listing per *Alio* was generally not accurate and complete. The Elections Department should conduct a full asset inventory in order to ensure that the *Alio* asset tag numbers, serial numbers, and asset description are properly updated.

BACKGROUND:

The Elections Administrator, as an elected official, is inherently responsible for ensuring that County assets in the custody of the Elections Office are properly accounted, safeguarded, and disposed. Some of these responsibilities include:

- Verifying the receipt of all assets purchased and/or assigned to the Elections Department;
- Ensuring assets are properly tagged;
- Conducting periodic physical inventories of assets;
- Ensuring assets are only used for County purposes;
- Safeguarding assets in the Department's possession until disposal;
- Filing police reports in the event an asset is lost or stolen;
- Preparing an "Asset Transfer Form" when transferring assets to or from other departments; and
- Requiring that a formal request and formal approval from the Department Head or Designee be obtained when equipment is taken off County premises, including when taken off-site for repairs.

Employees of the Elections Department are also inherently responsible for protecting County property entrusted to them. This includes the proper care, maintenance, control, and reasonable safeguards to prevent loss, damage or theft of such assets.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

As of August 29, 2022, the Elections Department asset inventory listing consisted of 2,469 assets with a total acquisition cost of $11,646,481.47.

SCOPE AND METHODOLOGY:

The scope of our audit was limited to the asset inventory listing as of August 29, 2022. The audit was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

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

In conducting our audit, the following procedures were performed:

- Selected all 2,469 assets on the asset inventory listing for physical identification to determine whether the assets were properly tagged; and
- Compared assets located at the Elections Department premises to the asset inventory listing to determine whether the asset inventory listing was complete.

CONCLUSION:

Based on the results of the review, we concluded that the Elections Department asset inventory listing per *Alio* was not accurate and complete. More specifically, the following was noted:

- 2,236 of 2,469 (91%) assets were physically located. Of the 2,236 assets:
  - 2,218 contained an asset tag (see Exhibit A).
    - 198 assets were traced to the asset inventory listing utilizing the asset tag number, description, and serial number;
    - 2,020 assets were traced to the asset inventory listing utilizing the asset tag number. The asset's serial number and/or description listed on the asset inventory listing in *Alio* did not agree to the serial number on the asset and/or the asset's description. This caused the inability to properly identify the assets that are noted as a discrepancy. According to the Election's Department, the serial numbers were changed when the election machines were sent to the manufacture for maintenance.
  - 18 assets did not contain an asset tag (see Exhibit B).
    - 10 assets were traced to the asset inventory listing utilizing the serial number.
      - 1 asset listed an incorrect description in *Alio*.
      - The serial numbers in *Alio* for 6 assets were incorrect by one character
    - 8 assets were traced to the asset inventory listing utilizing the asset description.
- 233 of 2,469 (9%) assets were not physically located. Of the 233 assets (see Exhibit C):
  - The location for 219 assets was not provided. However, we identified several assets that were not on the asset inventory listing or that contained duplicate asset tag numbers that can potentially be part of the 219 assets we did not locate.
  - 10 assets were declared surplus. The assets were physically transferred to the Information Technology department and the Purchasing Department. A copy of the "Asset Transfer Forms" were provided.
  - According to the Election's Department, 1 asset was physically removed from the Election's warehouse by the Information Technology Department for repairs. Staff was unable to provide an asset transfer form and we were not able to physically identify the asset. We were informed that the asset was no longer going to be returned to the Elections Department.
  - 3 assets are currently inactive software according to the Elections Department IT staff.

We physically located 24 assets that were not included on the asset inventory listing (see Exhibit D). Of the 24 assets:

- 5 assets contained an asset tag. Of the 5 assets:
  - 3 assets did not have an asset record in A*lio*. The assets were added to the Elections Department asset inventory listing during our review.
  - 2 assets were on the asset inventory listing of the Information Technology Department. No asset transfer forms were submitted by staff. According to the Purchasing Department, assets will remain under the location of IT.
- 19 assets did not contain an asset tag; however, the assets appear to be capital or assets subject to inventory that should be included in the asset inventory listing.

RECOMMENDATION:

Management should coordinate with the Purchasing Department to take corrective action to address the discrepancies identified in the audit and ensure the asset inventory listing is updated, as follows:

1. Purchasing Department should update the serial numbers and/or descriptions on the asset inventory listing for the 2,020 assets that contained the incorrect serial number and/or description (Exhibit A).
2. Management should affix an asset tag on the 18 assets that did not contain an asset tag (Exhibit B).
3. Management should conduct research on the 219 assets that were not located. If the asset cannot be located, an incident report should be obtained and presented to Commissioners Court for approval to remove the assets from the asset inventory listing (Exhibit C).
4. Management should remove from the Elections Department asset inventory listing the 10 assets that were declared surplus (Exhibit C).
5. Management should request an asset transfer form for the asset that was physically transferred to the IT Department and for the software that is no longer utilized (Exhibit C).
6. The Purchasing Department should include the physical location in the asset's information in *Alio* for the 2 assets that are on the Information Technology asset inventory listing. (Exhibit D).
7. Purchasing Department should conduct research on the 19 assets that did not contain an asset tag to determine if the assets are subject to inventory control (see Exhibit D).

Please provide a written management response to the observations noted above on the attached Management Response Forms by February 7, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions, please contact Karen Ramirez, Internal Auditor II, at 318-2511 ext. 4606, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A through D

Cc: Mr. Valde Guerra, Commissioners Court Executive Officer
Mr. Eduardo Belmarez, Hidalgo County Purchasing Agent
Ms. Wendy Lopez, Division Manager II, Fixed Assets

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

March 10, 2023

The Honorable Toribio "Terry" Palacios, Criminal District Attorney
Hidalgo County Office of the Criminal District Attorney
100 East Cano, 2nd Floor
Edinburg, TX 78539

Re: Audit of the District Attorney's Office Asset Inventory Listing Audit No. 2022-59

Dear Mr. Palacios:

It is the practice of the County Auditor's Office to conduct an asset inventory audit when a change in administration occurs; therefore, we conducted an audit of the District Attorney's Office asset inventory listing pursuant to Local Government Code § 115.001. The objective of the audit was to evaluate the accuracy and completeness of the asset inventory listing maintained by the Purchasing Department on behalf of the District Attorney's Office.

EXECUTIVE SUMMARY:
Based on the results of the audit, we concluded that the District Attorney's asset inventory listing per *Alio* was generally accurate and complete.

BACKGROUND:
The District Attorney, as an elected official, is inherently responsible for ensuring that County assets in the custody of the District Attorney's Office are properly accounted, safeguarded, and disposed. Some of these responsibilities include:

- Verifying the receipt of all assets purchased and/or assigned to the District Attorney's Office;
- Ensuring assets are properly tagged;
- Conducting periodic physical inventories of assets;
- Ensuring assets are only used for County purposes;
- Safeguarding assets in the Department's possession until disposal;
- Filing police reports in the event an asset is lost or stolen;
- Preparing an "Asset Transfer Form" when transferring assets to or from other departments; and
- Requiring that a formal request and formal approval from the Department Head or Designee be obtained when equipment is taken off County premises, including when taken off-site for repairs.

Employees of the District Attorney's Office are also inherently responsible for protecting County property entrusted to them. This includes the proper care, maintenance, control, and reasonable safeguards to prevent loss, damage or theft of such assets.

As of October 25, 2022, the District Attorney's asset inventory listing consisted of 1,547 assets with a total acquisition cost of $3,739,149.80.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

SCOPE AND METHODOLOGY:

The scope of our audit was limited to the asset inventory listing as of October 25, 2022. Our audit was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

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

In conducting our audit, the following procedures were performed:

- Selected 1,151 assets on the asset inventory listing for physical identification to determine whether the assets were properly tagged; and
- Compared assets located at the District Attorney's Office premises to the asset inventory listing to determine whether the asset inventory listing was complete.

CONCLUSION:

Based on the results of the audit, we concluded that the District Attorney's Office asset inventory listing per *Alio* was generally accurate and complete. More specifically, the following was noted:

- 971 out of 1,151 (84%) assets were physically located. Of the 970 assets:
  - 800 assets contained an asset tag.
  - 171 assets did not contain an asset tag.
    - 157 assets were traced to the asset inventory utilizing the asset's description and/or serial/VIN number (see Exhibit A); and
    - 14 assets were identified by photo images of tags and/or serial numbers provided by the District Attorney's Office since the assets were not feasibly accessible for physical identification (see Exhibit A).
- 180 of 1,151 (16%) were not physically located. Of the 182 assets:
  - 52 assets were declared surplus and approved to be removed from the asset inventory listing by Commissioners Court with AI-88852 and AI-89038 during our review (see Exhibit B).
  - 12 assets were removed from the District Attorney's Office inventory listing during our review due to the items never having been delivered to the department. We confirmed that the items were not received by the department and corresponding purchase orders for the undelivered assets were properly liquidated. (see Exhibit B)
  - 5 assets (tag numbers 76071, 77297, 79312, 79313, and 80235) were reported as being off site for repairs during our review. Documentation for repairs were provided for asset tag numbers 76071 and 77297. No documentation was provided for asset tag numbers 79312, 79313, and 80235.
  - 2 assets (tag numbers 75380 and 77188) were sold at auctions. During our review, the Purchasing Department assisted the department with the removal of the assets from the asset inventory listing.
  - 1 asset (tag number 43771) was removed and replaced in October 2020 as per HIDTA staff. Surplus documentation was received and Commissioners Court approved the removal from the asset inventory listing.
  - 108 assets with a total acquisition cost of $249,767.82 were not physically located. The District Attorney's Office was unable to provide a location or asset transfer form for these assets (see Exhibit C).

We physically located 250 assets that were not included on the asset inventory listing. Of the 250 assets:

- 120 assets contained an asset tag.
  - 113 assets were on the asset inventory listing of other County departments (i.e., Department of Budget and Management, Sheriff's Office, Public Defenders Department, Information Technology

Department, County Clerk's Office, and Location 7777). Copies of "Asset Transfer" forms were not provided (see Exhibit D).
  - 4 assets (tag numbers 1636, 65223, 17520, and 17541) did not have an asset record in *Alio*; however, the assets had a tag affixed.
  - 1 asset (tag number 60372) was found in *Alio* but did not appear on the asset inventory listing report as of October 25, 2022. According to the Purchasing Department, the asset was coded incorrectly in *Alio*. The asset record was corrected in *Alio* and the asset now populates on the asset inventory listing.
  - 2 assets (tag numbers 65233 and 51835) were reported as surplus in *Alio*; however, were in use by HIDTA staff. In addition, tag number 51835 reflects an inaccurate description in *Alio.*
- 130 assets did not contain an asset tag; however, the assets appear to be capital or assets subject to inventory control (see Exhibit E).

RECOMMENDATION:

Management should coordinate with the Purchasing Department to take corrective action to address the discrepancies identified in the audit and ensure the asset inventory listing is updated, as follows:

1. Management should affix an asset tag on the 157 assets that did not contain an asset tag (Exhibit A).
2. Management should ensure that the 52 assets declared surplus are removed from the District Attorney's Office asset inventory listing (Exhibit B).
3. Management should ensure that a formal request and approval from the Department Head or designee is obtained when equipment is taken off County premises, including when taken off-site for repairs. More specifically, request and approvals should be noted for tag numbers 79312, 79313, and 80235.
4. Management should conduct research on the 108 assets that were not located. If the asset cannot be located, an incident report should be obtained and presented to Commissioners Court for approval to remove the assets from the asset inventory listing (see Exhibit C).
5. Management should ensure that asset transfer forms are prepared to document the transfer of the 113 assets to the District Attorney's Office (see Exhibit D).
6. Management should request that *Alio* be updated to include asset tag numbers 1636, 65223, 17520, and 17541 in the District Attorney's Office asset inventory listing. Furthermore, asset tag numbers 65233 and 51835 are in the *Alio* surplus location, and tag number 51835 lists an inaccurate description in *Alio*.
7. Purchasing Department should conduct research on the 130 assets that did not contain an asset tag to determine if the assets are subject to inventory control (Exhibit E).

Please provide a written management response to the observations noted above on the attached Management Response Forms by March 27, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us . Your prompt response is greatly appreciated.

If you have any questions, please contact Enrique Leal, Internal Auditor I, at 318-2511 ext. 4641, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A through E

cc: Mr. Valde Guerra, County Executive Officer
Mr. Eduardo Belmarez, Hidalgo County Purchasing Agent
Ms. Wendy Lopez, Division Manager Fixed Assets, Hidalgo County Purchasing Department

Exhibit A

	TAG NO	Alio Tag Description	VIN/Serial #
1	64623	DELL OPTIPLEX 7020	2X5SG42
2	65210	DELL OPTIPLEX 7020	DQQX052
3	66278	BULLETPROOF VEST LEVEL II	855123/855120
4	66279	BULLETPROOF VEST LEVEL II	855121/855118
5	66280	BULLETPROOF VEST LEVEL II	855122/855119
6	70766	NIKON D3300 SLR CAMERA W/LENS	3917754
7	70767	NIKON D3300 SLR CAMERA W/LENS	3918005
8	70768	NIKON D3300 SLR CAMERA W/LENS	3917672
9	70769	NIKON D3300 SLR CAMERA W/LENS	3917730
10	70770	NIKON D3300 SLR CAMERA W/LENS	3918086
11	70890	GLOCK 23 40 GEN IV PISTOL	BCST586
12	70891	GLOCK 23 40 GEN IV PISTOL	BCST588
13	70892	GLOCK 23 40 GEN IV PISTOL	BCST589
14	70893	GLOCK 23 40 GEN IV PISTOL	BCST 587
15	70894	GLOCK 23 40 GEN IV PISTOL	BCST 613
16	70895	GLOCK 23 40 GEN IV PISTOL	BCST 585
17	70896	GLOCK 23 40 GEN IV PISTOL	BCST 582
18	70897	GLOCK 23 40 GEN IV PISTOL	BCST 580
19	70898	GLOCK 23 40 GEN IV PISTOL	BCST 581
20	70899	GLOCK 23 40 GEN IV PISTOL	BCST 583
21	70900	GLOCK 23 40 GEN IV PISTOL	BCST 584
22	76298	GLOCK PG-23502 G23 HANDGUN (0.4 CALIBER)	BHU5574
23	76299	GLOCK PG-23502 G23 HANDGUN (0.4 CALIBER)	BHU5573
24	76990	HON 10500 SERIES WORK STATION	KMDJMV,KMKLKZ
25	77199	GLOCK 23 GEN 4 40CALIBER GUN (PG23502)	BKSA582 19-04033
26	77200	GLOCK 23 GEN 4 40CALIBER GUN (PG23502)	BKLB010 19-04024
27	77201	GLOCK 23 GEN 4 40CALIBER GUN (PG23502)	BKLB096 19-04026
28	77334	BULLETPROOF VEST AX SERIES LEVEL II	133918 / 133922
29	77335	BULLETPROOF VEST AX SERIES LEVEL II	190000133921/917
30	80778	LENOVO THINKPAD E15 LAPTOP - 15.6IN	PFISHMTM
31	80779	LENOVO THINKPAD E15 LAPTOP - 15.6IN	PFISHS63
32	80780	LENOVO THINKPAD E15 LAPTOP - 15.6IN	PFISJO4A
33	80781	LENOVO THINKPAD E15 LAPTOP - 15.6IN	PFISHMSY
34	80782	LENOVO THINKPAD E15 LAPTOP - 15.6IN	PFISPM2D
35	80783	LENOVO THINKPAD E15 LAPTOP - 15.6IN	PFISPMO7
36	80784	LENOVO THINKPAD E15 LAPTOP - 15.6IN	
37	80785	LENOVO THINKPAD E15 LAPTOP - 15.6IN	PFISHQ15
38	80786	LENOVO THINKPAD E15 LAPTOP - 15.6IN	
39	80787	LENOVO THINKPAD E15 LAPTOP - 15.6IN	PFISMWG2
40	80789	LENOVO THINKPAD E15 LAPTOP - 15.6IN	PFISPF98
41	80790	LENOVO THINKPAD E15 LAPTOP - 15.6IN	PFISJJ4Z
42	80791	LENOVO THINKPAD E15 LAPTOP - 15.6IN	
43	80792	LENOVO THINKPAD E15 LAPTOP - 15.6IN	PFISNBRJ
44	80793	LENOVO THINKPAD E15 LAPTOP - 15.6IN	PFISHDJ5
45	80941	DELL Latitude 5511 (15.6" 16G)	BS648C13
46	84961	2004 FREIGHTLINER TRACTOR TRUCK	IFUJBBCX04LM60411
47	31038	FUJINON 7X50 FMTR-SX BINOCULARS	54A421295
48	49311	SIG ARMS 229R .40 HANDGUN	AM124175
49	49312	SIG ARMS 229R .40 HANDGUN	AM124177
50	49313	SIG ARMS 229R .40 HANDGUN	AM126540
51	49314	SIG ARMS 229R .40 HANDGUN	AM126532

52	49316	SIG ARMS 229R .40 HANDGUN	AM126529
53	49317	SIG ARMS 229R .40 HANDGUN	AM126528
54	49318	SIG ARMS 229R .40 HANDGUN	AM126539
55	49319	SIG ARMS 229R .40 HANDGUN	AM126531
56	49321	SIG ARMS 229R .40 HANDGUN	AM126536
57	49322	SIG ARMS 229R .40 HANDGUN	AM126527
58	49323	SIG ARMS 229R .40 HANDGUN	AM125507
59	49325	SIG ARMS 229R .40 HANDGUN	AM126537
60	49326	SIG ARMS 229R .40 HANDGUN	AM125606
61	57796	MOTOROLA APX 7500 MOBILE RADIO	656CNZ0181
62	57797	MOTOROLA APX 7500 MOBILE RADIO	656CNZ0182
63	57798	MOTOROLA APX 7500 MOBILE RADIO	656CNZ0183
64	57799	MOTOROLA APX 7500 MOBILE RADIO	656CNZ0184
65	57801	MOTOROLA APX 7500 MOBILE RADIO	656CNZ0186
66	58722	2013 FORD EXPLORER BLK	1FM5K7B86DGC82682
67	58764	2013 FORD F150 SUPER CAB BLUE	1FTEW1CM4DKE88985
68	58765	2013 FORD F150 SUPER CAB GRAY	1FTEW1CM2DKE88984
69	59506	MOTOROLA APX 03 CONTROL HEAD	COFRQ337
70	62862	NIKON D3200 DGI SLR CAMERA	3976267
71	62863	NIKON D3200 DGI SLR CAMERA	4017750
72	62865	NIKON D3200 DGI SLR CAMERA	4017866
73	62866	NIKON D3200 DGI SLR CAMERA	3976149
74	63141	GLOCK 43 FS 9MM	ZXC290
75	63142	GLOCK 43 FS 9MM	ZXC291
76	63143	GLOCK 43 FS 9MM	ZXC292
77	63144	GLOCK 43 FS 9MM	ZXC293
78	63145	GLOCK 43 FS 9MM	ZXC294
79	63146	GLOCK 43 FS 9MM	ZXC295
80	63148	GLOCK 43 FS 9MM	ZXC298
81	63149	GLOCK 43 FS 9MM	ZXC299
82	63152	GLOCK 43 FS 9MM	ZXC155
83	63153	GLOCK 43 FS 9MM	ZXC156
84	63154	GLOCK 43 FS 9MM	ZXC157
85	66043	SIG SAUER P220 HAND GUN	45A028013
86	70577	STEINER TACTICAL BINOCULARS 10X42	1553816131
87	70581	STEINER TACTICAL BINOCULARS 10X42	1553816133
88	70582	STEINER TACTICAL BINOCULARS 10X42	1553207015
89	70699	2017 JEEP CHEROKEE	1C4RJEAG7HG7HG762846
90	70700	2017 DODGE RAM 1500	3C6RR6KT8HG626238
91	70701	2017 DODGE DURANGO SUV	1C4SDHFT7HC850537
92	70703	2017 CHEV IMPALA CAR	2G1105S34H9154312
93	77325	2019 FORD F150 CREW CAB TRUCK	1FTEW1C58KFD34679
94	81836	POINT BLANK IIIA BULLETPROOF VEST (MALE)	210000231457/231439
95	82655	2022 FORD EXPLORER 4X2	1FMSK7BH4NGA51185
96	84718	2015 GO GOLF CART	3143729
97	LE0228	CANON IR ADV C5535i (MULTIFUNCT DEVICE)	
98	2900	LAW BOOKS (REFER TO LIST)	
99	44393	EXEC DESK W/ CREDENZA AND HUTCH	
100	44731	EXEC DESK/CREDENZA/HUTCH-SOS CONST	
101	49417	CABINET ROTRY 7TER FILE DATUM	

102	49418	CABINET ROTRY 7TER FILE DATUM	
103	50189	XLG-S7 EZ2, 7 TIER FILE CABINET	
104	51363	HOBART 22X32 WALK IN COOLER	
105	69293	INTELLI-M SINGLE DOOR KIT	
106	70698	BULLETPROOF VEST AX SERIES LEVEL II	160000708360/708336
107	73266	DELUX 10X10 EVENT TENT KIT(WOVDJ-IEDJE)	
108	75853	MICROSOFT SURFACE BOOK	
109	76065	BULLETPROOF VEST LEVEL II	
110	76066	BULLET PROOF VEST LEVEL II	
111	77142	CANOPY EVENT TENT 6FT (W/LOGO PRINT)	
112	81825	TRUE REACHIN FREEZER T-49F (2DOOR)	
113	50719	EZ2 ROTARY FILE CABINET7TIER	
114	50720	EZ2 ROTARY FILE CABINET/7TIER	
115	50721	EZ2 ROTARY FILE CABINET/7TIER	
116	51674	2010 FORD LOBO PICK-UP	1FTMF1EV2AKA47739
117	56153	TACTICAL CAR A4 EOTECH MOUNT	
118	56154	TACTICAL CAR A4 EOTECH MOUNT	
119	56155	TACTICAL CAR A4 EOTECH MOUNT	
120	56156	TACTICAL CAR A4 EOTECH MOUNT	
121	56157	TACTICAL CAR A4 EOTECH MOUNT	
122	56158	TACTICAL CAR A4 EOTECH MOUNT	
123	56159	TACTICAL CAR A4 EOTECH MOUNT	
124	56160	TACTICAL CAR A4 EOTECH MOUNT	
125	56161	TACTICAL CAR A4 EOTECH MOUNT	
126	58730	2013 FORD FUSION GRAY	3FA6P0G72DR311871
127	63140	GLOCK 43 FS 9MM	ZXC297
128	63147	GLOCK 43 FS 9MM	ZXC296
129	63150	GLOCK 43 FS 9MM	ZXC153
130	63151	GLOCK 43 FS 9MM	ZXC154
131	65224	CUSTOM BODY ARMOR VEST	150000521682
132	65225	CUSTOM BODY ARMOR VEST	150000521691
133	66303	TOUGHDOG 3 MEGA PIXEL IP DOME CAMERA	
134	66304	TOUGHDOG 3 MEGA PIXEL IP DOME CAMERA	
135	66305	TOUGHDOG 3 MEGA PIXEL IP DOME CAMERA	
136	66306	TOUGHDOG 3 MEGA PIXEL IP DOME CAMERA	
137	66307	TOUGHDOG 3 MEGA PIXEL IP DOME CAMERA	
138	66308	TOUGHDOG 3 MEGA PIXEL IP DOME CAMERA	
139	66309	TOUGH DOG 2 MEGA PIXEL BULLET CAMERA	
140	66310	TOUGH DOG 2 MEGA PIXEL BULLET CAMERA	
141	66311	TOUGH DOG 2 MEGA PIXEL BULLET CAMERA	
142	66312	TOUGH DOG 2 MEGA PIXEL BULLET CAMERA	
143	66313	TOUGH DOG 2 MEGA PIXEL BULLET CAMERA	
144	66314	TOUGH DOG 2 MEGA PIXEL BULLET CAMERA	
145	66315	TOUGH DOG 2 MEGA PIXEL IP DOME CAMERA	
146	66316	TOUGH DOG 2 MEGA PIXEL IP DOME CAMERA	
147	66317	TOUGH DOG 2 MEGA PIXEL IP DOME CAMERA	
148	66318	TOUGH DOG 2 MEGA PIXEL IP DOME CAMERA	
149	66319	TOUGH DOG 2 MEGA PIXEL IP DOME CAMERA	
150	73325	AUDIO RECORDER G-SHOCK	1023
151	73339	NANO FLEX AUDIO RECORDER W/USB&CHARGER	1037
152	75257	2009 FORD ESCAPE	1FMCU03GX9KC58906
153	81737	APC SMART UPs 2200VA BATTERY BACKUP	AS2122263236
154	81738	APC SMART UPs 2200VA BATTERY BACKUP	AS2025361068
155	84719	2017 HONDA TRX ATV	1HFTE44H5H4303226
156	VT1110	SAFETY VISION BODYCAM	
157	65792	2011 CHEVROLET SILVERADO	3GCPCSE05BG101124

Exhibit A (cont.)

	TAG NO	Alio Tag Description	VIN/Serial #
1	48418	EUROVAULT SAFE #3417	A03966
2	52019	DELL 780 DESKTOP W/USB FINGERPRINT SCAN	8G262P1
3	52020	XEROX 4510N NETWORK PRINTER	ART050613
4	53477	STANDARD SCALE	A-110307221
5	57420	MOTOROLA APX 7000 RADIO	655CNX5074
6	57423	MOTOROLA APX 7000 RADIO	655CNX5077
7	57802	MOTOROLA APX 7500 MOBILE RADIO	656CNZ0187
8	59505	MOTOROLA APX 03 CONTROL HEAD	COFUJGFW
9	59507	MOTOROLA APX 03 CONTROL HEAD	COFRQ34J
10	59508	MOTOROLA APX 03 CONTROL HEAD	COFRQ311
11	59512	MOTOROLA APX 03 CONTROL HEAD	COFUGF3Y
12	59513	MOTOROLA APX 03 CONTROL HEAD	COFRQ361
13	59517	MOTOROLA APX 03 CONTROL HEAD	COFRQ37L
14	73340	NANO FLEX AUDIO RECORDER W/USB& CHARGER	1038

Exhibit B

	TAG NO	Alio Tag Description	VIN/Serial #
1	20394	MITA - DC-1205	46013864
2	21854	WASH MACH WASCOMAT #184	4717619820-1
3	22490	HEWLETT PACKARD LASER JET	3022A14743
4	24106	HUEBSCH ORIG #50 ELECTRIC DRYER	STCK0720893ZD
5	34225	MICRO TEST DISCZERVERBT28	
6	34279	OKIDATA PACEMARK 3410	
7	38496	CISCO 3600 1PT FETH NTWK MOD FX	S28241728
8	38497	CISCO 3620 MODULAR ROUTER	
9	38557	MS MSDN ENT V7.0 CVUP	
10	38559	VIEWSONIC PJ550 1024X768 XGA	BORO22836153615
11	38822	CISCO 2 10/100 ENET WAN CARD	
12	39744	10500 SERIES DSK W/HUTCH,CHERRY	
13	39746	WINDOWS 2000 DESIGN CORE ELECTIVES	
14	40793	COMPAQ EVO D510 2.4 W/17" VIEWSONIC MON	USH31103GT&150994
15	40805	MS MSDN ENT V7.0 CVUP	
16	41022	WORDMERGE SOFTWARE/HOT CHECKS APPL.	
17	41425	HP LASERJET	SUSDNM1207
18	41426	HP LASERJET	SUSDNP1233
19	41661	SYG AV 8.1 SRV -106 LIC SOFTWARE	
20	41824	ADOBE CREATIVE SOFTWARE PREM 1 WIN	
21	42044	(100) MS GSA W2003 SRV CAL DEVICE	
22	42045	TRACK IT! 6.0 STANDARD W/AUDIT+	
23	43307	HP DAT 72 EXTERNAL TAPE DRIVE	HUN5332338
24	43584	PENINSULA W/END PANEL 66X30X29	
25	43774	MS MBG GOV MSDN UNIV. 2 YEAR SOFT RENEWA	M/L SA MBG-534-02111
26	43945	MS VISUAL STUDIO SOFTWARE	
27	44071	MS MSDN UNIVERSAL 7.0 UPG SUBSCRIPTION	
28	44272	GVL SAV DSK/SVR 1YR MT 100-249	
29	44424	CRASH DATA RETRIEVAL SYSTEM / SOFTWARE	
30	46117	HP SB- WORKSTATION XW4400 2GB DVR	S2UA6440L6D
31	46198	(100) MICROSOFT GSA OFFICE PRO 2003	SOFTWARE LIC
32	46300	SOFTWARE, MS GSA SQL, SVR STD LIC	
33	46301	(100) SOFTWARE, MS GSA CAL LIC/SA	
34	47026	HON LAM WOOD DESK W/RETRN	
35	47027	HON LAM WOOD DESK W/RETRN	
36	47301	MICROSOFT MBG VSTUDIO PROFESSIONAL	F1P-00113
37	47957	GO TO ASSIST SERV SOFTWARE	COL1110N
38	48364	ASURE ID EXPRESS SOFTWARE	
39	50910	NET ADVANTAGE 2009 VOL 2 LIC	SOFTWARE
40	50911	MS SYST CTR-ESS SOFTWARE	UCH-00804-3
41	51730	PDSANET PRODUCTIVITY FRAME V5.0	
42	52509	TOSHIBA QOSMIO X500-S1811LAPTOP	X1A90314W
43	53242	MS MBG VSTUDIO PREM SOFTWARE	9ED-00069
44	56254	AVL CS6 MSTR COL PG LIC L1	SOFTWARE
45	56767	HON 72X30X29 DESK W/HUTCH	
46	56844	HON SINGLE PED DESK W/ HUTCH	
47	57016	DEVCRAFT-DLW-S LICENSE	WIN PLATF SOFTWARE
48	59950	AVL TECHNICAL STE 4 UPGRADE	
49	77204	OXYGEN FORENSIC DETECTIVE SOFTWARE	3-4551725
50	62867	NIKON D3200 DGI SLR CAMERA	3976268
51	70576	STEINER TACTICAL BINOCULARS 10X42	1553816057
52	70579	STEINER TACTICAL BINOCULARS 10X42	1553207019

Exhibit B (cont.)

	TAG NO	Alio Tag Description	VIN/Serial #
1	79759	MOBILE DOWNDRAFT NECROPY TABLE 30" x 72'	
2	79760	C-ARM ACCAESSIBLE AUTOPSY CARRIER	
3	79761	C-ARM ACCAESSIBLE AUTOPSY CARRIER	
4	79762	C-ARM ACCAESSIBLE AUTOPSY CARRIER	
5	79763	C-ARM ACCAESSIBLE AUTOPSY CARRIER	
6	79764	C-ARM ACCAESSIBLE AUTOPSY CARRIER	
7	79765	C-ARM ACCAESSIBLE AUTOPSY CARRIER	
8	79766	C-ARM ACCAESSIBLE AUTOPSY CARRIER	
9	79767	C-ARM ACCAESSIBLE AUTOPSY CARRIER	
10	79768	C-ARM ACCAESSIBLE AUTOPSY CARRIER	
11	79769	C-ARM ACCAESSIBLE AUTOPSY CARRIER	
12	79795	JEFF 423-9231-000 ELECTRIC TRANSFORMER	

EXHIBIT C

HIDTA Assets

#	TAG NO	Alio Tag Description	VIN/Serial #	Cost
1	19957	WOOD SHELVES FOR FILES-MADE BY MAINT		$ 1,115.35
2	31624	DOUBLE LATERAL FILE CREDENZA		$ 1,447.00
3	34487	N* VMAIL PRMY HRD DRIV FOR NAM		$ 3,111.13
4	34968	NORSTAR MODULAR ICS & FIBER STATION		$ 16,928.34
5	37143	DESK CABINET		$ 1,860.00
6	37144	CREDENZA		$ 2,680.00
7	37145	TV ENT. CENTER		$ 1,380.00
8	37146	CURIO CABINET		$ 2,230.00
9	37535	HP PROCURVE 24PT 10/100 SWITCH		$ 1,165.28
10	38558	HP LJ 4100TN 25PPM		$ 1,771.44
11	41238	ML350T03 X2200 ARRAY	6J35KZR1V038	$ 2,611.00
12	44344	BARRINGTON,DESK/CRED/BOOKCASE/LAT FILE C		$ 3,510.60
13	44625	DELL LATITUDE D510, CELERON M360 LAPTOP	J2MRS81	$ 1,035.10
14	45285	VISUAL C# IN VISUAL STUDIO 2005	SOFTWARE-SUITE DVD'S	$ 2,432.00
15	45545	LAPTOP-HP SB- NX9420 100GB	SCND6163HD0	$ 2,250.63
16	46196	HP PROLIANT NETWORK SERVER DL380 G4	USE633NOFA	$ 3,383.00
17	47606	HON 72X30 DSK/RTRN/STACK ON		$ 1,480.01
18	47607	HON 72X30 DSK/RTRN/STACK ON		$ 1,480.01
19	47608	HON 72X30 DSK/RTRN/STACK ON		$ 1,480.01
20	50769	JVC 42" TELEVISION	9352125	$ 1,130.99
21	50770	SHARP 46" TELEVISION	70481Z297	$ 1,130.99
22	51080	SERVER HP DL380 ESS40	2UX0030537	$ 4,348.00
23	51081	SERVER HPDL380E5540	2UX00307N6	$ 4,348.00
24	51412	SINGLE PEDESTAL LEFT B/B/F		$ 1,051.25
25	52506	HP WORKSTATION Z400 W3520 500GB	S2UA0450A47	$ 3,032.74
26	52776	HP PROLIANT DL380 G6 SERVER	2M202901RC	$ 6,810.12
27	52782	MICROSOFT GSA SQL SERVER		$ 8,596.16
28	52783	MICROSOFT GSA SQL SERVER		$ 8,596.16
29	53073	DELL LATITUDE E6510 NOTEBOOK	9DX84Q1	$ 1,157.03
30	54707	HP COMPAQ 6200 PRO-COREi3	MXL144OHVZ	$ 609.99
31	56902	HON WORKSTATION-1		$ 1,421.05
32	56927	HON WORKSTATION-ELISA		$ 1,623.56
33	60367	HP PAVILION DV7-4285DX LAPTOP	CNF-018JNH	$ 624.95
34	60376	PANASONIC PLASMA TV TC-P50G20	LC02780269	$ 1,499.00
35	60465	HP SB 4540 LAPTOP	ZCE3380CRH	$ 679.99
36	60467	HP SB 4540 LAPTOP	ZCE338DCQZ	$ 679.99
37	60699	CATALYST C3560X 24 PORT	FD01746H1AE	$ 5,018.65
38	60700	CATALYST 2960S 24 GigE	FOC1746W0BD	$ 1,762.04
39	60701	CATALYST 2960S 24 GigE	F0C174523TR	$ 1,762.04
40	60702	CATALYST 2960S 24 GigE	SF0C1746W0A7	$ 1,762.04
41	60703	CATALYST 2960S 24 GigE	F0C1746W0A4	$ 1,762.04
42	62802	DROBO 27.6TB 12001 12 BAY-SERVER	DRD14350100158	$ 10,493.04
43	65208	DELL OPTIPLEX 7020	D72X052	$ 784.31
44	65211	DELL OPTIPLEX 7020	372X052	$ 784.31
45	66988	T-6R HON WORKSTATION	8FCZ2Z	$ 2,590.53
46	67032	T-6L HON WORKSTATION	8Q8ZUZ	$ 2,590.53
47	67033	T-6L HON WORKSTATION	858ZUZ	$ 2,590.53
48	67063	T-2 PENN AVE CREDENZA/STACK/GLASS DR	81YZAQ	$ 3,450.27
49	67069	T-8A HTLCREDA LAMINATE HOSP CREDA	8MWZXQ	$ 1,104.94
50	67711	CONFERENCE TABLE W/BARRINGTON MOLDING		$ 1,342.84

51	67896	DELL OPTIPLEX 7020 SFF	1W7BD92	$	784.99
52	67899	DELL OPTIPLEX 7020 SFF	DCG8M82	$	784.99
53	69045	HP PROBOOK 450 G3	5CD61541CN5	$	863.82
54	70772	HP PROBOOK 450 G3	5CD6422CG5	$	892.75
55	70967	HP PROBOOK 450 G3 15.6" LAPTOP	5CD6422CKV	$	892.75
56	73793	MOTORIZED IP67 PoE BULLET CAMERA		$	965.00
57	74892	DELL OPTIPLEX 5050 SFF	5FYMXM2	$	756.65
58	77107	DELL OPTIPLEX 7060 SFF	DFMPCV2	$	655.00
59	77126	HP 250 G6 LAPTOP 15.6 CORE i5 7200U		$	692.01
60	77127	HP 250 G6 LAPTOP 15.6 CORE i5 7200U		$	692.01
61	77129	HP 250 G6 LAPTOP 15.6 CORE i5 7200U		$	680.29
62	77130	HP 250 G6 LAPTOP 15.6 CORE i5 7200U		$	680.29
63	77662	DELL OPTIPLEX 7060 SFF		$	983.00
64	78666	LENOVO THINKBOOK 15-IIL LAPTOP - 15.6in	THINKBOOK	$	795.00
65	78668	LENOVO THINKBOOK 15-IIL LAPTOP - 15.6in	THINKBOOK 15	$	795.00
66	78670	LENOVO THINKBOOK 15-IIL LAPTOP - 15.6in	THINKBOOK 15	$	795.00
67	78672	LENOVO THINKBOOK 15-IIL LAPTOP - 15.6in	THINKBOOK 15	$	795.00
68	78674	LENOVO THINKBOOK 15-IIL LAPTOP - 15.6in	THINKBOOK 15	$	795.00
69	78679	LENOVO THINKBOOK 15-IIL LAPTOP - 15.6in	THINKBOOK 15	$	795.00
70	78680	LENOVO THINKBOOK 15-IIL LAPTOP - 15.6in	THINKBOOK 15	$	795.00
71	78682	LENOVO THINKBOOK 15-IIL LAPTOP - 15.6in	THINKBOOK 15	$	795.00
72	78689	LENOVO THINKBOOK 15-IIL LAPTOP - 15.6in	THINKBOOK 15	$	795.00
73	78807	G SUITE VIRTRU EMAIL ENCRYPTION SOFTWARE		$	2,999.00
74	79314	HANWHA PNM-9020V 180DEG PANORAMIC CAMERA		$	1,620.00
75	79324	HANWHA WISENET WAVE NVE - 12TB		$	8,182.80
76	80240	VALLEY FORENSICS DATABASE & GUI SOFTWARE	N/A	$	20,000.00
77	80454	LENOVO THINKBOOK 15-IIL LAPTOP - 15.6in	THINKBOOK	$	773.05
78	80456	LENOVO THINKBOOK 15-IIL LAPTOP - 15.6in	THINKBOOK	$	773.05
79	80709	LENOVO THINKPAD E15 LAPTOP - 15.6IN		$	813.81
80	80717	LENOVO THINKPAD E15 LAPTOP - 15.6IN		$	813.81
81	80719	LENOVO THINKPAD E15 LAPTOP - 15.6IN		$	813.81
82	80721	LENOVO THINKPAD E15 LAPTOP - 15.6IN		$	813.81
83	80722	LENOVO THINKPAD E15 LAPTOP - 15.6IN		$	813.81
84	80723	LENOVO THINKPAD E15 LAPTOP - 15.6IN		$	813.81
85	80743	LENOVO THINKPAD E15 LAPTOP - 15.6IN		$	813.81
86	80744	LENOVO THINKPAD E15 LAPTOP - 15.6IN		$	813.81
87	80746	LENOVO THINKPAD E15 LAPTOP - 15.6IN		$	813.81
88	80750	LENOVO THINKPAD E15 LAPTOP - 15.6IN		$	813.81
89	LE1102	DELL OPTIPLEX 5070 SFF BTX	88VNH13	$	670.00
90	42465	MAINFRAME SER ED V8 NEW		$	269.96
91	51510	BADGE SE POLICE RMS SOFTWARE		$	22,306.74
92	51512	SYMBOL W/IMAGER MC50 37 KEYS	10190521401702	$	1,530.18
93	53629	POINT BLANK TAC-ONE VEST W/MOLLY PLATE	110000186112	$	904.40
94	53634	POINT BLANK TAC-ONE VEST W/MOLLYPLATE	110000186121	$	904.40
95	57791	MOTOROLA APX 7500 MOBILE RADIO	656CNZ0176	$	5,899.79
96	57800	MOTOROLA APX 7500 MOBILE RADIO	656CNZ0185	$	5,899.79
97	57803	MOTOROLA APX 7500 MOBILE RADIO	656CNZ0188	$	5,899.79
98	59509	MOTOROLA APX 03 CONTROL HEAD	COFRQ31P	$	468.75
99	59510	MOTOROLA APX 03 CONTROL HEAD	COFRQ34L	$	468.75
100	59511	MOTOROLA APX 03 CONTROL HEAD	COFRQ34X	$	468.75
101	59514	MOTOROLA APX 03 CONTROL HEAD	COFRQ380	$	468.75
102	59516	MOTOROLA APX 03 CONTROL HEAD	COFRQ385	$	468.75
103	59518	MOTOROLA APX 03 CONTROL HEAD	COFRQ31I	$	468.75
104	59519	MOTOROLA APX 03 CONTROL HEAD	COFRQ387	$	468.75
105	66427	MIV CONF PHONE UC360		$	616.90
106	68405	SONICWALL TZ500 SEC UPG	18B1690FACBC	$	1,565.22
107	73696	SIREN 650 SERIES 100 WATT	3C6RR6KT8HG	$	730.87
108	81832	POINT BLANK IIIA BULLETPROOF VEST (MALE)	210000231445/231428	$	835.00
				$	**249,767.82**

EXHIBIT D

	Tag Number	ALIO Tag Description	Room No. Description (Asset Location)	VIN/Serial	ALIO Asset Location
1	LE1867	DELL OPTIPLEX 5070	Victims Unit	JFCQH13	County Clerk
2	LE1466	DELL OPTIPLEX 5070	3rd Floor	89DHS13	Information Technology
3	LE1550	DELL OPTIPLEX 5070	3rd Floor	886MH13	Information Technology
4	LE1236	DELL OPTIPLEX 5070	3rd Floor	851NH13	Information Technology
5	LE1136	DELL OPTIPLEX 5070	3rd Floor	891NH13	Information Technology
6	LE1533	DELL OPTIPLEX 5070	3rd Floor	883GS13	Information Technology
7	LE2013	DELL OPTIPLEX 5070	3rd Floor	84WFS13	Information Technology
8	LE1004	DELL OPTIPLEX 5070	3rd Floor	JF1PS13	Information Technology
9	LE1038	DELL OPTIPLEX 5070	3rd Floor	JF1MS13	Information Technology
10	LE1091	DELL OPTIPLEX 5070	Intake - Spare Cubicle	87XJH13	Information Technology
11	LE1219	DELL OPTIPLEX 5070	Admin 2	87VFS13	Information Technology
12	LE1086	DELL OPTIPLEX 5070	Special Crimes	87SKH13	Information Technology
13	LE1050	DELL OPTIPLEX 5070	Special Crimes	JF2QS13	Information Technology
14	LE1501	DELL OPTIPLEX 5070	Special Crimes	521KH13	Information Technology
15	LE1085	DELL OPTIPLEX 5070	Special Crimes	880MH13	Information Technology
16	LE1818	DELL OPTIPLEX 5070	Felony Division - Reception Area	89MLH13	Information Technology
17	LE1197	DELL OPTIPLEX 5070	3rd Floor	88YMH13	Information Technology
18	LE1549	DELL OPTIPLEX 5070	3rd Floor	882LH13	Information Technology
19	85116	CISCO CATALYST 9200L 48P SWITCH	Juvenile	JAE26270DZW	Information Technology
20	85115	CISCO CATALYST 9200L 48P SWITCH	Juvenile	JAE26270FKL	Information Technology
21	85114	CISCO CATALYST 9200L 48P SWITCH	Juvenile	JAE26270GB1	Information Technology
22	LE1653	DELL OPTIPLEX 5070	Juvenile	86HGS13	Information Technology
23	LE1642	DELL OPTIPLEX 5070	Juvenile	87WGS13	Information Technology
24	LE1443	DELL OPTIPLEX 5070	Juvenile/Misdemeanors	86LJH13	Information Technology
25	LE1212	DELL OPTIPLEX 5070	Forensic Center - Reception Area	895KH13	Information Technology
26	57786	MOTOROLA APX 7500 MOBILE RADIO	Assigned to DA Investigator	656CNZ0181	Sheriff's Law Enforcement
27	LE1207	DELL OPTIPLEX 5070	1st Floor - IT Room	88DGS13	Information Technology
28	66729	NETGEAR PRO SAFE 48 PT SWITCH	1st Floor - IT Room	3AS358500022C	Information Technology
29	43119	Entertainment Ctr	Courthouse - Grand Jury Room	N/A	7777
30	LE1537	DELL OPTIPLEX 5070	Juvenile/Misdemeanors	88DQH13	Information Technology
31	44283	Desk with hutch	Juvenile/Misdemeanors	MTS0X1	Budget and Management
32	LE1542	DELL OPTIPLEX 5070	Juvenile/Misdemeanors	887KH13	Information Technology
33	LE1608	DELL OPTIPLEX 5070	Victims Unit	54WPH13	County Judge
34	LE1088	DELL OPTIPLEX 5070	Special Crimes	87SFS13	Information Technology
35	LE1093	DELL OPTIPLEX 5070	Special Crimes	880NH13	Information Technology
36	LE1120	DELL OPTIPLEX 5070	Special Crimes	88VJS13	Information Technology
37	LE2025	DELL OPTIPLEX 5070	Felony	83QFS13	Information Technology
38	LE1816	DELL OPTIPLEX 5070	Felony	8BLJH13	Information Technology
39	LE1570	DELL OPTIPLEX 5070	Felony	852KH13	Information Technology
40	LE1055	DELL OPTIPLEX 5070	Juvenile/Misdeamenor Cubicles	888LH13	Information Technology
41	LE1121	DELL OPTIPLEX 5070	Slyvia's Solis's Office	85KGS13	Information Technology
42	LE1089	DELL OPTIPLEX 5070	1st Floor - IT Room	842MH13	Information Technology
43	LE2040	DELL OPTIPLEX 5070	1st Floor - IT Room	84KLH13	Information Technology
44	LE1553	DELL OPTIPLEX 5070	1st Floor - IT Room	87VJH13	Information Technology
45	LE1652	DELL OPTIPLEX 5070	1st Floor - IT Room	86HPH13	Information Technology
46	LE2001	DELL OPTIPLEX 5070	1st Floor - IT Room	85LHS13	Information Technology
47	LE1647	DELL OPTIPLEX 5070	1st Floor - IT Room	89HJS13	Information Technology
48	LE1502	DELL OPTIPLEX 5070	1st Floor - IT Room	53LJH13	Information Technology
49	LE1646	DELL OPTIPLEX 5070	1st Floor - IT Room	8BCJS13	Information Technology
50	LE1062	DELL OPTIPLEX 5070	1st Floor - IT Room	887HS13	Information Technology
51	LE1068	DELL OPTIPLEX 5070	1st Floor - IT Room	87VJS13	Information Technology
52	LE1090	DELL OPTIPLEX 5070	1st Floor - IT Room	88DNH13	Information Technology
53	LE1087	DELL OPTIPLEX 5070	1st Floor - IT Room	884PH13	Information Technology
54	LE1058	DELL OPTIPLEX 5070	1st Floor - IT Room	87RQH13	Information Technology
55	LE1448	DELL OPTIPLEX 5070	1st Floor - IT Room	860H13	Information Technology
56	LE1084	DELL OPTIPLEX 5070	1st Floor - IT Room	884QH13	Information Technology
57	LE1225	DELL OPTIPLEX 5070	1st Floor - IT Room	88GJH13	Information Technology
58	LE1146	DELL OPTIPLEX 5070	1st Floor - IT Room	872GS13	Information Technology
59	LE1516	DELL OPTIPLEX 5070	1st Floor - IT Room	52QJS13	Information Technology
60	LE2003	DELL OPTIPLEX 5070	1st Floor - IT Room	89FHS13	Information Technology
61	LE1675	DELL OPTIPLEX 5070	1st Floor - IT Room	87WNH13	Information Technology
62	LE1056	DELL OPTIPLEX 5070	1st Floor - IT Room	855MH13	Information Technology
63	LE1092	DELL OPTIPLEX 5070	1st Floor - IT Room	87YFS13	Information Technology
64	LE1052	DELL OPTIPLEX 5070	1st Floor - IT Room	8526H13	Information Technology
65	LE1660	DELL OPTIPLEX 5070	1st Floor - IT Room	859GS13	Information Technology
66	LE1634	DELL OPTIPLEX 5070	1st Floor - IT Room	84YMH13	Information Technology
67	LE1199	DELL OPTIPLEX 5070	1st Floor - IT Room	88DKH13	Information Technology
68	LE1992	DELL OPTIPLEX 5070	1st Floor - IT Room	85DPH13	Information Technology
69	LE1096	DELL OPTIPLEX 5070	1st Floor - IT Room	85CQH13	Information Technology
70	LE1523	DELL OPTIPLEX 5070	1st Floor - IT Room	53KNH13	Information Technology
71	LE1067	DELL OPTIPLEX 5070	1st Floor - IT Room	885NH13	Information Technology
72	LE1666	DELL OPTIPLEX 5070	1st Floor - IT Room	8B6H13	Information Technology
73	LE1536	DELL OPTIPLEX 5070	Forensic Ctr. - Room 117	87ZFS13	Information Technology
74	LE1057	DELL OPTIPLEX 5070	Forensic Center	87YHS13	Information Technology
75	LE1008	DELL OPTIPLEX 5070	2nd Floor	JF0KS13	Information Technology
76	LE1025	DELL OPTIPLEX 5070	Civil Liability	JC33S13	Information Technology
77	LE1037	DELL OPTIPLEX 5070	1st Floor - IT Room	JFQQH13	Information Technology
78	LE1045	DELL OPTIPLEX 5070	1st Floor - IT Room	JB7QS13	Information Technology
79	LE1046	DELL OPTIPLEX 5070	1st Floor - IT Room	JC89S13	Information Technology
80	LE1095	DELL OPTIPLEX 5070	Civil Liability	857MH13	Information Technology

81	LE1104	DELL OPTIPLEX 5070	1st Floor - IT Room	8549H13	Information Technology
82	LE1115	DELL OPTIPLEX 5070	1st Floor - IT Room	88BJH13	Information Technology
83	LE1128	DELL OPTIPLEX 5070	Hot Checks	88VFS13	Information Technology
84	LE1202	DELL OPTIPLEX 5070	Intake	894GS14	Information Technology
85	LE1205	DELL OPTIPLEX 5070	2nd Floor	890HS13	Information Technology
86	LE1209	DELL OPTIPLEX 5070	Felony	891PH13	Information Technology
87	LE1210	DELL OPTIPLEX 5070	1st Floor - IT Room	893LH13	Information Technology
88	LE1216	DELL OPTIPLEX 5070	Felony	894PH13	Information Technology
89	LE1220	DELL OPTIPLEX 5070	2nd Floor	894LH13	Information Technology
90	LE1226	DELL OPTIPLEX 5070	Felony	85JS13	Information Technology
91	LE1452	DELL OPTIPLEX 5070	1st Floor - IT Room	89TGS13	Information Technology
92	LE1458	DELL OPTIPLEX 5070	1st Floor - IT Room	8BCHS13	Information Technology
93	LE1464	DELL OPTIPLEX 5070	1st Floor - IT Room	89PFS13	Information Technology
94	LE1481	DELL OPTIPLEX 5070	1st Floor - IT Room	868LH13	Information Technology
95	LE1485	DELL OPTIPLEX 5070	1st Floor - IT Room	53KLH13	Information Technology
96	LE1487	DELL OPTIPLEX 5070	1st Floor - IT Room	52YJH13	Information Technology
97	LE1497	DELL OPTIPLEX 5070	Hot Checks	529NH13	Information Technology
98	LE1515	DELL OPTIPLEX 5070	2nd Floor	53JGS13	Information Technology
99	LE1529	DELL OPTIPLEX 5070	2nd Floor	541KH13	Information Technology
100	LE1532	DELL OPTIPLEX 5070	1st Floor - IT Room	887JS13	Information Technology
101	LE1538	DELL OPTIPLEX 5070	2nd Floor	880JS13	Information Technology
102	LE1546	DELL OPTIPLEX 5070	Civil Liability	888MH13	Information Technology
103	LE1548	DELL OPTIPLEX 5070	Civil Liability	886GS13	Information Technology
104	LE1554	DELL OPTIPLEX 5070	1st Floor - IT Room	883MH13	Information Technology
105	LE1584	DELL OPTIPLEX 5070	1st Floor - IT Room	85VHS13	Information Technology
106	LE1631	DELL OPTIPLEX 5070	1st Floor - IT Room	8B8LH13	Information Technology
107	LE1644	DELL OPTIPLEX 5070	Intake	85LMH13	Information Technology
108	LE1651	DELL OPTIPLEX 5070	Intake	86TKH13	Information Technology
109	LE1656	DELL OPTIPLEX 5070	Intake	89JPH13	Information Technology
110	LE1832	DELL OPTIPLEX 5070	1st Floor - IT Room	8B1QH13	Information Technology
111	LE2027	DELL OPTIPLEX 5070	1st Floor - IT Room	84QJH13	Information Technology
112	LE2036	DELL OPTIPLEX 5070	1st Floor - IT Room	84MGS13	Information Technology
113	LE2051	DELL OPTIPLEX 5070	1st Floor - IT Room	843HS13	Information Technology

EXHIBIT E

	Tag Description	Room No. Description (Asset Location)	VIN/Serial
1	HP LAPTOP	164	MXL8490CN9
2	HP LAPTOP	164	MXL84907N8
3	OFFICE DESK	Ann Moore's Office	SLYCJJ
4	Dell OptiPlex	Ann Moore's Office	89JMH13
5	HP DESK TOP	Michael Morris' Office	MXL8490VYS
6	HP DESK TOP	Luis Gonzalez's Office	MXL84908VB
7	Windows Laptop	DA 3rd floor	LR013U92X
8	HP DESK TOP	164	2CE3380CRH
9	HP DESK TOP	164	CND8491TXQ
10	HP DESK TOP	164	MXL84908UU
11	HP DESK TOP	164	MXL84908Y0
12	HP DESK TOP	164	MXL8490UYV
13	HP DESK TOP	164	MXL84908X9
14	HP DESK TOP	164	MXL84908VY
15	HP DESK TOP	164	MXL84908Z1
16	HP DESK TOP	164	MXL849OVYP
17	HP DESK TOP	164	MXL84908WF
18	HP DESK TOP	164	MXL8490VZ6
19	HP DESK TOP	164	MXL8490UYF
20	HP DESK TOP	164	MXL84907LL
21	HP DESK TOP	164	MXL8490VXU
22	HP DESK TOP	164	MXL8490VYT
23	HP DESK TOP	164	MXL8490VYX
24	HP DESK TOP	164	MXL8490VZK
25	HP DESK TOP	164	MXL147OKJ4
26	HP DESK TOP	164	MXL84908XT
27	HP DESK TOP	164	MXL84908Y9
28	HP DESK TOP	164	MXL84908VD
29	HP DESK TOP	164	MXL84908Y8
30	HP DESK TOP	164	MXL84907JP
31	HP DESK TOP	164	MXL8490BZG
32	HP DESK TOP	164	MXL8490VZ0
33	HP DESK TOP	164	MXL147OKGP
34	HP DESK TOP	164	MXL84908V8
35	HP DESK TOP	164	MXL84908VT
36	HP DESK TOP	164	MXL84908WL
37	HP DESK TOP	164	MXL844OKRG
38	HP DESK TOP	164	MXM830065G
39	Bulletproof Vest	Lee Cantu, Criminal Investigator	133921/133917
40	HP DC5800	Felony Division - Reception Area	MXL84908XP
41	Bulletproof Vest	Linda Greenwood, Criminal Investigator	510202/510190
42	HP Desktop Tower	Forensic Center - Vacant Room	MXL8490V23
43	Toshiba Laptop	Courthouse 5th Floor - IT Room	3B504613K
44	Bulletproof Vest	Assigned to - M. Cavazos	510192
45	Vest Plates	Assigned to - M. Cavazos	510204
46	Desk with hutch	Juvenile/Misdemeanors	NMYPSN2
47	Desk with hutch	Juvenile/Misdemeanors	8ND6Z
48	HP Compaq PC	Check Fraud Division - Storage Room	ZUA23804M9
49	HP Compaq PC	Check Fraud Division - Storage Room	MXL8490VYY
50	HP Compaq PC	Check Fraud Division - Storage Room	MXL84908Y6
51	HP Compaq PC	Check Fraud Division - Storage Room	MXM830063B
52	HP Compaq PC	Check Fraud Division - Storage Room	MXL8490BY8
53	HP Computer	ADA R. Martinez's Office	MXL8490VY2
54	HP Laptop	ADA Glenn Devino's Office	CND60324BP
55	HP Computer	ADA Glenn Devino's Office	MXL84908YT
56	Lenovo PC 3000J Series	Forensic Ctr. - Back Room	LX09Z20
57	Dell Inspiron 6000 Laptop	Forensic Ctr. - Autopsy Room	HQS1L91
58	Dell Optiplex 760	Forensic Ctr. - Autopsy Room	JDFYMBX
59	JEWETT360-500 Stretcher Base	Foresncic Ctr. - Side Building	0002030321
60	RAZBERI OUTDOOR	Check Fraud Division - Storage Room	K21124E31A1
61	PONT BLANK BULLET PROOF VEST	2nd floor	267537/267537
62	PONT BLANK BULLET PROOF VEST	2nd floor	510199/510211
63	PONT BLANK BULLET PROOF VEST	2nd floor	210203/510191
64	PONT BLANK BULLET PROOF VEST	2nd floor	708336/708360
65	HP COMPAQ	Intake	2UA23804LH
66	HP COMPAQ	Intake	MXL84908WJ
67	HP COMPAQ	Intake	MXL8490VYH

68	HP COMPAQ	Intake	MXL84907H7
69	HP COMPAQ	Hot Checks	MXL874908Y1
70	HP COMPAQ	Hot Checks	MLX8940VXZ
71	HP COMPAQ	Hot Checks	MXL84908XZ
72	HP COMPAQ	Hot Checks	MXL8490VY5
73	HP COMPAQ	Hot Checks	MXL84908VS
74	HP COMPAQ	Hot Checks	MXM830063J
75	HP COMPAQ	Hot Checks	MXL8490VY9
76	HP COMPAQ	Hot Checks	MXL8490VY7
77	HP COMPAQ	Hot Checks	MXL84908X4
78	HP COMPAQ	Hot Checks	MXM830065H
79	HP COMPAQ	Hot Checks	MXL84908XC
80	HP COMPAQ	Hot Checks	MXL84908WB
81	HP COMPAQ	Hot Checks	MXL8490VXQ
82	HP COMPAQ	Hot Checks	MXL8490VY6
83	HP COMPAQ	Hot Checks	MXL84907GZ
84	HP COMPAQ	Hot Checks	MXL8490BYL
85	HP COMPAQ	Hot Checks	MXL84908YV
86	HP COMPAQ	Hot Checks	MXL87490VY9
87	HP COMPAQ	Hot Checks	MXL84908WN
88	HP Compact Pro 6300 Desktop	Office #109	2UA3201MV6
89	HP PRO 3500 SERIES MT	Office #109	2UA3361X29
90	HP Compact PC 5800	Forensic Center	MXL84908VN
91	HP Laptop	HIDTA Investigators' Desk Area	CND8117PVH
92	Radio	Dodge Ram 1500	(BASE RADIO)MT10R1004C33/12CAI121BOGK ----- (Radio) PMUN1C34F/30FRQ385
93	HON Hutch Desk	Clarissa Rivera's Office	CWT5FA
94	Olympus Audio Recorder W8A22	Assigned to HIDTA Investigator	100121468
95	Olympus Recorder	Assigned to HIDTA Investigator	100120492
96	Olympus Recorder	Assigned to HIDTA Investigator	101107645
97	Canon EOS Rebel Digital Camera	Assigned to HIDTA Investigator	282073094356
98	Utility Trailer	Pct. 4 Old storage area behind WIC in San Carlos	5UJFS4822GC002724
99	Thermo King Trailer	Pct. 4 Old storage area behind WIC in San Carlos	1GRAA06244B706527
100	HP Probook	5th Floor Courthouse - IT Room	2CE3380CQ2
101	Liberty Gun Safe	DA Evidence Room	
102	Light Color Computer Desk	Michael Perez's Office	
103	Light Brown Desk w/ Hutch	Misdemeanor - Anica Alfaro	
104	Exterior Dome Camera	Exterior Corner Building	
105	Exterior Dome Camera	Exterior Corner Building	
106	Exterior Dome Camera	Exterior Corner Building	
107	OKIDATA PACEMARK 3410	Courthouse - Grand Jury Room	
108	Desk	Forensic Ctr. - No Room #	
109	Stainless Steel Sink	Forensic Ctr. - Autopsy Room	
110	2 Stainless Steel Sinks	Forensic Ctr. - Autopsy Room	
111	Steel Platform under Sink	Forensic Ctr. - Autopsy Room	
112	Steel Platform under Sink	Forensic Ctr. - Autopsy Room	
113	Steel Platform under Sink	Forensic Ctr. - Autopsy Room	
114	DESK W/ HUTCH	Victim's Unit (Rosa's Office)	
115	Pelican 1120 recordeR	Commander Alvarez's Office	
116	HP Laptop	Assigned to Gamino	
117	Motorola Car Radio	White Jeep Laredo	
118	5-Tier Cabinet	Forensic Rm #109	
119	Dell Optiplex 720	IT	
120	Aleratec CD Burner	Investigator's area	
121	Granite countertop desk	Old DA's Desk stored in Juvenile/Misdemeanor Room	
122	Colt AR-15 Firearm	HIDTA VAULT	222629
123	Colt AR-15 Firearm	HIDTA VAULT	4284416
124	Colt AR-15 Firearm	HIDTA VAULT	4018486
125	Colt AR-15 Firearm	HIDTA VAULT	4272015
126	Colt AR-15 Firearm	HIDTA VAULT	4272207
127	Colt AR-15 Firearm	HIDTA VAULT	4252076
128	Colt AR-15 Firearm	HIDTA VAULT	373418
129	Colt AR-15 Firearm	HIDTA VAULT	4027515
130	Colt AR-15 Firearm	HIDTA VAULT	4272234

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Honorable Toribio "Terry" Palacios**	**AUDIT NO.:**	**2022-59**
AUDIT:	**Asset Inventory Audit**	**MANAGEMENT RESPONSE DUE:**	**March 27, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

Management should affix an asset tag on the 157 assets that did not contain an asset tag (Exhibit A).

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Honorable Toribio "Terry" Palacios**	**AUDIT NO.:**	**2022-59**
AUDIT:	**Asset Inventory Audit**	**MANAGEMENT RESPONSE DUE:**	**March 27, 2023**
FINDING No.:	**2**	**RECOMMENDATION:**	**2**

Management should ensure that the 52 assets declared surplus are removed from the District Attorney's Office asset inventory listing (Exhibit B).

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Honorable Toribio "Terry" Palacios**	**AUDIT NO.:**	**2022-59**
AUDIT:	**Asset Inventory Audit**	**MANAGEMENT RESPONSE DUE:**	**March 27, 2023**
FINDING No.:	**3**	**RECOMMENDATION:**	**3**

Management should ensure that a formal request and approval from the Department Head or designee is obtained when equipment is taken off County premises, including when taken off-site for repairs. More specifically, request and approvals should be noted for tag numbers 79312, 79313, and 80235.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Honorable Toribio "Terry" Palacios**	**AUDIT NO.:**	**2022-59**
AUDIT:	**Asset Inventory Audit**	**MANAGEMENT RESPONSE DUE:**	**March 27, 2023**
FINDING No.:	**4**	**RECOMMENDATION:**	**4**

Management should conduct research on the 108 assets that were not located. If the asset cannot be located, an incident report should be obtained and presented to Commissioners Court for approval to remove the assets from the asset inventory listing (see Exhibit C).

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Honorable Toribio "Terry" Palacios**	**AUDIT NO.:**	**2022-59**
AUDIT:	**Asset Inventory Audit**	**MANAGEMENT RESPONSE DUE:**	**March 27, 2023**
FINDING No.:	**5**	**RECOMMENDATION:**	**5**

Management should ensure that asset transfer forms are prepared to document the transfer of the 113 assets to the District Attorney's Office (see Exhibit D).

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Honorable Toribio "Terry" Palacios**	**AUDIT NO.:**	**2022-59**
AUDIT:	**Asset Inventory Audit**	**MANAGEMENT RESPONSE DUE:**	**March 27, 2023**
FINDING No.:	**6**	**RECOMMENDATION:**	**6**

Management should request that *Alio* be updated to include asset tag numbers 1636, 65223, 17520, and 17541 in the District Attorney's Office inventory listing. Furthermore, asset tag numbers 65233 and 51835 are in the *Alio* surplus location, and tag number 51835 lists an inaccurate description in *Alio*.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Honorable Toribio "Terry" Palacios**	**AUDIT NO.:**	**2022-59**
AUDIT:	**Asset Inventory Audit**	**MANAGEMENT RESPONSE DUE:**	**March 27, 2023**
FINDING No.:	**7**	**RECOMMENDATION:**	**7**

Purchasing Department should conduct research on the 130 assets that did not contain an asset tag to determine if the assets are subject to inventory control (see Exhibit E).

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

March 10, 2023

Mr. T.J. Arredondo, Director
Hidalgo County Planning Department
1304 S. 25th Street
Edinburg, Texas 78539

Re: Cash Count Report No. 2022-70

Dear Mr. Arredondo:

We conducted a surprise cash count of the cash held at the Planning Department's Weslaco Office on June 15, 2022 as required by Local Government Code §115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:
The scope of the review was limited to a count of the cash on hand as the time of the cash count. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction.

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

Conclusion:
Total cash on hand at the time of the cash count was $330.00. Based on the results of our review, we concluded that total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund of $150.00. In addition, we noted that adequate internal controls were in place to properly safeguard cash on hand and ensure that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions, please contact Enrique Leal, Internal Auditor I, at 318-2511 ext. 4641, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

March 14, 2023

The Honorable Martin Cantu, Constable
Hidalgo County Precinct No. 2
300 W. Hall Acres, Ste. E
Pharr, TX 78577

Re: Cash Count Report No. 2022-72

Dear Constable Cantu:

We conducted a surprise cash count of the cash held at your office on July 28, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction.

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

Conclusion:
There were no collections at time of cash count. In addition, we noted adequate internal controls were in place to properly safeguard cash on hand and ensure that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

March 14, 2023

The Honorable Toribio Palacios, Criminal District Attorney
Hidalgo County District Attorney's Office
100 N. Closner
Edinburg, TX 78539

Re: Asset Forfeiture Cash Count Report No. 2022-75

Dear Mr. Palacios:

We conducted a surprise cash count of the cash held at your office on August 23, 2022, as required by Local Government Code § 115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued up to the time of the cash count.

Executive Summary:
At the time of the cash count, receipts had not been issued and collections had not been made; however, we noted that improvements could be made to the procedures in place for the collection and safeguarding of cash. More specifically, we noted that security cameras were not utilized in areas where cash is safeguarded.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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 improvements could be made.

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

Conclusion:
At the time of the cash count, receipts had not been issued and collections had not been made; however, we noted that improvements could be to the procedures in place for the collection and safeguarding of cash as noted in the following observation.

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,

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

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
Security cameras were not utilized in areas where cash was receipted and safeguarded.

Security cameras serve as a crime deterrent; therefore, the County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections are received and safeguarded. A notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

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

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

Please provide a written management response to the observation noted above on the attached Management Response Form by March 29, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count please contact Francisco Saenz, Internal Auditor I, at 318-2511 ext. 4667, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Mr. Valde Guerra, County Executive Officer
Ms. Rosalinda Cantu, Assistant Chief of Staff, Hidalgo County District Attorney's Office

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Toribio Palacios, Criminal District Attorney**	**AUDIT NO.:**	**2022-75**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**March 29, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

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

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

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

April 10, 2023

The Honorable Eduardo "Eddie" Cantu, Commissioner
Hidalgo County Precinct No. 2
300 W. Hall Acres Suite G
Pharr, Texas 78577

Re: Cash Count Audit No. 2022-78

Dear Commissioner Cantu:

We conducted a surprise cash count of the cash held at the Pharr Sanitation Office on July 28, 2022 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Executive Summary:
Based on the review, we concluded that cash on hand generally reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund; however, the system of internal controls for the collections and safeguarding of cash requires improvement. More specifically, we noted that transfer forms are not used during a shift change.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

Conclusion:
At the time of the cash count, receipts had not been issued and collections had not been made. Based on the cash count, we concluded that total cash on hand reconciled to the approved change fund of $200.00. However, the system of internal controls for the collections and safeguarding of cash requires improvement as noted in the following observation.

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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

Observation No. 1:
We noted that when a shift change is necessary and collections are transferred from one employee to another, collections are counted in the presence of both parties; however, a receipt ("Transfer Form") is not signed by the employee who accepted custody. According to staff, they were aware of the requirement; however, the procedure has not been implemented.

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

Failure to ensure that a receipt is recorded and signed by the employee accepting custody of collections during the transfer of cash may increase the risk that discrepancies between actual cash collected and recorded amounts (e.g., shortage) will not be able to be traced to the responsible employee.

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

Please provide a written management response to the observation noted above on the attached Management Response Form by April 25, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Ms. Erika Zamora, Director of Administration, Hidalgo County Precinct No. 2

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Commissioner Precinct No 2 - Pharr Sanitation Office**	**AUDIT NO.:**	**2022-78**
AUDIT:	**Cash Count**	**MANAGEMENT RESPONSE DUE:**	**April 25, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

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

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

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

April 10, 2023

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

Re: Cash Count Audit No. 2022-79

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Regular Trust account on August 11, 2022 as required by Local Government Code § 115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

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

Conclusion:
At the time of cash count, receipts had not been issued and collections had not been made. In addition, we noted that adequate internal controls were in place to properly safeguard cash and ensure that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Ms. Myra Montoya, Budget Manager, Hidalgo County Sheriff's Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

April 20, 2023

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

Re: Cash Count Audit No. 2022-81

Dear Mr. Olivarez:

We conducted a surprise cash count of the cash held at the Environmental Health Division-Restaurant Health Permit Section on September 14, 2022, as required by Local Government Code § 115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

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

Conclusion:
Cash on hand at the time of the cash count totaled $150.00. Based on the cash count, we concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of $25.00. In addition, we noted that adequate internal controls were in place to properly safeguard cash on hand and ensure that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

April 20, 2023

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

Re: Cash Count Report No. 2022-76

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office East Substation (Fee Account) on June 9, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Executive Summary:
There were no collections at the time of the cash count; however, the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted:

- Security cameras were not utilized in areas where cash is safeguarded;
- Transfer forms are not used during a shift change; and
- Staff uses the change fund to make personal change.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up to evaluate the progress toward resolving the findings identified in the cash count conducted on November 5, 2019. 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 improvements could be made.

Conclusion:
At the time of the cash count, receipts had not been issued and collections had not been made. Based on the cash count, we have concluded that total cash on hand reconciled to the approved change fund of $50.00. However, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

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.

Prior Audit Observation No. 1:
We noted that security cameras were not utilized in areas where cash is safeguarded. According to staff, security cameras are located throughout the office; however, not in the area where cash is safeguarded.
The use of security cameras acts as a crime deterrent. The County Auditor's Office recommends that security cameras be installed in areas where cash collections are received and safeguarded.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

Failure to utilize security cameras in areas where cash is safeguarded decreases management's ability to effectively monitor cash handling areas in the event of theft.

Recommendation:
Management should ensure that security cameras are utilized in areas where cash is safeguarded.

Prior Audit Observation No. 2:
We noted that if a shift change is necessary and collections are transferred from one employee to another, the collections are not counted in the presence of both parties and a receipt ("Transfer Form") is not signed by the employee who accepted custody. According to staff, they were aware of the policy.

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

Failure to ensure that a receipt is recorded and signed by the employee accepting custody of collections during the transfer of cash may increase the risk that discrepancies between actual cash collected and recorded amounts (e.g., shortage) will not be able to be traced to the responsible employee.

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

Observation No. 1:
We noted that staff uses the change fund to make personal change. According to staff, they were not aware of the policy prohibiting the use of un-deposited cash to make personal change.

The County Auditor's Office requires that all un-deposited cash must not be used to make personal change, cash checks of any kind, or make loans or advances.

Failure to ensure that personal change is not made from un-deposited cash increases the risk of loss of County funds.

Recommendation:
Management should ensure that employees responsible for handling cash do not make personal change from un-deposited cash.

Please provide written management response to the observation noted above on the attached Management Response Form by May 5, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure

cc: Mr. Valde Guerra, County Executive Officer
Ms. Myra Montoya, Budget Manager, Hidalgo County Sheriff's Office

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Cash Count - Sheriff's Office East Substation (Fee Account)**	**AUDIT NO.:**	**2022-76**
AUDIT:	**Cash Count**	**MANAGEMENT RESPONSE DUE:**	**May 5, 2023**
FINDING No.:	**Prior Audit - 1**	**RECOMMENDATION:**	**Prior Audit - 1**

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

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Cash Count - Sheriff's Office East Substation (Fee Account)**	**AUDIT NO.:**	**2022-76**
AUDIT:	**Cash Count**	**MANAGEMENT RESPONSE DUE:**	**May 5, 2023**
FINDING No.:	**Prior Audit - 2**	**RECOMMENDATION:**	**Prior Audit - 2**

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

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY OF HIDALGO, TEXAS
TRANSFER FORM
DATE OF COLLECTION: _____

CASHIER'S NAME: _____

NAME OF EMPLOYEE COLLECTIONS ARE BEING TRANSFERRED TO: _____

PART I: RECAP OF RECEIPTS ISSUED-TOTAL COLLECTIONS

A.) TOTAL CASH COLLECTED (RECEIPT # _____ THROUGH _____) _____

B.) TOTAL CHANGE FUND _____

C.) TOTAL CASH COLLECTED AND CHANGE FUND (A+B) _____

PART II: CASH ON HAND BY ACTUAL COUNT

D.) CURRENCY		**E.) COINS**	
_____ ONES	$ _____	_____ PENNIES	$ _____
_____ FIVES	_____	_____ NICKELS	_____
_____ TENS	_____	_____ DIMES	_____
_____ TWENTIES	_____	_____ QUARTERS	_____
_____ FIFTIES	_____	_____ HALF DOLLARS	_____
_____ HUNDREDS	_____	_____ SILVER DOLLARS	_____
_____ OTHER	_____		
TOTAL	$ _____	TOTAL	$ _____

F.) TOTAL CURRENCY AND COINS ON HAND (D+E) _____

VARIANCE- OVERAGE/ (SHORTAGE) (F-C) $ -

COMMENTS: _____

PART III: ACKNOWLEDGMENT AND APPROVAL

I have counted and acknowledge receipt of all cash collected.

COUNTED BY: _____ WITNESSED BY: _____

The cash count must be witnessed by the employee taking custody of the collections.

Any variance must be immediately reconciled and brought to the attention of a supervisor.

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Cash Count - Sheriff's Office East Substation (Fee Account)**	**AUDIT NO.:**	**2022-76**
AUDIT:	**Cash Count**	**MANAGEMENT RESPONSE DUE:**	**May 5, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

Management should ensure that employees responsible for handling cash do not make personal change from un-deposited cash.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

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

April 20, 2023

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

Re: Cash Count Audit No. 2022-80

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Fee account on August 11, 2022 as required by Local Government Code § 115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Executive Summary:
Based on the review, we concluded that cash on hand generally reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted that transfer forms are not used during a shift change.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

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

Conclusion:
Cash on hand at the time of the cash count totaled $810.00. Based on the cash count, we determined that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of $100.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

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 if a shift change is necessary and collections are transferred from one employee to another, collections are counted in the presence of both parties; however, a receipt ("Transfer Form") is not signed by the employee who accepted custody.

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

Failure to ensure that a receipt is recorded and signed by the employee accepting custody of collections during the transfer of cash may increase the risk that discrepancies between actual cash collected and recorded amounts (e.g., shortage) will not be able to be traced to the responsible employee.

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

Please provide written management response to the observation noted above on the attached Management Response Form by May 5, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure

cc: Mr. Valde Guerra, County Executive Officer
Ms. Myra Montoya, Budget Manager, Hidalgo County Sheriff's Office

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Cash Count - Sheriff's Office (Fee Account)**	**AUDIT NO.:**	**2022-80**
AUDIT:	**Cash Count**	**MANAGEMENT RESPONSE DUE:**	**May 5, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

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

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY OF HIDALGO, TEXAS
TRANSFER FORM
DATE OF COLLECTION: _____

CASHIER'S NAME: _____

NAME OF EMPLOYEE COLLECTIONS ARE BEING TRANSFERRED TO: _____

PART I: RECAP OF RECEIPTS ISSUED-TOTAL COLLECTIONS

A.) TOTAL CASH COLLECTED (RECEIPT # _____ THROUGH _____) _____

B.) TOTAL CHANGE FUND _____

C.) TOTAL CASH COLLECTED AND CHANGE FUND (A+B) _____

PART II: CASH ON HAND BY ACTUAL COUNT

D.) CURRENCY		**E.) COINS**	
_____ ONES	$ _____	_____ PENNIES	$ _____
_____ FIVES	_____	_____ NICKELS	_____
_____ TENS	_____	_____ DIMES	_____
_____ TWENTIES	_____	_____ QUARTERS	_____
_____ FIFTIES	_____	_____ HALF DOLLARS	_____
_____ HUNDREDS	_____	_____ SILVER DOLLARS	_____
_____ OTHER	_____		
TOTAL	$ _____	TOTAL	$ _____

F.) TOTAL CURRENCY AND COINS ON HAND (D+E) _____

VARIANCE- OVERAGE/ (SHORTAGE) (F-C) $ -

COMMENTS: _____

PART III: ACKNOWLEDGMENT AND APPROVAL

I have counted and acknowledge receipt of all cash collected.

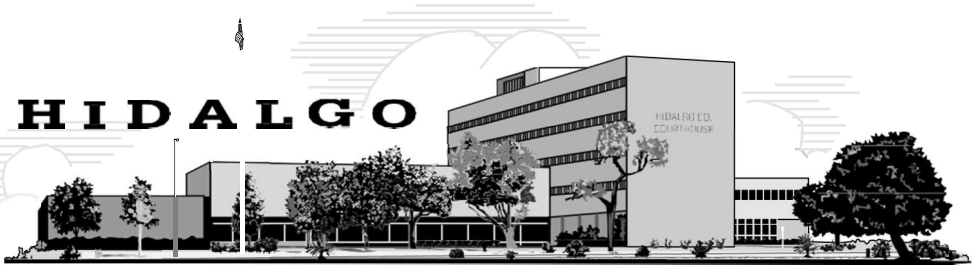
COUNTED BY: _____ WITNESSED BY: _____

The cash count must be witnessed by the employee taking custody of the collections.

Any variance must be immediately reconciled and brought to the attention of a supervisor.

COUNTY of HIDALGO

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



EDINBURG, TEXAS 78539

April 24, 2023

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

Re: Cash Count Audit No. 2022-83

Dear Mr. Olivarez:

We conducted a surprise cash count of the cash held at the Environmental Health Division - On-Site Sewage Facilities - Edinburg location on September 14, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

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

Conclusion:
At the time of the cash count, receipts had not been issued and collections had not been made. Based on the cash count, we concluded that total cash on hand reconciled to the approved change fund of $25.00. In addition, we noted that adequate internal controls were in place to properly safeguard cash on hand and ensure that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures.

If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Francisco Saenz, Internal Auditor II, at 318-2511 ext. 4667, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

April 25, 2023

The Honorable Everardo "Ever" Villarreal, Commissioner
Hidalgo County Precinct No. 3
724 North Breyfogle
P.O. Box 607
Mission, Texas 78574

Re: Cash Count Audit No. 2022-86

Dear Commissioner Villarreal:

We conducted a surprise cash count of the cash held at the Anzalduas Park on December 8, 2022 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Executive Summary:
At the time of the cash count, receipts had not been issued and collections had not been made. Based on the cash count, we concluded that cash on hand reconciled to the approved change fund; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted:

- According to staff, park entrance fees were waived by Commissioner Precinct 3 until further notice; however, Commissioners Court approval was not obtained for the waiver of park entrance fees; and
- The change fund should be returned to the County Treasurer's Office until the park resumes collecting park entrance fees

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

Conclusion:
At the time of the cash count, receipts had not been issued and collections had not been made. Based on the results of the cash count, we concluded that total cash on hand reconciled to the approved change fund of $50.00; however, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

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:
According to Anzaldua's Park Staff, effective April 1, 2022, the $4.00 park entrance fee, which was only collected on Saturdays and Sundays, was waived by Commissioner Precinct No. 3 until further notice. Staff noted that collections were expected to be waived for an extended period of time; however, the change fund had not been returned to the County Treasurer's Office.

Pursuant to Local Government Code §316.004, "the commissioners court may set and collect the fees in different amounts or may waive the fees in consideration of the following factors: (1) the time of the day at which or the day of the week on which a facility or service is used; (2) the size of a group wishing to use a facility or service; (3) the special circumstances of certain classes of persons, including elderly persons and indigent persons; or (4) other factors that the court considers to justify a different fee or the waiver of a fee."

Failure to ensure that fees are collected as approved Commissioners Court results in noncompliance of Local Government Code §316.004. In addition, failure to ensure that the unused change fund is deposited with the County Treasurer's Office may result in the loss of County funds.

Recommendation:
We recommend that the park entrance fees be collected as approved by Commissioners Court. In the alternative, Commissioners Court approval should be obtained to waive the fee. In addition, the change fund should be returned to the County Treasurer's Office until the park resumes collecting entrance fees.

Please provide written management response to the observation noted above on the attached Management Response Form by May 10, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Valde Guerra, County Executive Officer
Norma Ceballos, Executive Assistant III, Hidalgo County Precinct No. 3

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Precinct 3- Anzalduas Park**	**AUDIT NO.:**	**2022-86**
AUDIT:	**Cash Count**	**MANAGEMENT RESPONSE DUE:**	**April 7, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

Commissioners Court approval to waive the park entrance fee should be obtained. In addition, the change fund should be returned to the County Treasurer's Office until the park resumes collecting entrance fees.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

April 25, 2023

Ms. Erika Reyna, Director
Department of Human Resources
505 S. McColl Rd., Suite A
Edinburg, Texas 78539

Re: Cash Count Report No. 2022-84

Dear Ms. Reyna:

We conducted a surprise cash count of the cash held at the Department of Human Resources Employee Benefits Division on November 2, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Executive Summary:
Based on the cash count, we concluded that the total cash on hand reconciled to the total receipts issued up to the time of the cash count; however, the system of internal controls requires improvement. More specifically, we noted that identification is not always requested by the cashier to verify information on checks received for payments.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

Conclusion:
Total cash on hand at the time of the cash count was $2,814.00. Based on our review, we determined that total cash on hand reconciled to the total receipts issued up to the time of the cash count. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

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 identification was not always requested by the cashier to verify the information on the check when processing payments.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

The County Auditor's Office requires the cashier to request identification to verify the payer's name, address, driver's license number, and date of birth. If some of the information is not pre-printed on the face of the check, the cashier must request this information and record it on the face of the check. A phone number must also be printed or recorded on the check.

Failure to verify the information on check increases the risk of loss or misuse of County funds.

Recommendation:
Management should ensure that all employees handling cash request identification to verify the information on checks received for payment.

Please provide a written management response to the observation noted above on the attached Management Response Form by May 10, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Mr. Valde Guerra, County Executive Officer
Ms. Katia Garcia, Division Manager III, Human Resources Department

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Employee Benefits Division**	**AUDIT NO.:**	**2022-84**
AUDIT:	**Cash Count**	**MANAGEMENT RESPONSE DUE:**	**May 10, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

Management should ensure that all employees handling cash request identification to verify the information on checks received for payment.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

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

April 25, 2023

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

Re: Cash Count Audit No. 2022-85

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Investigative Fund account on December 20, 2022 as required by Local Government Code § 115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the approved petty cash fund less total outstanding expenditure vouchers as of the time of the cash count.

Scope:
The scope of the review was limited to a count of the cash on hand and total outstanding vouchers as of the time of the cash count. 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.

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

Conclusion:
Total cash on hand at the time of the cash count was $9,240.00. Based on the review, we concluded that total cash on hand reconciled to the approved petty cash fund of $10,000.00, less total outstanding vouchers. In addition, we noted that adequate internal controls were in place to properly safeguard cash on hand and ensure that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures.

If you have any questions, feel free to call Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651 or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

April 28, 2023

The Honorable Lazaro Gallardo, Jr., Constable
Hidalgo County Precinct No. 3
730 N. Breyfogle Ste. B
Mission, Texas 78573

Re: Cash Count Report No. 2022-89

Dear Constable Gallardo:

We conducted a surprise cash count of the cash held at your office on December 7, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Executive Summary:
There were no collections at the time of the cash count; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted that security cameras were not utilized in areas where cash is receipted and safeguarded.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on June 11, 2019. 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.

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

Conclusion:
At the time of the cash count, receipts had not been issued and collections had not been made. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. | YSMAEL FONSECA JUDGE, 476TH D.C.

Observation No. 1:
We noted that security cameras were not utilized where cash is received and safeguarded. According to staff, the Constable's Office is prohibited from monitoring the area where cash is receipted and safeguarded since it is the same area where the Constable's Office uses the Spillman LEA Program that handles sensitive information and it would violate the Program's policies and procedures.

Security cameras serve as a crime deterrent; therefore, the County Auditor's Office recommends that security alarms and security cameras be installed in areas where cash collections and receipts are received and safeguarded.

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

Recommendation:
Management should designate a new area for receipting and safeguarding cash that can monitored by security cameras. At a minimum, management should ensure that security cameras are utilized in areas where cash is receipted and safeguarded.

Please provide a written management response to the observation noted above on the attached Management Response Form by May 15, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Karen Ramirez, at 318-2511 ext. 4606, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Lazaro Gallardo, Jr., Constable Precinct No. 3**	**AUDIT NO.:**	**2022-89**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**May 15, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

Management should designate a new area for receipting and safeguarding cash that can be monitored by security cameras. At a minimum, management should ensure that security cameras are utilized in areas where cash is receipted and safeguarded.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

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

April 28, 2023

Ms. Angie Chapa, Law Librarian
Hidalgo County Law Library
100 N. Closner Blvd.
Edinburg, Texas 78539

Re: Cash Count Audit No. 2022-87

Dear Ms. Chapa:

We conducted a surprise cash count of the cash held at your office on December 1, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Executive Summary:
Based on the review, we concluded that cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted that segregation of duties over the collection and recording of cash requires improvement.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up to evaluate your office's progress toward resolving the finding identified in the cash count conducted September 24, 2019. 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.

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

Conclusion:
Cash on hand at the time of the cash count totaled $343.75. Based on the review, we determined that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of $300.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. | YSMAEL FONSECA JUDGE, 476TH D.C.

Prior Observation No. 1:
We noted that segregation of duties over the collection and recording of cash requires improvement. In addition, compensating controls to cover the lack of basic internal controls have not been implemented. The Law Librarian performs the following incompatible duties:

- Custody: Receives collections, issues receipts, balances receipts issued to cash on hand, maintains a cash drawer, and has access to inventory of unused receipts
- Recording: Accounts for numerical sequence of cash receipts and prepares reports of cash received
- Authorization: Approves the monthly report and verifies that voided original receipts are kept and reviewed

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

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

Formal monitoring procedures have not been developed and implemented to ensure that incompatible duties are adequately segregated or that compensating controls are implemented. Failure to have adequate segregation of duties increases the risk of loss or misuse of County revenues.

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

Please provide a written management response to the observation noted above on the attached Management Response Form by May 15, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim Hidalgo County Auditor

Enclosure: Management Response Form

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Law Library**	**AUDIT NO.:**	**2022-87**
AUDIT:	**Cash Count**	**MANAGEMENT RESPONSE DUE:**	**May 15, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

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

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

April 28, 2023

The Honorable Ellie Torres, Commissioner
Hidalgo County Precinct No. 4
1051 N. Doolittle Rd.
Edinburg, Texas 78542

Re: Cash Count Report No. 2022-88

Dear Commissioner Torres:

We conducted a surprise cash count of the cash held at the Edinburg Sanitation Office on December 6, 2022 as required by Local Government Code §115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

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

Conclusion:
Total cash on hand at the time of the cash count was $1,326.00. Based on the cash count, we concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of $200.00. In addition, we noted adequate internal controls were in place to properly safeguard cash on hand and ensure that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures.

If you have any questions regarding this cash count please contact Francisco Saenz, Internal Auditor II, at 318-2511 ext. 4667, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Ms. Jennifer Mendoza Culbertson, Chief Administrator-Internal Affairs, Hidalgo County Precinct No. 4

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

April 28, 2023

The Honorable David L. Fuentes, Commissioner
Hidalgo County Precinct No. 1
1902 Joe Stephens Suite 101
Weslaco, Texas 78596

Re: Cash Count Report No. 2022-77

Dear Commissioner Fuentes:

We conducted a surprise cash count of the cash held at the Weslaco Sanitation Office on June 30, 2022 as required by Local Government Code §115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Executive Summary:
Based on the review, we concluded that cash on hand did not generally reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund. In addition, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

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

Conclusion:
Total cash on hand at the time of the cash count was $531.00. Based on the review, we concluded that total cash on hand did not generally reconcile to total receipts issued up to the time of the cash count and the approved change fund of $200.00. There was an unknown overage of $6.00 that was deposited on July 1, 2022. In addition, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. | YSMAEL FONSECA JUDGE, 476TH D.C.

Observation No. 1:
At the time of the cash count, cash on hand did not reconcile to the total receipts issued. There was an overage totaling $6.00. According to staff, they were unaware of what caused the overage. The overage was deposited.

The County Auditor's Office requires that the cashier issue an official computer-generated receipt for each payment received. Payments must be received prior to rendering services or issuing an official County receipt. The cashier must count the currency and coins in front of the customer prior to issuing a receipt.

Failure to ensure that payments received are properly receipted and collected may result in the loss of County revenue.

Recommendation:
Management should implement formal monitoring procedures to ensure that payments received are properly collected and receipted. Additionally, management should monitor all overages and shortages to determine if there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action.

Please provide a written management response to the observation noted above on the attached Management Response Form by May 15, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Valde Guerra, County Executive Officer
David Suarez, Chief Administrator, Hidalgo County Precinct No. 1

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Cash Count - Commissioner Precinct No. 1 (Weslaco Sanitation Office)**	**AUDIT NO.:**	**2022-77**
AUDIT:	**Cash Count**	**MANAGEMENT RESPONSE DUE:**	**May 15, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

Management should implement formal monitoring procedures to ensure that payments received are properly collected and receipted. Additionally, management should monitor all overages and shortages to determine if there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

April 28, 2023

The Honorable J.E. "Eddie" Guerra, Sheriff
Hidalgo County Sheriff's Office
711 El Cibolo Rd.
Edinburg, Texas 78541

Re: Cash Count Report No. 2022-90

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Inmate Trust account on December 14, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

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

Conclusion:
Total cash on hand at the time of the cash count was $5,800.48. Based on the cash count, we concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash count. In addition, we noted that adequate internal controls were in place to properly safeguard cash on hand and ensure that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures.

If you have any questions regarding this cash count please contact Alejandro Torres, Internal Auditor II, at 318-2511 ext. 4644, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Ms. Myra Montoya, Budget Manager, Hidalgo County Sheriff's Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. | YSMAEL FONSECA JUDGE, 476TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

April 28, 2023

The Honorable Lita Leo
Hidalgo County Treasurer
2810 South Business Highway 281
Edinburg, TX 78539-6243

Re: Cash Count Report No. 2022-96 and 2023-47

Dear Ms. Leo:

We conducted a surprise cash count of the cash held at the County Treasurer's Office on December 13, 2022 and March 24, 2023 pursuant to Local Government Code §115.003 and §115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Executive Summary:
Based on the cash counts, we concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of $50.00. In addition, we noted that the observation noted in the previous cash count has not been resolved.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up to evaluate the progress toward resolving the observation identified in the cash count conducted on September 28, 2022. 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.

Conclusion:
Cash on hand at the time of the cash counts totaled $9,476.81 on December 13, 2022 and $5,814.07 on March 24, 2023. Based on the cash counts, we concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of $50.00. In addition, we noted that the observation noted in the previous cash count has not been resolved.

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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

Prior Observation No. 1:
We noted that cashiers have access to modify receipts (i.e., receipt amount, payer name, payment description, and general ledger account number) that have been printed and issued to the payor, but have not been posted to *Alio*. According to staff, as a compensating control, all cashiers must obtain approval from the Chief Deputy before making any modifications to receipts. An update to resolve the issue was installed by LINQ *(Alio)* on October 8, 2020. According to the Chief Deputy, he is waiting for the approval of the County Treasurer to proceed with the implementation of the new process.

Access controls provide management with reasonable assurance that data files and application programs are protected against unauthorized modification, disclosure, loss, or impairment. Access controls require users to authenticate themselves (through the use of unique user IDs and passwords) and limit the files and other resources that they can access and the actions that they can execute. For access controls to be effective, management must analyze the responsibilities of individual users and determine the type of access needed for the users to effectively fulfill their responsibilities. Access granted must be restricted to those authorized functions alone. Access authorizations and related controls should be monitored, maintained, and adjusted on an ongoing basis to accommodate for changes in a user's responsibilities (i.e., new hire, promotions, termination, and/or transfer of employees).

Failure to ensure that access to modify receipts is not available to staff may result in the loss or misuse of County funds.

Recommendation:
Management should implement the update installed by LINQ (*Alio*) that removes the employee's ability to modify receipts.

Please provide a written management response to the observation noted above on the attached Management Response Form by May 15, 2023. The Management Response Form should be emailed to managmentresponse@auditor.co.hidalgo.tx.us .

If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Linda Vasquez, Internal Auditor II, at (956) 318-2511, ext. 4694, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim Hidalgo County Auditor

Enclosure: Management Response Form

cc: Mr. Valde Guerra, County Executive Officer
Mr. Alfredo Zamarripa, Chief Deputy, Hidalgo County Treasurer's Office

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Lita Leo**	**AUDIT NO.:**	**2022-96 & 2023-47**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**May 15, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

Management should implement the update installed by LINQ (Alio) that removes the employee's ability to modify receipts.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

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

May 9, 2023

The Honorable Everardo "Ever" Villarreal, Commissioner
Hidalgo County Precinct No. 3
724 North Breyfogle
P.O. Box 607
Mission, TX 78574

Re: Cash Count Report No. 2022-91

Dear Commissioner Villarreal:

We conducted a surprise cash count of the cash held at the Precinct 3 Sanitation Office on December 7, 2022 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

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

Conclusion:
Cash on hand at the time of the cash count totaled $350.00. Based on the review, we determined that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of $100.00.

If you have any questions or would like to schedule a meeting regarding this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Valde Guerra, Executive Officer
Norma Ceballos, Executive Assistant III, Hidalgo County Precinct No. 3

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. | YSMAEL FONSECA JUDGE, 476TH D.C.

COUNTY of HIDALGO

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

May 9, 2023

The Honorable Everardo "Ever" Villarreal, Commissioner
Hidalgo County Precinct No. 3
724 North Breyfogle
P.O. Box 607
Mission, TX 78574

Re: Cash Count Report No. 2022-92

Dear Commissioner Villarreal:

We conducted a surprise cash count of the cash held at the Precinct 3 Sanitation Office (Sullivan City Office) on December 28, 2022 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Executive Summary:
At the time of the cash count, receipts had not been issued and collections had not been made; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted that security cameras were not utilized in areas where cash is safeguarded and a sample official County receipt was not posted for the public's view.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

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

Conclusion:
At the time of the cash count, receipts had not been issued and collections had not been made. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. | YSMAEL FONSECA JUDGE, 476TH D.C.

Observation No. 1:
Security cameras were not utilized in areas where cash was receipted and safeguarded.

Security cameras serve as a crime deterrent; therefore, the County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections are received and safeguarded. A notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

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

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

Observation No. 2:
We noted that the notice stating "Make sure you receive an official county receipt when making payments at this office" was posted for public's view; however, a sample official County receipt, was not posted with the notice.

The County Auditor's office requires that a sample of each official County receipt issued by the department be posted by the notice so the public will know what type of receipt to expect.

Failure to ensure a notice stating "Make sure you receive an official county receipt when making payments at this office", along with a sample official County receipt, is posted in an area visible to the public could increase the risk of loss or misuse of County funds.

Recommendation:
Management should ensure that the notice stating "Make sure you receive an official county receipt when making payments at this office", includes a sample official County receipt, and that it is posted in an area visible to the public.

Please provide written management responses to the observations noted above on the attached Management Response Forms by May 23, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions or would like to schedule a meeting to discuss this surprise cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant County Auditor, at ext. 4651 or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Forms

cc: Valde Guerra, County Executive Officer
Norma Ceballos, Executive Assistant III, Hidalgo County Precinct No. 3

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Everardo Villarreal, Commissioner Precinct No. 3**	**AUDIT NO.:**	**2022-92**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**May 23, 2023**
FINDING NO.:	**1**	**RECOMMENDATION:**	**1**

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

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Everardo Villarreal, Commissioner Precinct No. 3**	**AUDIT NO.:**	**2022-92**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**May 23, 2023**
FINDING NO.:	**2**	**RECOMMENDATION:**	**2**

Management should ensure that the notice stating "Make sure you receive an official County receipt when making payments at this office", includes a sample official County receipt, and that it is posted in an area visible to the public.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

May 17, 2023

The Honorable Toribio Palacios, Criminal District Attorney
Hidalgo County District Attorney's Office
100 N. Closner
Edinburg, TX 78539

Re: Hot Checks Cash Count Report No. 2022-74

Dear Mr. Palacios:

We conducted a surprise cash count of the cash held at your office on August 23, 2022, as required by Local Government Code § 115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued up to the time of the cash count.

Executive Summary:
At the time of the cash count, receipts had not been issued and collections had not been made; however, we noted that the system of internal controls for the collection and safeguarding of cash require improvement. More specifically, we noted that security cameras were not utilized in areas where cash is safeguarded.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on August 13, 2019. 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.

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

Conclusion:
At the time of the cash count, receipts had not been issued and collections had not been made. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. | YSMAEL FONSECA JUDGE, 476TH D.C.

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.

Repeat Observation No. 1
Security cameras were not utilized in areas where cash was receipted and safeguarded.

Security cameras serve as a crime deterrent; therefore, the County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections are received and safeguarded. A notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

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

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

Please provide a written management response to the observation noted above on the attached Management Response Form by June 1, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Mr. Valde Guerra, County Executive Officer
Ms. Rosalinda Cantu, Assistant Chief of Staff, Hidalgo County District Attorney's Office

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**The Honorable Toribio Palacios, Criminal District Attorney**	**AUDIT NO.:**	**2022-74**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**June 1, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

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

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

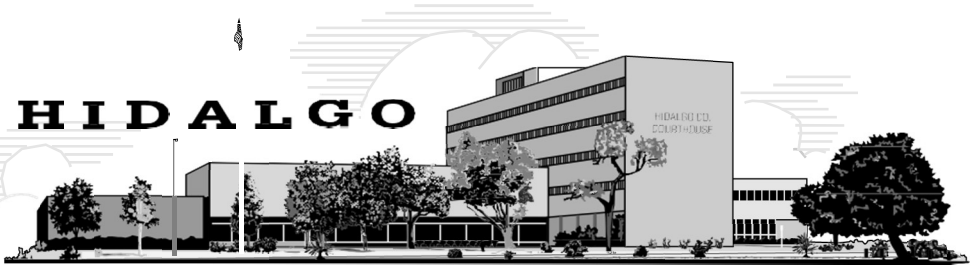
Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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



EDINBURG, TEXAS 78539

May 17, 2023

Mr. T.J. Arredondo, Director
Hidalgo County Planning Department
2818 S. Business Hwy 281
Edinburg, Texas 78539

Re: Cash Count Report No. 2022-73

Dear Mr. Arredondo:

We conducted a surprise cash count of the cash held at the Planning Department's Mission Office on August 16, 2022 as required by Local Government Code §115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Executive Summary:
Based on the review, we concluded that cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted that security cameras were not utilized in areas where cash is safeguarded.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on June 11, 2019. 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.

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

Conclusion:
Total cash on hand at the time of the cash count was $240.00. Based on the review, we concluded that generally total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund of $150.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. | YSMAEL FONSECA JUDGE, 476TH D.C.

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.

Repeat Observation 1:
Security cameras were not utilized in areas where cash was receipted and safeguarded. Management was unable to provide an explanation as to why cameras have not been installed.

Security cameras serve as a crime deterrent; therefore, the County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections are received and safeguarded. A notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

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

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

Please provide a written management response to the observation noted above on the attached Management Response Form by June 1, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Mr. Valde Guerra, County Executive Officer
Mr. Jorge J. Garcia, Division Manager, Hidalgo County Planning Department

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY	FERNANDO MANCIAS	J. R. "BOBBY" FLORES	ROSE GUERRA REYNA	MARLA CUELLAR	MARIO E. RAMIREZ, JR.	NOE GONZALEZ	LETICIA LOPEZ	L. KENO VASQUEZ	ISRAEL RAMON, JR.	RENEE R. BETANCOURT	JOSE "JOE" RAMIREZ	YSMAEL FONSECA
JUDGE, 92ND D.C.	JUDGE, 93RD D.C.	JUDGE, 139TH D.C.	JUDGE, 206TH D.C.	JUDGE, 275TH D.C.	JUDGE, 332ND D.C.	JUDGE, 370TH D.C. OVERSEER	JUDGE, 389TH D.C.	JUDGE, 398TH D.C.	JUDGE, 430TH D.C.	JUDGE, 449TH D.C.	JUDGE, 464TH D.C.	JUDGE, 476TH D.C.

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Mr. T.J. Arredondo, Director**	**AUDIT NO.:**	**2022-73**
AUDIT:	**Cash Count Report**	**MANAGEMENT RESPONSE DUE:**	**June 1, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

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

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

May 17, 2023

The Honorable J.E. "Eddie" Guerra, Sheriff
Hidalgo County Sheriff's Office
711 El Cibolo Rd.
Edinburg, Texas 78541

Re: Cash Count Report No. 2022-94 and 2022-95

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Bond "B" Trust account and "D" account on December 14, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

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

Conclusion:
Cash on hand at the time of the cash count for the "B" account totaled $540.00. No collections had been received for the "D" account. Based on the review, we concluded that total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Karen Ramirez, at 318-2511 ext. 4606, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Valde Guerra, County Executive Officer
Steve Herrera, Division Chief, Hidalgo County Sheriff's Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. | YSMAEL FONSECA JUDGE, 476TH D.C.

COUNTY of HIDALGO

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

April 20, 2023

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

Re: Cash Count Audit No. 2022-82

Dear Mr. Garza,

We conducted a surprise cash count of the cash held at your office on September 20, 2022 as required by Local Government Code §115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:
The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up to evaluate your office's progress toward resolving the finding included in the cash count conducted on September 10, 2019. 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.

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

Conclusion:
Total cash on hand at the time of the cash count was $200.00. Based on the cash count, we concluded that total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund of $150.00. In addition, we noted adequate internal controls were in place to properly safeguard cash on hand and ensure that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, Reynaldo Cantu III, Director of Audit, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

July 8, 2022

Randy Perez, City Manager
City of Mission
1201 E. 8th Street
Mission, Texas 78572

Re: City of Mission TIRZ No. 1 (THMS1 and THMS2) Report No. 2022-31

Dear Mr. Perez:

We conducted a limited scope review of the interlocal agreement between the City of Mission, Hidalgo County, and City of Mission TIRZ No. 1. The objectives of the review were to determine the accuracy of the City of Mission TIRZ 2021-2022 payment request and compliance with Tax Code §311.016 regarding the completion of the annual audit report.

The scope of the review was limited to the Mission TIRZ property accounts as of January 31, 2022. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction.

The results of the review revealed the following:

1. A payment request in the amount of $3,241,131.77 was received from the City of Mission on behalf of the Mission TIRZ; however, it was determined that the payment amount should be $3,244,951.72 (see Exhibit A).
2. The Mission TIRZ annual audit report included the required information pursuant to Tax Code §311.016.

We will proceed to process the 2021 Mission TIRZ payment in the amount of $3,244,951.72.

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

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: The Honorable Richard F. Cortez, Hidalgo County Judge
Ms. Angie Vela, Finance Director, City of Mission

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

August 12, 2022

Robert L. Salinas, City Manager
City of Alamo
420 N. Tower Rd.
Alamo, Texas 78516

Re: City of Alamo TIRZ No. 1 – Report No. 2021-28 & 2022-36

Dear Mr. Salinas:

We conducted limited scope reviews of the interlocal agreement between the City of Alamo, Hidalgo County, and the City of Alamo Reinvestment Zone (TIRZ) No. 1. The objectives of the reviews were to determine the accuracy of the Alamo TIRZ No. 1 2020-2021 & 2021-2022 payment requests and compliance with Tax Code §311.016 and sections IV (B) (2) and VII (J) of the interlocal agreement.

The scope of the reviews was limited to the property accounts located within the City of Alamo TIRZ No. 1 as of January 31, 2021 (2020-2021 review) and January 31, 2022 (2021-2022 review). The reviews were not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The results of the review revealed the following:

1. Two payment requests in the amount of $128,038.93 and $169,424.71 were received from the City of Alamo for years 2020-2021 and 2021-2022, respectively; however, it was determined that the payment amounts should be $134,393.52 and $176,315.06, respectively (see Exhibit A and Exhibit B).
2. The fact sheets, annual reports, and annual financial reviews were submitted in compliance with Tax Code §311.016 and section IV (B) (2) and section VII (J) of the interlocal agreement.

A check for the 2020-2021 review year was processed on May 3, 2022 in the amount of $134,393.52. We will proceed to process the Alamo TIRZ payment for year 2021-2022 in the amount of $176,315.06.

If you have any questions, please contact Enrique Leal, Internal Auditor I, at 318-2511 ext. 4641, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A

cc: The Honorable Richard Cortez, Hidalgo County Judge

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

August 12, 2022

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

Ref: City of Alamo TIRZ No. 1 (THCAO) Report No. 2022-36

Dear Mr. Garza:

We conducted a limited scope review of the tax year 2021 list of tax accounts coded THCAO by Hidalgo County Appraisal District (HCAD). The objective of the review was to determine whether the list only included real property accounts located within the TIRZ boundaries.

The scope of the review was limited to randomly selected property tax accounts located within the TIRZ boundaries for tax roll 2021. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction.

In conducting the review, we examined the agreement between Hidalgo County and the City of Alamo TIRZ No. 1, the list of property accounts coded THCAO and the TIRZ map provided by the HCAD.

The results of the review revealed that 9 tax accounts (listed below) were not located within the TIRZ boundaries; however, the tax account numbers were included on the tax year 2021 list of tax accounts coded THCAO by HCAD.

1. 112146
2. 112206
3. 112209
4. 274248
5. 539986
6. 539987
7. 555533
8. 628879
9. 714334

Please make the necessary corrections and submit the revised list of tax accounts coded THCAO by HCAD to the Hidalgo County Auditor's Office and Tax Assessor/Collector's Office by August 19, 2022.

If you have any questions, feel free to call Enrique Leal, Internal Auditor I, at 318-2511 ext. 4641, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: The Honorable Richard Cortez, Hidalgo County Judge
The Honorable Pablo Villarreal, Hidalgo County Tax Assessor-Collector

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

August 12, 2022

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

Re: City of Alamo TIRZ No. 1 - Report No. 2022-36

Dear Mr. Villarreal:

We conducted a limited scope review of the City of Alamo Tax Increment Reinvestment Zone (TIRZ) No. 1. The objective of the review was to determine if the City of Alamo TIRZ collection reports prepared by the Tax Office included collections for all tax accounts located within the TIRZ.

The scope of the review was limited to the tax accounts located within the TIRZ for tax roll 2021. 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 improvements could be made. The responsibility for sound internal controls rests with management.

In conducting the review, we reviewed TIRZ collection reports provided by the Tax Office, City of Alamo TIRZ No. 1 list of accounts provided by the Tax Office, a list of tax accounts coded THCAO by Hidalgo County Appraisal District (HCAD), and the TIRZ map provided by HCAD.

The results of the review revealed that tax account numbers 112146, 112206, 112209, 274248, 539986, 539987, 555533, 628879, and 714334 not located within the TIRZ boundaries were included in the TIRZ collection report or list of accounts provided by the Tax Office (collections were made for 4 of the 9 accounts in 2021). In addition, tax account numbers 237156 and 237157 located within the TIRZ boundaries were not included in the TIRZ collection report and list of accounts provided by the Tax Office.

Please make the necessary corrections and submit a revised City of Alamo TIRZ collection report to the County Auditor's Office by August 19, 2022.

If you have any questions, please contact Enrique Leal, Internal Auditor I, at 318-2511 ext. 4641, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: The Honorable Richard Cortez, Hidalgo County Judge

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

July 8, 2022

Myra Ayala, City Manager
City of Edinburg
415 W. University Drive
Edinburg, Texas 78541

Re: City of Edinburg TIRZ No. 1 (The Shoppes) Report No. 2022-37

Dear Ms. Ayala:

We conducted a limited scope review of the interlocal agreement between the City of Edinburg, Hidalgo County, and City of Edinburg TIRZ No. 1. The objectives of the review were to determine the accuracy of the City of Edinburg TIRZ No. 1 2021-2022 payment request and compliance with Section 3 (b) of the interlocal agreement and Tax Code §311.016.

The scope of the review was limited to the property accounts within Edinburg TIRZ No. 1 as of January 31, 2022.

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.

The results of the review revealed the following:

1. A payment request was submitted in the amount of $311,563.26; however, it was determined that the payment amount should be $346,770.98 (see Exhibit A).
2. The annual report was submitted in compliance with Section 3 (b) of the interlocal agreement and Tax Code §311.016.

We will proceed to process the 2021-2022 Edinburg TIRZ No.1 payment in the amount of $346,770.98.

If you have any questions, please contact Linda Vasquez, Internal Auditor I, at 318-2511, ext. 4694, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A

cc: The Honorable Richard Cortez, Hidalgo County Judge

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

July 8, 2022

Myra Ayala, City Manager
City of Edinburg
415 W. University Drive
Edinburg, Texas 78541

Re: City of Edinburg TIRZ No. 4 (Entertainment Center) Report No. 2022-40

Dear Ms. Ayala:

We conducted a limited scope review of the interlocal agreement between the City of Edinburg, Hidalgo County, and City of Edinburg TIRZ No. 4. The objectives of the review were to determine the accuracy of the Edinburg TIRZ No. 4 2021-2022 payment request and compliance with Sections IV (B)(2) and VII (J) of the interlocal agreement and Tax Code § 311.016.

The scope of the review was limited to the property accounts within Edinburg TIRZ No. 4 as of January 31, 2022. 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.

The results of the review revealed the following:

1. A payment request was submitted in the amount of $107,867.34; however, it was determined that the payment amount should be $146,859.78 (see Exhibit A); and
2. The annual report and annual financial review were submitted in compliance with Tax Code §311.016 and Sections IV (B)(2) and VII (J) of the interlocal agreement.

We will proceed to process the 2021-2022 Edinburg TIRZ No. 4 payment in the amount of $146,859.78.

If you have any questions, please contact Linda Vasquez, Internal Auditor I, at 318-2511 ext. 4694, Reynaldo Cantu III, Compliance Audit Supervisor, ext. 4654, Letty Chavez, First Assistant Auditor, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A

cc: The Honorable Richard Cortez, Hidalgo County Judge

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

July 11, 2022

Jeff Underwood, City Manager
City of Alton
509 S. Alton Blvd.
Alton, Texas 78573

Re: City of Alton TIRZ No. 1 Report No. 2022-41

Dear Mr. Underwood:

We conducted a limited scope review of the interlocal agreement between the City of Alton, Hidalgo County, and City of Alton TIRZ No. 1. The objectives of the review were to determine the accuracy of the Alton TIRZ No. 1 2021-2022 payment request and compliance with Section IV (B)(2) and Section VII (J) of the interlocal agreement and Tax Code §311.016.

The scope of the review was limited to the property accounts within Alton TIRZ No. 1 as of January 31, 2022. 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 improvements could be made.

The results of the review revealed the following:

1. A payment request was submitted in the amount of $290,977.44; however, it was determined that the payment amount should be $290,981.01 (see Exhibit A); and
2. The annual report, fact sheet, and annual financial review were submitted in compliance with Sections IV (B)(2) and VII (J) of the interlocal agreement and Tax Code §311.016.

We will proceed to process the 2021-2022 Alton TIRZ No. 1 payment in the amount of $290,981.01.

If you have any questions, please contact Linda Vasquez, Internal Auditor I, at 318-2511, ext. 4694, Reynaldo Cantu III, Compliance Audit Supervisor, ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A

cc: The Honorable Richard F. Cortez, Hidalgo County Judge
Valde Guerra, County Exectuive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

July 8, 2022

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

Re: McAllen TIRZ No. 1 (Tres Lagos) Report No. 2022-44

Dear Mr. Villarreal:

We conducted a limited scope review of collections for the City of McAllen Tax Increment Reinvestment Zone No. 1 (TIRZ). The objective of the review was to determine if TIRZ collection reports prepared by the Tax Office included collections received for all tax accounts located within the TIRZ.

The scope of the review was limited to tax accounts located within the TIRZ for tax roll 2021. 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. The responsibility for sound internal controls rests with management.

In conducting the review, we reviewed TIRZ collection reports and TIRZ list of accounts provided by the Tax Office, and a list of tax accounts coded THML1 and the TIRZ map provided by the HCAD.

The results of the review revealed that tax account numbers 1333607 (T2100-00-227-0000-15) and 1333608 (T2100-00-227-0000-16) located within the TIRZ boundaries were listed incorrectly in the TIRZ list of accounts. More specifically, the long account numbers were listed as T2100-00-223-0001-15 (1333607) and T2100-00-223-0001-16 (1333608) instead of T2100-00-227-0000-15 and T2100-00-227-0000-16 as prescribed by the HCAD.

We recommend that the Tax Office make the necessary corrections and submit a copy of the revised TIRZ list of accounts to the County Auditor's Office by July 29, 2022.

If you have any questions, feel free to call Francisco Saenz, Internal Auditor I, at ext. 4667, Reynaldo Cantu III, Compliance Audit Supervisor, at 318-2511 ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim Hidalgo County Auditor

cc: The Honorable Richard Cortez, Hidalgo County Judge

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

July 8, 2022

Roy Rodriguez, City Manager
City of McAllen
1300 Houston Avenue
McAllen, TX 78501

Re: McAllen TIRZ No. 1 (Tres Lagos) Report No. 2022-44

Dear Mr. Rodriguez:

We conducted a limited scope review of the interlocal agreement between the City of McAllen, Hidalgo County, and the City of McAllen TIRZ No. 1. The objectives of the review were to determine the accuracy of the McAllen TIRZ No. 1 2021 payment request, compliance with Section IV (B)(2) and VIII (J) of the interlocal agreement, and Tax Code § 311.016.

The scope of the review was limited to the property tax accounts located within McAllen TIRZ No. 1 for 2021. 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 improvements could be made.

The results of the review revealed the following:

1. A payment request was submitted in the amount of $636,984.11; however, we determined that the payment amount should be $626,496.05 (see Exhibit A); and

2. The annual report and annual financial review were submitted in compliance with Tax Code § 311.016 and section IV (B)(2) and VIII (J) of the interlocal agreement.

We will proceed to process the 2021 McAllen TIRZ No. 1 payment in the amount of $626,496.05.

If you have any questions, please contact Francisco Saenz, Internal Auditor I, at 318-2511 ext. 4667, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Enclosure: Exhibit A

cc: The Honorable Richard Cortez, Hidalgo County Judge

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

June 2, 2022

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

Re: Hidalgo Wind Farm, LLC- Phase I and Phase II 2022 Tax Abatement Report No. 2022-21 and 2022-22

Dear Mr. Garza:

We completed a limited scope review of the tax abatement agreements between Hidalgo County and Hidalgo Wind Farm, LLC-Phase I and Hidalgo Wind Farm, LLC-Phase II. The objective of the review was to determine if Hidalgo Wind Farm, LLC qualifies for a tax abatement for the 2022 tax year.

Conclusion:
Based on the review, we determined that Hidalgo Wind Farm, LLC-Phase I and Hidalgo County Wind Farm LLC- Phase II qualify for 80% and 70% tax abatement, respectively, for the 2022 tax year based on the capital improvement cost.

Scope and Methodology:
The scope of the review was limited to a review of the tax abatement agreement between Hidalgo County and Hidalgo Wind Farm, LLC-Phase I and Hidalgo Wind Farm, LLC-Phase II, correspondence received from Hidalgo Wind Farm, LLC, and compliance verification letter from Hidalgo Wind Farm LLC regarding compliance with terms of the tax abatement agreements.

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

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

Cc: The Honorable Richard F. Cortez, Hidalgo County Judge
Ms. Blanca Perez, Supervisor - Property Records, Hidalgo County Appraisal District

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

June 2, 2022

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

Re: Wonderful Citrus Packing, LLC 2022 Tax Abatement Report No. 2022-23

Dear Mr. Garza:

We completed a limited scope review of the tax abatement agreement between Hidalgo County and Wonderful Citrus Packing, LLC. The objective of the review was to determine if Wonderful Citrus Packing, LLC qualifies for a tax abatement for the 2022 tax year.

Conclusion:
We determined that Wonderful Citrus Packing, LLC qualifies for 50% tax abatement for the 2022 tax year based on the increase in newly created value as reflected in the tax rolls of the Hidalgo County Appraisal District.

Scope and Methodology:
The scope of the review was limited to a review of the tax abatement agreement between Hidalgo County and Wonderful Citrus Packing, LLC, and correspondence received from Wonderful Citrus Packing, LLC regarding compliance with terms of the tax abatement agreement.

If you have any questions, please contact Reynaldo Cantu III, Compliance Audit Supervisor, at 318-2511 ext. 4654, Letty Chavez, First Assistant Auditor, ext. 4641, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: The Honorable Richard F. Cortez, Hidalgo County Judge
Ms. Blanca Perez, Supervisor - Property Records, Hidalgo County Appraisal District

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

June 2, 2022

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

Re: United Parcel Service, Inc. 2022 Tax Abatement Report No. 2022-24

Dear Mr. Garza:

We completed a limited scope review of the tax abatement agreement between Hidalgo County and United Parcel Service, Inc. (UPS). The objective of the review was to determine if UPS qualifies for a tax abatement for the 2022 tax year.

Conclusion

Based on the review, we determined that United Parcel Service, Inc. qualifies for 80% tax abatement for the 2022 tax year based on the increase in newly created value ascertained from the tax rolls of the Hidalgo County Appraisal District.

Scope and Methodology

The scope of the review was limited to a review of the tax abatement agreement between Hidalgo County and United Parcel Service, Inc., and correspondence received from UPS regarding compliance with terms of the tax abatement agreement.

If you have any questions, please contact Reynaldo Cantu III, Compliance Audit Supervisor, at 318-2511 ext. 4654, Letty Chavez, First Assistant Auditor, ext. 4641, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: The Honorable Richard F. Cortez, Hidalgo County Judge
Ms. Blanca Perez, Supervisor - Property Records, Hidalgo County Appraisal District

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

COUNTY of HIDALGO

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

EDINBURG, TEXAS 78539

September 1, 2023

Ms. Hilda Ann Salinas, Elections Administrator
Hidalgo County Elections Department
213 S. Closner Blvd.
Edinburg, Texas 78539

Re: MFR for September 2022 through June 2023

Dear Ms. Salinas:

We conducted a limited scope review of the *Monthly Fees Report* (MFR) and supporting documentation for the months of September 2022 through June 2023 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.

Executive Summary:
Based on the review, we concluded that fees were generally properly accounted and reported; however, the system of internal controls for the accounting and reporting of fees requires improvement. More specifically, we noted the following:

- Receipts were not always properly completed and/or voided.
- Amounts collected for two public information requests were incorrect.

Scope:
The scope of the review was limited to collections reported by your office on the MFR for the months of September 2022 through June 2023. 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 MFR 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) and Local Government Code §114.002 (1).
- Verified that the MFR was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the MFR 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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. | FERNANDO MANCIAS JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | MARLA CUELLAR JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | L. KENO VASQUEZ JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | RENEE R. BETANCOURT JUDGE, 449TH D.C. | JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. | YSMAEL FONSECA JUDGE, 476TH D.C.

- Verified that collections per the *MFR* agreed to: 1.) total receipts issued, 2.) total deposits made with the County Treasurer, and 3.) total deposits posted to *Alio's* Undistributed Receipts general ledger accounts.
- 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 pursuant to Local Government Code §113.022 (a).
- Verified that receipts were properly completed and issued in sequential order.
- Verified that *Close-out Reports* were properly completed.

Conclusion:
Collections for the months of September 2022 through June 2023 totaled:

2022		2023	
September	$26,937.60	January	$ -
October	$28,855.05	February	$ 2,068.00
November	$ 8.50	March	$804,624.83
December	$ 7.00	April	$165,653.12
		May	$ 4,006.00
		June	$ 26,058.07

Based on the review, we concluded that fees were generally properly accounted and reported; however, the system of internal controls for the accounting and reporting of fees 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 receipts were not always properly completed, as follows:

- 2 of 4 receipts issued in the month of September 2022 did not indicate the type and quantity of service paid.
- 3 of 4 receipts issued in the month of October 2022 did not indicate the type and quantity of the service paid, was issued in the name of the individual who submitted the Public Information Request instead of the name on the check used for payment, and/or had different written dollar and numeric amounts.
- 4 of 12 receipts issued in the month of March 2023 and 1 of 2 receipts issued in the month of May 2023 did not include the invoice number for which funds were being collected.
- 3 of 6 receipts issued in the month of June 2023 did not include the invoice number for which funds were being collected, the correct type of service for which a fee was collected, and/or a void receipt was missing the signature or initials of a supervisor, and the date the void was approved.

According to staff, the receipts were not properly completed due to cashier error and/or oversight.

The County Auditor's Office requires receipts issued to contain the following information: the receipt date, the name of the person from which the funds were received, amount received in written and numeric form agree and are for the exact amount paid, method of payment (i.e. cash, check, or money order), type and number of services requested (quantity), and the receipt preparer's signature. Furthermore, all voided receipts must include approval by the supervisor prior to voiding receipt, cashier's signature, dated, marked void, and list an explanation for void.

Failure to ensure receipts are properly completed and voided may result in the improper recording and/or loss of County funds.

Recommendation:
Management should ensure that receipts are properly completed and voided. Furthermore, management should periodically assess necessary training and conduct as needed.

Observation No. 2:
We noted that the amount collected for two public information requests during the month of November 2022 were incorrect. The public information requests required for the digital information to be placed on a 16 GB and a 32GB USB. The fee assessed was $8.50 instead of $3.83 for the 16GB USB and $7.00 instead of $4.10 for the 32 GB USB. Based on purchase order #816075 the constituents were overcharged by $4.67 and $2.90. According to the Accounting Clerk II, the fee assessed at the time the receipts were issued was based on the current price of the item on the Staples website. Refunds have not been issued for the overpayments.

Pursuant to Texas Administrative Code §70.10 (2)(I), electronic media not included on the summary of charges for public information requests adopted by the Attorney General shall be charged at cost. Over payments must be refunded to the payee as soon as possible. Refund requests must be provided to the County Auditor's Office for review and approval. The request must be on letter head and include the following information:

- Payee name and address;
- Refund amount;
- General ledger account number to be used to process the refund;
- Receipt number and receipt date;
- Reason for the refund;
- Department head signature;
- A copy of the payee's driver license and official County receipt.

Failure to ensure that fees are correctly assessed may result in the loss of County funds, misstatement of revenues, and non-compliance with state statutes.

Recommendation:
Management should ensure that fees assessed are in accordance with Texas Administrative Code §70.10. In addition, management should submit a refund request for the overpayments noted above as soon as possible.

Please email management responses to managementresponse@auditor.co.hidalgo.tx.us for the observations noted above by September 22, 2023.

If you have any questions, please contact Abigail Espinoza, MSA, Internal Auditor III, at (956) 318-2511 ext. 4652, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong

Linda Fong, CPFO
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer

Enclosures

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Elections Department**	**AUDIT NO.:**	**September 2022 thru June 2023 MFR**
AUDIT:	**Monthly Fee Report**	**MANAGEMENT RESPONSE DUE:**	**September 22, 2023**
FINDING No.:	**1**	**RECOMMENDATION:**	**1**

Management should ensure that receipts are properly completed and voided. Furthermore, mangement should periodically assess necessary training and conduct as needed.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Implementation Date:

Person Responsible for Implementing Plan:

Signature: _____ **Date:** _____

HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	**Elections Department**	**AUDIT NO.:**	**September 2022 thru June 2023 MFR**
AUDIT:	**Monthly Fee Report**	**MANAGEMENT RESPONSE DUE:**	**September 22, 2023**
FINDING No.:	**2**	**RECOMMENDATION:**	**2**

Management should ensure that fees assessed are in accordance with Texas Administrative Code §70.10. In addition, mangement should submit a refund request for the overpayments noted as soon as possible.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Implementation Date:

Person Responsible for Implementing Plan:

Signature: _____ **Date:** _____