



# HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281  
EDINBURG, TEXAS 78539-6243

PHONE: (956) 318-2511 FAX: (956) 318-2577  
www.hidalgocounty.us/294/Auditors-Office

December 16, 2025

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. Toribio "Terry" Palacios, Criminal District Attorney	Chapter 59 Asset Forfeiture Audit Report for FYE 8-31-2024 Audit No. 2024-56
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	July 2025 DTA Payment Request Report No. 2025-37
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	August 2025 DTA Payment Request Report No. 2025-38
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	September 2025 DTA Payment Request Report No. 2025-39
The Hon. Celestino Avila Jr., Constable Precinct No. 1	Cash Count Report No. 2025-68
Mr. Anthony Uresti, Director Planning Department	Cash Count Report No. 2025-69
The Hon. David L. Fuentes, Commissioner Precinct No. 1	Cash Count Report No. 2025-70
Mr. Homero Garza, Fire Marshal	Cash Count Audit No. 2025-71
The Hon. Everardo Villarreal, Commissioner Precinct No. 3	Cash Count Report No. 2025-72
Mr. Anthony Uresti, Director Planning Department	Cash Count Audit No. 2025-73
The Hon. Lazaro Gallardo, Constable Precinct No. 3	Cash Count Audit No. 2025-74
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Cash Count Report No. 2025-78
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Cash Count Report No. 2025-80
The Hon. Eduardo Cantu, Commissioner Precinct No. 2	Cash Count Audit No. 2025-81
The Hon. Martin Cantu, Constable Precinct No. 2	Cash Count Report No. 2025-82
The Hon. Atanacio Gaitan Jr, Constable Precinct No. 4	MFR for January 2024 through December 2024
Ms. Dairen Sarmiento Rangel, Director of Health and Human Services	Forensic Center MFR for January 2025 through August 2025
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Fee Account MFR for July 2025 through September 2025
The Hon. Toribio "Terry" Palacios, Criminal District Attorney	Hot Checks Processing Fees Reports for April 2025 through June 2025

## 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

The Hon. Toribio "Terry" Palacios, Criminal District Attorney	Hot Checks Financial Statements for April 2025 through June 2025
The Hon. Toribio "Terry" Palacios, Criminal District Attorney	H.B.65 Financial Statements for April 2025 through June 2025
The Hon. Toribio "Terry" Palacios, Criminal District Attorney	HIDTA Financial Statements for April 2025 through June 2025
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Regular Trust Financial Statements for April 2025 through August 2025

Respectfully,



Letty Chavez  
County Auditor

Attachments



# HIDALGO COUNTY AUDITOR'S OFFICE

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September 15, 2025

The Honorable Toribio "Terry" Palacios, Criminal District Attorney  
Hidalgo County District Attorney's Office  
100 E. Cano, 2<sup>nd</sup> Floor  
Edinburg, Texas 78539

Re: Chapter 59 Asset Forfeiture Audit Report for FYE 8-31-2024  
Audit No. 2024-56

Dear Mr. Palacios:

We have completed an audit of the "Chapter 59 Asset Forfeiture Audit Report by Attorney Representing the State" (Asset Forfeiture Report) for the fiscal year ended August 31, 2024, 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 for 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 that:

- Not all forfeited funds were disbursed 30 days after the judgment was signed; and
- 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, 2024, the District Attorney's Office had no Chapter 59 seizures. However, the District Attorney's Office was awarded (forfeited) funds totaling \$300,035.57.

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH 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 petitions 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 75<sup>th</sup> day after the date of the final judgment of forfeiture at public auction under the direction of the county sheriff. Proceeds of the sale must be distributed in accordance with CCP § 59.06.

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

Pursuant to CCP § 59.06 (b), the District Attorney’s Office entered into local agreements with the following LEAs: Cities of Alamo, Alton, Donna, Edcouch, Edinburg, Elsa, Hidalgo, La Joya, La Villa, McAllen, McAllen ISD PD, Mercedes, Mission, Palmhurst, Palmview, Peñitas, Pharr, Progresso, PSJA ISD, San Juan, Weslaco, 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, except for 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 LEA and State Attorney does not utilize the property, the auction proceeds shall be allocated as follows: 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 the answer was filed (agreed judgment), 60% is paid to DPS and 40% to the District Attorney. If the trial commenced, 50% is paid to DPS and 50% to the District Attorney. If the money forfeited is less than \$5,000.00, and no default judgment is rendered, 100% will be paid 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 a 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.

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.

#### **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 LEA's 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 72 hours, followed by filing proceedings not later than the 30<sup>th</sup> day after the date of the seizure.

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

The District Attorney’s Office determines if forfeited personal property will be retained for official purposes of the District Attorney’s Office or auctioned. If a vehicle is maintained, the District Attorney applies for a 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 of 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, the District Attorney’s Office makes a formal request to all LEAs to forward the District Attorney’s portion of any auction proceeds from assets maintained and sold by the LEA 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, 2024.

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 *LINQ*, the County’s financial accounting system, were included on the Asset Forfeiture Report.
2. Verified that all Chapter 59 expenditures recorded in *LINQ* 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, 2024, 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 24 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 with 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, 2024, to determine if the District Attorney’s Office properly accounted for all CDs.
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. Selected Chapter 59 property (1 vehicle and 1 utility trailer) held by the District Attorney’s Office, including property seized and forfeited from prior years and not sold, as of August 31, 2024, for physical identification.

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 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 with the CD amounts and the seizing officers' affidavits.
10. Reviewed schedules of filed cases generated from *Odyssey* to determine if petitions were filed by the District Attorney's Office no later than the 30<sup>th</sup> day after the date of the seizure pursuant to CCP § 59.04 (a) & (b).
11. Reviewed *LINQ* revenue reports and confirmation letters received from 12 of 24 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 for 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 to address the observations in 8 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 *LINQ* and required to be reported were included on the Asset Forfeiture Report.
2. All Chapter 59 expenditures recorded in *LINQ* 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. 12 LEAs responded to the confirmation request (Alamo PD, Alton PD, Donna PD, Edinburg PD, La Villa PD, McAllen ISD PD, Mission PD, Palmhurst PD, Pharr PD, PSJA ISD PD, San Juan City PD, Weslaco PD). 9 of 12 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. As of August 31, 2024, there were 144 CDs totaling \$2,969,194.28 held at the county depository. The District Attorney's Office properly accounted for all 144 CDs on the financial statements.
6. 54 judgments included cash disbursements. Of the 54 judgments:
  - 30 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).
  - 14 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).
  - 8 judgments were for amounts greater than \$2,500; however, according to the judgment, court costs were to be paid by the respondent.
  - 2 judgements were for amounts greater than \$2,500.00; however, after currency was returned to the respondent, court costs were no longer due.
7. All selected Chapter 59 property (1 vehicle and 1 utility trailer) was physically identified.

8. There were 56 judgments disbursed. Of the 56 judgments:
  - 54 were disbursed 30 days after the forfeited judgment became final.
  - 2 were disbursed before the forfeited judgment became final.
9. 79 CDs were opened for cash seizures made by LEAs and the District Attorney's Office. Of the 79 CDs:
  - All the petitions filed by the District Attorney's Office were in the amount of the CDs and the seizing officer's affidavit.
  - 47 CDs were opened within 72 hours of seizure as required by CCP § 59.03 (c).
  - 32 CDs were not opened within 72 hours of seizure. The CDs were opened 1 to 30 days late. According to District Attorney staff, LEAs are sent an annual formal written notice reminding them to secure seized funds within 72 hours from the time of seizure pursuant to CCP § 59.03 (c).
10. There were 147 petitions filed by the District Attorney's Office. 145 of 47 petitions were filed within 30 days after the date of seizure as required by CCP § 59.04 (a) & (b). 2 of 147 petitions were not filed within 30 days. The petitions were filed 1 to 3 days late since the 30<sup>th</sup> day fell on a weekend or holiday.
11. Of the 12 confirmation letters received:
  - 4 LEAs (Alamo PD, Edinburg PD, McAllen ISD PD, and Pharr PD) confirmed that auctions were held during the reporting period.
    - 1 LEA (Edinburg PD) sent the District Attorney's portion of the auction proceeds to the District Attorney more than 30 days after the auction date.
    - 3 LEAs (Alamo PD, McAllen ISD PD, and Pharr PD) did not send the District Attorney's portion of the auction proceeds to the District Attorney. According to the District Attorney's Office, formal written notices are sent to all LEAs on an annual basis as a reminder that proceeds from the sale of forfeited property must be disbursed within 30 days after the date of the sale pursuant to the Local Agreements with LEAs.
  - 8 LEAs (Donna PD, La Villa PD, Mission PD, Palmhurst PD, PSJA PD, San Juan PD, Sullivan City PD, and Weslaco PD) confirmed that no auctions were held.

**Recommendations:**

1. Management should ensure that all forfeited funds are disbursed after the forfeited judgment becomes final (30 days after the judgment was signed) pursuant to the Texas Rule of Appellate Procedure No. 26.1.
2. Management should coordinate with the 3 LEAs (Alamo PD, McAllen ISD PD, and Pharr PD) 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 findings noted in the conclusion section of the report by September 30, 2025. The Management Response Forms should be emailed to [managementresponse@auditor.co.hidalgo.tx.us](mailto: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 Linda Vasquez, Internal Auditor III, at 318-2511 ext. 4694, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Honorable Toribio "Terry" Palacios  
September 15, 2025  
Page 7 of 7

Respectfully,



Letty Chavez  
County Auditor

cc: Honorable Richard Cortez, County Judge  
Mr. Valde Guerra, County Executive Officer  
Mr. Kent Richardson, Assistant Attorney General  
Ms. Rosalinda Cantu, Assistant Chief of Staff, District Attorney's Office

**HIDALGO COUNTY DISTRICT JUDGES**



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

<b>AUDITEE:</b>	<u>The Honorable Toribio "Terry" Palacios, Criminal District Attorney</u>	<b>AUDIT NO.:</b>	<u>2024-56</u>
<b>AUDIT:</b>	<u>Chapter 59 Asset Forfeiture Audit Report for FYE 8-31- 2024</u>	<b>MANAGEMENT RESPONSE DUE:</b>	<u>September 30, 2025</u>
<b>FINDING No.:</b>	<u>1</u>	<b>RECOMMENDATION:</b>	<u>1</u>

Management should ensure that all forfeited funds are disbursed after the forfeited judgment becomes final (30 days after the judgment was signed) pursuant to the Texas Rule of Appellate Procedure No. 26.1.

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**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):**

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**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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

<b>AUDITEE:</b>	<u>The Honorable Toribio "Terry" Palacios, Criminal District Attorney</u>	<b>AUDIT NO.:</b>	<u>2024-56</u>
<b>AUDIT:</b>	<u>Chapter 59 Asset Forfeiture Audit Report for FYE 8-31- 2024</u>	<b>MANAGEMENT RESPONSE DUE:</b>	<u>September 30, 2025</u>
<b>FINDING No.:</b>	<u>2</u>	<b>RECOMMENDATION:</b>	<u>2</u>

Management should coordinate with the 3 LEAs (Alamo PD, McAllen ISD PD, and Pharr PD) to ensure that the auction proceeds belonging to the District Attorney's Office are immediately forwarded to the County Treasurer's Office.

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**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):**

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**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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# HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281  
EDINBURG, TEXAS 78539-6243

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August 28, 2025

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

Re: July 2025 DTA Payment Request Report No. 2025-37

Dear Mr. Villarreal:

We completed a limited scope review of the July 2025 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 2025 DTA payment request of \$374,508.32 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 July 31, 2025. The review was neither 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, penalty, and interest collections for July 2025."
- 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 with 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, penalty, and interest collections for July 2025."

## 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

- Although DTA fees for 138 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 (133 tax accounts) and small accounts (5 tax accounts) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for July 2025 agreed with the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Alejandro Torres, Internal Auditor III, at (956) 318-2511, ext. 4644; Karen Ramirez, Compliance Audit Supervisor, at ext. 4606; Yvonne Torres, Director of Audit Division, at ext. 4642; Reynaldo Cantu III, First Assistant Auditor, at ext. 4654; or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

Enclosure: Exhibit A

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

## Exhibit A

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2023	R152000000001700	298.04	70.29	368.33	53.20
2	1	2023	A023000000003200	36.82	8.47	45.29	6.52
3	1	2023	C602000000003900	11.05	2.53	13.58	1.95
4	1	2022	D650000000009200	113.73	35.83	149.56	21.15
5	1	2022	S359302000002900	101.49	33.74	135.23	19.33
6	1	2022	T525002020000100	72.39	22.80	95.19	13.46
7	1	2022	H120000066000600	69.95	22.04	91.99	13.01
8	1	2022	V056002000026900	62.31	19.27	81.58	11.50
9	1	2022	K240000000032513	58.09	19.31	77.40	11.07
10	1	2022	W738203000000600	51.76	15.09	66.85	9.31
11	1	2022	V056002000026900	41.66	12.71	54.37	7.69
12	1	2022	C070000099000702	41.87	12.45	54.32	7.60
13	1	2022	E700002000004800	40.50	12.99	53.49	7.59
14	1	2022	S477000000022800	35.79	11.48	47.27	6.71
15	1	2022	E540000064000700	33.09	10.42	43.51	6.15
16	1	2022	E700002000004800	23.06	7.40	30.46	4.32
17	1	2021	H120000052002000	272.61	94.73	367.34	49.48
18	1	2021	B476000000001100	233.68	96.98	330.66	46.97
19	1	2021	C982502000004900	33.28	11.17	44.45	5.94
20	1	2021	C902000000002200	17.77	7.72	25.49	3.62
21	1	2021	B255000000028801	15.75	7.22	22.97	3.31
22	1	2021	L284503000001400	8.70	3.88	12.58	1.80
23	1	2020	L284503000001400	76.74	43.49	120.23	17.27
24	1	2020	N860000001003200	17.13	9.00	26.13	3.67
25	1	2019	B476000000001100	30.27	19.83	50.10	7.17
26	1	2019	S477000000006700	15.22	8.32	23.54	3.15
27	1	2019	S397510000005000	5.25	3.06	8.31	1.14
28	1	2018	N890001000000600	36.39	18.32	54.71	6.66
29	1	2018	D680000024000700	0.62	0.44	1.06	0.15
30	1	2017	D060001000001300	66.16	35.07	101.23	11.71
31	1	2017	A300000007000100	18.91	16.98	35.89	5.14
32	1	2017	D680000024000700	3.70	3.11	6.81	0.95
33	1	2016	R284805000001000	59.61	41.18	100.79	12.25
34	1	2015	C700000006002900	46.37	32.26	78.63	8.69
35	1	2015	R284805000001000	31.70	25.70	57.40	7.08
36	1	2015	J570098005000205	14.79	12.85	27.64	3.53
37	1	2015	W010000045000435	10.32	7.12	17.44	1.91
38	1	2014	P640000014000500	143.66	108.59	252.25	25.64
39	1	2014	S160000000004815	40.14	33.26	73.40	8.55
40	1	2014	S160000000004815	40.06	33.36	73.42	8.53
41	1	2014	E015700000009800	28.76	25.25	54.01	6.55
42	1	2014	L020000000000900	9.85	11.18	21.03	2.90
43	1	2014	S346002005002000	2.10	2.59	4.69	0.67
44	1	2012	L670000017000300	2.56	2.39	4.95	0.47
45	1	2011	P640000014000500	143.66	160.30	303.96	33.40
46	1	2011	P925501000006000	93.99	94.54	188.53	17.20
47	1	2011	L335200000000100	9.27	10.16	19.43	2.07

48	1	2011	A370000027001500	1.97	3.06	5.03	0.72
49	1	2011	A370000027001500	1.97	3.07	5.04	0.72
50	1	2010	P640000014000500	143.66	177.54	321.20	35.99
51	1	2010	V340000006001200	84.89	101.52	186.41	19.74
52	1	2010	J941000000000100	71.61	78.70	150.31	13.53
53	1	2010	W010000023000416	52.27	64.42	116.69	13.01
54	1	2010	W010000023000416	26.22	32.10	58.32	6.53
55	1	2010	W010000023000416	26.18	32.15	58.33	6.52
56	1	2010	H510000001000100	24.75	26.55	51.30	4.38
57	1	2010	G040000006000100	11.50	13.44	24.94	2.54
58	1	2009	P640000014000500	143.66	194.78	338.44	38.57
59	1	2009	B1570000000005500	41.98	49.92	91.90	8.12
60	1	2008	A180000061000310	135.91	168.86	304.77	24.67
61	1	2008	B48200000C001100	85.83	118.96	204.79	21.12
62	1	2008	D320000060000202	36.71	52.82	89.53	9.91
63	1	2008	M1670000000005600	40.65	52.94	93.59	8.47
64	1	2008	H365003000001100	21.93	27.91	49.84	4.28
65	1	2008	B505000015001100	6.20	7.90	14.10	1.22
66	1	2007	A180000061000310	123.56	168.35	291.91	24.65
67	1	2007	1004100010000006	89.74	122.87	212.61	18.17
68	1	2006	W010000030000309	94.57	149.95	244.52	24.96
69	1	2006	A180000061000310	112.32	166.51	278.83	24.43
70	1	2006	R225001003001900	2.47	4.36	6.83	0.85
71	1	2006	L670000017000300	1.88	3.08	4.96	0.55
72	1	2005	A180000061000310	107.02	171.50	278.52	25.20
73	1	2005	S170002030000702	11.27	18.50	29.77	2.86
74	1	2004	A180000061000310	97.29	167.58	264.87	24.66
75	1	2004	G166002000001700	27.49	57.14	84.63	11.22
76	1	2004	L025000114000012	12.39	28.51	40.90	5.76
77	1	2004	B496504000032900	7.44	14.47	21.91	2.63
78	1	2004	A180000064001504	7.63	13.42	21.05	2.06
79	1	2004	C690000001000700	2.99	4.94	7.93	0.66
80	1	2004	E330000123000100	1.31	2.21	3.52	0.31
81	1	2003	1004100010000006	140.91	260.57	401.48	38.68
82	1	2003	A180000061000310	88.45	162.97	251.42	24.01
83	1	2003	S240000000009511	19.67	33.48	53.15	4.10
84	1	2003	C690000001000700	5.49	9.71	15.20	1.31
85	1	2002	A180000061000310	89.85	176.33	266.18	26.01
86	1	2002	L185002000001100	12.53	24.17	36.70	3.44
87	1	2002	M355000073002600	6.81	14.93	21.74	2.67
88	1	2001	A180000061000310	241.93	503.82	745.75	74.39
89	1	2001	S447004000000900	57.66	131.23	188.89	22.75
90	1	2001	T543501000000800	75.32	145.31	220.63	17.96
91	1	2001	W220000006000600	48.24	102.57	150.81	15.78
92	1	2001	T543501000000800	41.25	79.58	120.83	9.84
93	1	2001	D600001000022502	31.12	65.21	96.33	9.76
94	1	2001	E540000002002100	32.96	63.56	96.52	7.86
95	1	2000	A180000061000310	221.20	487.19	708.39	72.00
96	1	2000	T543501000000800	6.70	13.73	20.43	1.72
97	1	1999	A180000061000310	164.46	381.96	546.42	56.49
98	1	1998	A180000061000310	164.46	401.70	566.16	59.45

99	1	1998	V380002003001400	22.65	53.67	76.32	7.44
100	1	1998	V380002003001400	16.99	40.25	57.24	5.58
101	1	1998	V380002003001400	5.66	13.42	19.08	1.86
102	1	1997	A180000061000310	165.10	423.07	588.17	62.66
103	1	1997	H347500147000007	42.17	114.55	156.72	18.92
104	1	1997	C030000195001400	26.92	64.83	91.75	8.35
105	1	1997	M3680000000004100	7.06	21.04	28.10	3.88
106	1	1997	F345000156001200	10.02	23.03	33.05	2.62
107	1	1997	W74000011B000900	6.15	15.58	21.73	2.25
108	1	1996	A180000061000310	152.00	407.74	559.74	60.42
109	1	1996	S1440000000005100	5.61	14.86	20.47	2.15
110	1	1996	A080098000111600	2.58	7.93	10.51	1.45
111	1	1995	A180000061000310	145.66	408.21	553.87	60.52
112	1	1995	L670000017000500	14.26	38.89	53.15	5.45
113	1	1995	J570000001001034	12.81	33.12	45.93	4.07
114	1	1995	L205000048000200	2.03	5.30	7.33	0.67
115	1	1994	A180000061000310	135.21	395.16	530.37	58.61
116	1	1994	L670000017000500	51.97	148.08	200.05	20.81
117	1	1993	A180000061000310	135.61	412.60	548.21	61.23
118	1	1992	A180000061000310	138.99	439.56	578.55	65.26
119	1	1992	C470000003001400	0.46	1.41	1.87	0.20
120	1	1991	A180000061000310	131.61	432.01	563.62	64.16
121	1	1991	C470000003001400	21.64	69.45	91.09	9.84
122	1	1990	A180000061000310	129.56	440.83	570.39	65.49
123	1	1989	A180000061000310	7.78	27.4	35.18	4.07
124	1	1982	S120000000003100	2.29	10.68	12.97	1.81
125	17	1993	A180000061000310	1.67	5.08	6.75	0.75
126	17	1982	S120000000003100	0.34	1.59	1.93	0.27
127	1	2000	T527002000004100	7.54	17.1	24.64	2.67
128	1	2022	T543501000000200	80.31	22.96	103.27	14.34
129	1	2022	T543501000000200	39.19	11.19	50.38	6.99
130	1	2022	T543501000000200	32.19	9.20	41.39	5.75
131	1	2021	H268002000002500	93.39	38.99	132.38	18.63
132	1	2024	E810000004002200	0.82	0.15	0.97	0.14
133	1	2024	M355000016000905	0.65	0.12	0.77	0.11
134	1	2024	L025000009001200	0.42	0.08	0.50	0.08
135	1	2024	W276002000014300	0.20	0.03	0.23	0.04
136	1	2024	L025000009001200	0.25	0.05	0.3	0.04
137	1	2024	C700000007000300	0.14	0.03	0.17	0.02
138	1	2024	A003500000000100	0.03	0	0.03	0.01



# HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281  
EDINBURG, TEXAS 78539-6243

PHONE: (956) 318-2511 FAX: (956) 318-2577  
[www.hidalgocounty.us/294/Auditors-Office](http://www.hidalgocounty.us/294/Auditors-Office)

October 2, 2025

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

Re: August 2025 DTA Payment Request Report No. 2025-38

Dear Mr. Villarreal:

We completed a limited scope review of the August 2025 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 2025 DTA payment request of \$335,948.69 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, 2025. 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, penalty, and interest collections for August 2025."
- 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 with 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, penalty, and interest collections for August 2025."

## 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

- Although DTA fees for 94 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 (92 tax accounts) and small accounts (2 tax accounts) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for August 2025 agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Alejandro Torres, Internal Auditor III, at (956) 318-2511, ext. 4644, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

Enclosure: Exhibit A

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

## Exhibit A

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2023	D711101000005400	20.72	5.10	25.82	3.73
2	1	2023	C602000000003900	11.00	2.58	13.58	1.95
3	1	2023	C713001000001000	0.23	0.07	0.30	0.04
4	1	2022	T601001000004000	961.36	306.84	1,268.20	178.81
5	1	2022	L584000000000600	416.36	135.32	551.68	78.07
6	1	2022	K240000000032513	57.93	19.50	77.43	11.04
7	1	2022	C070000099000702	41.74	12.60	54.34	7.58
8	1	2022	B216000001004000	27.31	8.08	35.39	4.92
9	1	2021	M184500000001400	83.11	30.20	113.31	15.33
10	1	2021	C902000000002200	18.22	8.01	26.23	3.72
11	1	2020	W380000290000003	316.15	139.90	456.05	60.70
12	1	2020	S004002000006100	69.91	27.67	97.58	12.58
13	1	2020	L025000114000012	0.33	0.13	0.46	0.06
14	1	2019	S295000000032767	180.93	97.55	278.48	36.91
15	1	2019	L319000005001700	37.61	20.73	58.34	7.79
16	1	2019	S397510000005000	5.25	3.07	8.32	1.13
17	1	2018	L025000114000012	187.65	117.12	304.77	39.97
18	1	2018	D680000024000700	8.01	5.79	13.80	1.91
19	1	2017	S073000000001500	59.93	41.11	101.04	12.95
20	1	2017	S367500008001600	45.36	30.04	75.40	9.52
21	1	2017	V380002010001000	7.05	4.11	11.16	1.34
22	1	2016	R284805000001000	93.47	64.97	158.44	19.21
23	1	2016	M473003000004500	44.55	35.65	80.20	10.36
24	1	2016	S365000003001300	8.62	5.39	14.01	1.62
25	1	2015	S365000003001300	72.55	54.05	126.60	14.91
26	1	2015	S265001000004100	35.79	26.46	62.25	7.30
27	1	2015	J570098005000205	14.75	12.89	27.64	3.52
28	1	2014	L025000021000016	63.72	70.00	133.72	18.07
29	1	2014	B403502000023600	23.13	26.20	49.33	6.76
30	1	2014	E015700000009800	28.69	25.31	54.00	6.54
31	1	2014	L020000000000900	10.25	11.67	21.92	3.01
32	1	2014	L526003000016500	8.75	7.18	15.93	1.80
33	1	2014	B158504000007600	0.51	0.39	0.90	0.09
34	1	2013	B158504000007600	0.39	0.35	0.74	0.08
35	1	2012	V057700000000200	36.43	34.61	71.04	6.99
36	1	2011	D460000118000700	38.68	51.22	89.90	11.72
37	1	2011	A370000027001500	1.96	3.08	5.04	0.72
38	1	2010	J941000000000100	142.95	157.71	300.66	27.02
39	1	2010	P640000023000500	39.98	67.30	107.28	15.29
40	1	2010	J941000000000100	62.88	69.40	132.28	11.89
41	1	2010	H510000001000100	24.71	26.59	51.30	4.37
42	1	2010	G040000006000100	11.48	13.47	24.95	2.53
43	1	2009	M015000062000401	16.13	21.84	37.97	4.28
44	1	2009	C676000000011000	19.98	23.03	43.01	3.54
45	1	2009	B157000000005500	0.66	0.78	1.44	0.13
46	1	2008	D320000060000202	36.63	52.89	89.52	9.90
47	1	2008	M167000000005600	40.58	53.02	93.60	8.46

48	1	2008	H365003000001100	21.89	27.95	49.84	4.27
49	1	2007	1004100010000006	71.80	98.60	170.40	14.54
50	1	2007	W380000304000038	59.88	82.63	142.51	12.31
51	1	2007	W380000238000005	27.00	39.24	66.24	6.44
52	1	2006	W010000030000309	94.42	150.11	244.53	24.92
53	1	2006	E800000110001700	44.66	74.60	119.26	13.40
54	1	2006	V382000000016800	40.37	57.04	97.41	7.45
55	1	2006	R382500008000500	19.71	29.11	48.82	4.20
56	1	2006	W230000052000300	8.36	13.90	22.26	2.48
57	1	2006	R225001003001900	2.48	4.37	6.85	0.84
58	1	2006	L670000017000300	1.87	3.09	4.96	0.55
59	1	2005	K240000000008105	135.50	259.70	395.20	50.81
60	1	2005	E800000110001700	6.28	11.24	17.52	2.00
61	1	2004	K240000000008105	117.27	238.84	356.11	46.09
62	1	2004	1004100010000006	56.71	98.29	155.00	14.55
63	1	2004	C175000000001200	36.53	57.47	94.00	6.74
64	1	2004	L025000114000012	12.37	28.53	40.90	5.76
65	1	2004	B496504000032900	7.43	14.48	21.91	2.63
66	1	2004	C690000001000700	8.62	14.24	22.86	1.90
67	1	2004	B505000015000600	9.80	15.42	25.22	1.81
68	1	2003	S240000000009511	19.64	33.52	53.16	4.09
69	1	2003	S240000000009511	19.64	33.52	53.16	4.09
70	1	2002	M355000073002600	13.60	29.87	43.47	5.34
71	1	2002	L185002000001100	12.52	24.19	36.71	3.43
72	1	2001	W220000006000600	48.19	102.66	150.85	15.76
73	1	2001	E540000002002100	21.05	40.72	61.77	5.02
74	1	2001	E540000002002100	19.75	38.17	57.92	4.71
75	1	2000	G205000000001600	53.93	112.88	166.81	14.80
76	1	1999	L319500000005800	2.79	7.27	10.06	1.32
77	1	1998	V380002003001400	28.29	67.12	95.41	9.29
78	1	1998	V380002003001400	16.96	40.28	57.24	5.58
79	1	1998	L319500000005800	7.41	20.27	27.68	3.65
80	1	1998	F345000156000900	12.55	27.13	39.68	2.94
81	1	1997	H347500147000007	42.14	114.60	156.74	18.90
82	1	1997	F345000156001200	10.01	23.05	33.06	2.61
83	1	1997	W74000011B000900	6.15	15.59	21.74	2.24
84	1	1996	S144000000005100	5.60	14.87	20.47	2.15
85	1	1996	A080098000111600	2.59	7.93	10.52	1.44
86	1	1995	L670000017000500	71.19	194.59	265.78	27.23
87	1	1995	A080000000114909	11.91	35.04	46.95	5.67
88	1	1995	J570000001001034	12.79	33.14	45.93	4.07
89	1	1995	L205000048000200	3.25	8.49	11.74	1.07
90	1	1992	C470000003001400	19.14	59.18	78.32	8.35
91	1	1988	P640000006000100	8.03	33.90	41.93	6.04
92	1	1987	W380000597000000	20.50	81.51	102.01	13.41
93	1	2003	M490000000001800	167.05	357.53	524.58	67.41
94	1	2024	V433502000006500	0.03	0.00	0.03	0.01



# HIDALGO COUNTY AUDITOR'S OFFICE

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October 22, 2025

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

Re: September 2025 DTA Payment Request Report No. 2025-39

Dear Mr. Villarreal:

We completed a limited scope review of the September 2025 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 September 2025 DTA payment request of \$291,148.93 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 September 30, 2025. 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, penalty, and interest collections for September 2025."
- 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 with 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.    JUAN R. ALVAREZ JUDGE, 332ND D.C.    NOE GONZALEZ JUDGE, 370TH D.C.    LETICIA LOPEZ JUDGE, 389TH D.C.    L. KENO VASQUEZ JUDGE, 398TH D.C.    ORLANDO ESQUIVEL JUDGE, 430TH D.C.    RENEE R. BETANCOURT JUDGE, 449TH D.C.    JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.    NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH 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, penalty, and interest collections for September 2025."
- Although DTA fees for 153 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 (140 tax accounts) and small accounts (13 tax accounts) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for September 2025 agreed with the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Alejandro Torres, Internal Auditor III, at (956) 318-2511, ext. 4644; Karen Ramirez, Compliance Audit Supervisor, at ext. 4606; Yvonne Torres, Director of Audit Division, at ext. 4642; Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

Enclosure: Exhibit A

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

## Exhibit A

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2023	D711101000005400	20.66	5.17	25.83	3.72
2	1	2023	L185000000000100	10.78	2.75	13.53	1.95
3	1	2023	C602000000003900	10.97	2.62	13.59	1.94
4	1	2023	D069399000000564	0.69	0.21	0.90	0.13
5	1	2023	G400000000001201	0.28	0.09	0.37	0.05
6	1	2023	M371003000004600	0.08	0.02	0.10	0.01
7	1	2023	M594201000007500	0.02	0.01	0.03	0.01
8	1	2023	T470000003000101	0.02	0.01	0.03	0.01
9	1	2023	C602000000003900	-11.00	-2.58	-13.58	-1.95
10	1	2022	W010000051000317	691.17	207.35	898.52	124.41
11	1	2022	P275001000016500	293.22	93.11	386.33	54.10
12	1	2022	C902000000002200	241.82	78.19	320.01	44.98
13	1	2022	E170001000011000	217.72	69.13	286.85	40.18
14	1	2022	W738203000000600	85.75	25.73	111.48	15.44
15	1	2022	K240000000032513	60.81	20.73	81.54	11.59
16	1	2022	S477000000022800	58.48	19.26	77.74	10.97
17	1	2022	V056002000026900	41.44	12.98	54.42	7.64
18	1	2022	C070000099000702	41.62	12.74	54.36	7.56
19	1	2022	S100000015003005	0.63	0.27	0.90	0.13
20	1	2021	W010000051000317	748.49	314.37	1,062.86	148.20
21	1	2021	L284503000001400	115.57	52.58	168.15	23.92
22	1	2021	S050000000000700	99.27	45.16	144.43	20.55
23	1	2021	S050000000000700	99.27	45.16	144.43	20.54
24	1	2021	C902000000002200	68.47	30.36	98.83	13.97
25	1	2021	C902000000002200	17.80	7.88	25.68	3.63
26	1	2021	B2550000000028801	15.68	7.31	22.99	3.29
27	1	2020	L319000002001800	425.78	192.67	618.45	82.39
28	1	2020	W010000051000317	326.91	176.53	503.44	70.61
29	1	2020	L025000114000012	35.78	13.89	49.67	6.33
30	1	2020	E810000003003000	28.39	15.33	43.72	6.13
31	1	2019	L319000002001800	425.78	243.76	669.54	90.05
32	1	2019	W010000051000317	326.91	215.76	542.67	76.50
33	1	2019	L319000005001700	37.53	20.83	58.36	7.77
34	1	2019	S4770000000006700	15.14	8.41	23.55	3.14
35	1	2019	D680000024000700	0.93	0.56	1.49	0.21
36	1	2018	L319000002001800	421.29	291.74	713.03	96.69
37	1	2018	W010000051000317	326.91	254.99	581.90	82.38
38	1	2018	G590001003002900	75.54	51.88	127.42	17.22
39	1	2018	D680000024000700	14.72	10.70	25.42	3.51
40	1	2017	L319000002001800	425.89	346.04	771.93	105.41
41	1	2017	W010000051000317	326.91	294.22	621.13	88.27
42	1	2017	G590001003002900	13.72	11.07	24.79	3.38
43	1	2017	T525002018003900	16.69	10.64	27.33	3.38
44	1	2016	L319000002001800	426.09	397.33	823.42	113.13
45	1	2016	W010000051000317	326.91	333.45	660.36	94.15
46	1	2016	R284805000001000	93.27	65.21	158.48	19.17
47	1	2015	L319000002001800	426.10	448.47	874.57	120.80

48	1	2015	W010000051000317	326.91	372.68	699.59	100.04
49	1	2015	E540000048001600	28.04	22.47	50.51	6.14
50	1	2015	J570098005000205	14.73	12.93	27.66	3.51
51	1	2014	L319000002001800	401.71	471.01	872.72	121.12
52	1	2014	W010000051000317	326.91	411.91	738.82	105.92
53	1	2014	S160000000004815	39.98	33.46	73.44	8.52
54	1	2014	S346002005002000	9.76	12.18	21.94	3.13
55	1	2014	S346002005002000	9.69	12.10	21.79	3.11
56	1	2014	B158504000007600	0.51	0.39	0.90	0.09
57	1	2013	C960002006001200	249.56	216.49	466.05	47.17
58	1	2013	B158504000007600	0.39	0.35	0.74	0.08
59	1	2012	C960002006001200	255.92	252.72	508.64	52.98
60	1	2011	L319000002001800	432.99	663.56	1,096.55	153.93
61	1	2011	W010000051000317	404.79	655.76	1,060.55	153.01
62	1	2011	C960002006001200	257.59	285.29	542.88	57.96
63	1	2011	G080000008002300	13.77	20.46	34.23	4.73
64	1	2010	L319000002001800	432.99	715.52	1,148.51	161.72
65	1	2010	W010000051000317	321.00	558.54	879.54	127.12
66	1	2010	C960002006001200	144.04	176.81	320.85	35.00
67	1	2010	W010000023000416	52.18	64.52	116.70	12.99
68	1	2010	P640000023000500	29.95	50.53	80.48	11.45
69	1	2010	H510000001000100	24.66	26.65	51.31	4.36
70	1	2010	G040000006000100	11.46	13.49	24.95	2.53
71	1	2010	P927901000007000	6.55	7.91	14.46	1.53
72	1	2010	J941000000000100	5.46	6.05	11.51	1.03
73	1	2009	L319000002001800	398.37	706.12	1,104.49	155.96
74	1	2009	W010000051000317	341.97	636.07	978.04	141.58
75	1	2009	J941000000000100	142.83	175.33	318.16	29.57
76	1	2009	V232000000003800	75.05	96.39	171.44	17.45
77	1	2009	D320000060000202	39.10	51.90	91.00	9.85
78	1	2009	D320000060000202	39.10	51.90	91.00	9.85
79	1	2009	M015000062000401	16.11	21.86	37.97	4.28
80	1	2009	D320000060000202	-39.10	-51.90	-91.00	-9.85
81	1	2008	W010000051000317	415.89	823.46	1,239.35	179.66
82	1	2008	L319000002001800	332.87	629.96	962.83	136.31
83	1	2008	T560000000000300	18.21	29.13	47.34	6.09
84	1	2008	H365003000001100	21.86	27.99	49.85	4.26
85	1	2008	B505000015001100	6.17	7.93	14.10	1.21
86	1	2008	B505000015001100	6.17	7.93	14.10	1.21
87	1	2008	D320000060000202	0.43	0.62	1.05	0.12
88	1	2008	D320000060000202	0.43	0.62	1.05	0.12
89	1	2008	D320000060000202	-0.43	-0.62	-1.05	-0.12
90	1	2008	B505000015001100	-6.17	-7.93	-14.10	-1.21
91	1	2007	M4900000000009302	288.32	412.53	700.85	65.30
92	1	2007	D320000088000031	165.16	262.20	427.36	49.05
93	1	2007	W010000030000309	104.62	154.25	258.87	25.74
94	1	2007	W380000304000038	29.94	41.31	71.25	6.15
95	1	2007	W380000304000038	29.89	41.38	71.27	6.14
96	1	2007	W380000304000038	29.90	41.37	71.27	6.14
97	1	2007	S100000002003000	18.33	28.24	46.57	5.06
98	1	2007	S144000000005100	10.32	13.84	24.16	1.92

99	1	2006	W010000030000309	6.05	9.64	15.69	1.60
100	1	2006	W230000052000300	5.00	8.35	13.35	1.49
101	1	2006	L670000017000300	3.73	6.19	9.92	1.09
102	1	2006	R225001003001900	2.48	4.37	6.85	0.84
103	1	2005	M490000000009302	288.32	481.73	770.05	75.68
104	1	2004	M490000000009302	288.32	516.33	804.65	80.87
105	1	2004	S445000001002300	42.63	68.94	111.57	8.63
106	1	2004	S445000001002300	42.62	68.95	111.57	8.63
107	1	2004	S445000001002300	28.36	45.86	74.22	5.74
108	1	2004	G166002000001700	13.71	28.62	42.33	5.59
109	1	2004	B505000015000600	16.11	25.41	41.52	2.97
110	1	2004	B496504000032900	7.41	14.49	21.90	2.63
111	1	2004	S445000001002300	-42.63	-68.94	-111.57	-8.63
112	1	2003	M490000000009302	273.88	523.34	797.22	81.75
113	1	2002	M490000000009302	278.40	565.38	843.78	88.11
114	1	2002	M355000073002600	13.58	29.89	43.47	5.34
115	1	2002	L185002000001100	12.50	24.21	36.71	3.43
116	1	2001	M490000000009302	234.42	504.20	738.62	78.41
117	1	2001	E540000002002100	19.75	38.17	57.92	4.71
118	1	2001	E540000002002100	-19.75	-38.17	-57.92	-4.71
119	1	2000	M490000000009302	225.94	513.07	739.01	79.64
120	1	2000	G205000000001600	53.86	112.97	166.83	14.79
121	1	2000	S165000000001600	9.13	17.98	27.11	1.97
122	1	1999	M490000000009302	209.83	501.67	711.50	77.74
123	1	1999	L319500000005800	16.17	42.39	58.56	7.67
124	1	1999	S165000000001600	0.7	1.46	2.16	0.16
125	1	1998	M490000000009302	124.22	311.9	436.12	48.26
126	1	1998	H347500147000007	38.31	99.77	138.08	16.49
127	1	1998	V380002003001400	22.6	53.74	76.34	7.42
128	1	1998	V380002003001400	16.94	40.31	57.25	5.57
129	1	1998	F345000156000900	12.53	27.14	39.67	2.93
130	1	1997	L045000017000002	66.28	157.57	223.85	19.39
131	1	1997	L045000017000002	61.70	146.71	208.41	18.05
132	1	1997	F345000156001200	9.99	23.06	33.05	2.61
133	1	1997	M368000000004100	4.70	14.03	18.73	2.58
134	1	1997	H347500147000007	4.63	12.61	17.24	2.08
135	1	1996	L670000017000500	43.23	113.16	156.39	15.76
136	1	1996	S144000000005100	0.73	1.95	2.68	0.28
137	1	1995	L670000017000500	71.13	194.68	265.81	27.2
138	1	1995	L670000017000500	28.2	77.2	105.4	10.79
139	1	1995	L205000048000200	2.02	5.31	7.33	0.67
140	1	1993	C470000003001400	10.2	30.36	40.56	4.27
141	1	1992	C470000003001400	9.12	28.25	37.37	3.98
142	1	1982	S120000000003100	2.28	10.69	12.97	1.81
143	12	1999	M490000000009302	6.55	15.66	22.21	2.43
144	12	1998	M490000000009302	5.42	13.61	19.03	2.11
145	17	1982	S120000000003100	0.35	1.59	1.94	0.27
146	1	2000	F225001001001300	13.78	31.89	45.67	5.13
147	1	2024	S100000014002400	0.81	0.16	0.97	0.14

<b>148</b>	1	2024	S100000014002400	0.81	0.16	0.97	0.14	
<b>149</b>	1	2024	A414800000001800	0.62	0.13	0.75	0.12	
<b>150</b>	1	2024	I200001000005000	0.64	0.13	0.77	0.11	
<b>151</b>	1	2024	V434215000000700	0.31	0.06	0.37	0.05	
<b>152</b>	1	2024	B156007000005900	0.14	0.03	0.17	0.02	
<b>153</b>	1	2024	P576000000002800	0.08	0.02	0.1	0.01	



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September 15, 2025

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

Re: Cash Count Report No. 2025-68

Dear Constable Avila:

We conducted a surprise cash count of the cash held at your office on July 14, 2025, 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.

**Executive Summary:**

Based on the cash count, we concluded that 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 the Administrative Assistant II performed incompatible duties.

**Scope:**

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. The review was neither 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 with the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 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:**

There were no collections at the time of the cash counts. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement, as noted in the following observation.

Management is responsible for establishing and maintaining a sound internal control system. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets

## HIDALGO COUNTY DISTRICT JUDGES

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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:**

We noted that the segregation of duties over collecting and recording collections requires improvement. The Administrative Assistant II performs the following incompatible duties:

- Custody: Receives money, issues receipts, opens and lists mail receipts, balances copies or receipts against the cash drawer, maintains a cash drawer, prepares deposits, and has access to the inventory of unused receipts.
- Recording: Accounts for the numerical sequence of cash receipts, records receipts in the cash received journal/log, maintains an inventory log of unused cash receipts, prepares reports of cash received, and prepares the monthly report.
- Approval: Compares listed mail receipts to recorded cash receipts.

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 comparing listed mail receipts to recorded cash receipts, accounting for the numerical sequence of cash receipts, maintaining inventory log of unused cash receipts, preparing reports of cash received, and preparing the monthly report.

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

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

**Recommendation:**

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

Please provide a management response to the observation noted above on the attached Management Response Form by September 30, 2025. The Management Response Form should be emailed to [managementresponse@auditor.co.hidalgo.tx.us](mailto:managementresponse@auditor.co.hidalgo.tx.us).

If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Jake Solis, Internal Auditor II, at 318-2511 ext. 4656, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

Enclosures: Management Response Form

cc: The Honorable Richard Cortez, Hidalgo County Judge  
Mr. Valde Guerra, County Executive Officer  
Mr. Joe Espinosa, Chief Deputy Constable, Constable Precinct No. 1





# HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281  
EDINBURG, TEXAS 78539-6243

PHONE: (956) 318-2511 FAX: (956) 318-2577  
[www.hidalgocounty.us/294/Auditors-Office](http://www.hidalgocounty.us/294/Auditors-Office)

September 15, 2025

Mr. Anthony Uresti, Director  
Hidalgo County Planning Department  
2818 S. Business Hwy 281  
Edinburg, Texas 78539

Re: Cash Count Report No. 2025-69

Dear Mr. Uresti:

We conducted a surprise cash count of the cash held at the Planning Department's Weslaco Office on July 14, 2025, 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:**

There were no collections at the time of the cash count; however, we noted that the system of internal controls for collecting and safeguarding cash requires improvement. More specifically, we noted that the mail is opened and the mail log is prepared by someone who is not independent of cash receipting and accounting functions.

### **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 neither 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 the cash on hand agreed with the total receipts issued up to the time of the cash count. We also reviewed the internal control structure to confirm 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. Based on the review results, we concluded that the total cash on hand reconciled to the approved change fund of \$150.00. However, the system of internal controls for cash collection and safeguarding requires improvement, as noted in the observation below.

## 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

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

**Observation No. 1:**

We noted that the Administrative Assistant II receives money, issues receipts, opens mail, and prepares a mail log.

Pursuant to the Cash Handling Guidelines, mail should be opened by an employee who is not responsible for receipting or maintaining accounting records. Mail-in payments received must be listed on a mail log. The mail log should include the following information for each mail-in payment received: date received, the name of the payer, the amount of the remittance, the form of the remittance (e.g., cash or check), and, if applicable, the check number. The employee responsible for listing the mail-in payments must sign and date the mail log to document responsibility for verifying the cash received and preparing the listing. After issuing a receipt for the mail-in payment, the cashier must enter the receipt date and receipt number issued for the mail-in payment on the mail log. An employee other than the cashier should verify that an official County receipt was issued for each mail-in payment. The employee conducting this verification must sign and date the mail log to document responsibility for the verification.

Failure to ensure that the mail is opened and the mail log is prepared by someone independent of cash receipting and accounting functions increases the risk of loss or misuse of County funds.

**Recommendation:**

Management should ensure that the mail is opened and the mail log is prepared by someone independent of cash receipting and accounting functions. At a minimum, the procedures noted above should be implemented.

Please provide a management response to the observation noted above on the attached Management Response Form by September 30, 2025. The Management Response Form should be emailed to [managementresponse@auditor.co.hidalgo.tx.us](mailto:managementresponse@auditor.co.hidalgo.tx.us).

If you have any questions, please contact Francisco Saenz, Internal Auditor IV, at 318-2511 ext. 4667, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

cc: Honorable Richard Cortez, County Judge  
Mr. Valde Guerra, County Executive Officer  
Ms. Alexis Rodriguez, GIS and Community Coordinator II, Subdivision, Planning Department





# HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281  
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[www.hidalgocounty.us/294/Auditors-Office](http://www.hidalgocounty.us/294/Auditors-Office)

September 8, 2025

The Honorable David L. Fuentes, Commissioner  
Hidalgo County Precinct No. 1  
1902 Joe Stephens Suite 101  
Weslaco, Texas 78596

Re: Cash Count Report No. 2025-70

Dear Commissioner Fuentes:

We conducted a surprise cash count of the cash held at the Weslaco Sanitation Office on July 14, 2025, 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 up to the time of the cash count and the approved change fund. In addition, we noted that the system of internal controls for collecting and safeguarding cash requires improvement; more specifically, we noted the following:

- Hamer refunds credit card transactions upon request by Precinct 1 staff; and
- Checks received were not restrictively endorsed immediately upon receipt.

### **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 neither 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 collections on hand agreed with the total receipts issued up to the time of the cash count. We also reviewed the internal control structure to confirm 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:**

Cash on hand at the time of the cash count totaled \$775.00. Based on the review results, we concluded that the total cash on hand reconciled to the total receipts issued up to the time of the cash count, including the approved change fund of \$200.00. However, we noted that the system of internal controls for collecting and safeguarding cash requires improvement.

## 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

**Observation No. 1:**

Hamer refunds credit card transactions upon request by Precinct 1 staff.

Pursuant to the Cash Handling Guidelines and Procedures, refunds using the credit card terminal may not be processed by departments. Refunds must be immediately requested from the County Auditor. The County Auditor must review and approve all refund requests. Refund requests must be provided to the County Auditor's Office on letterhead signed by the County Officer or designee. The request must include the following information:

- Payee name and address;
- Refund amount;
- General ledger account number to be used to process the refund;
- Receipt number and date; and
- Reason for refund.

Failure to ensure that all refund requests are properly requested from the County Auditor may increase the risk of loss of County funds.

**Recommendation:**

Management should ensure that all refund requests are properly made to the County Auditor. At a minimum, the procedures noted above should be implemented.

**Observation No. 2:**

We noted that checks were not restrictively endorsed immediately upon receipt. According to staff, the department does not have a stamp to endorse checks.

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

Failure to restrictively endorse checks increases the risk of loss or misuse of County funds.

**Recommendation:**

Management should ensure that all checks are strictly endorsed immediately upon receipt. A stamp should be ordered for this purpose.

Please provide a written management response to the observations noted above by September 23, 2025. The Management Response Forms should be emailed to [managementresponse@auditor.co.hidalgo.tx.us](mailto:managementresponse@auditor.co.hidalgo.tx.us).

If you have any questions, please contact Jorge Ortiz, Internal Auditor II, at 318-2511 ext. 4608, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

Enclosure: Management Response Forms

cc: Honorable Richard Cortez, County Judge  
Mr. Valde Guerra, County Executive Officer  
Mr. David Suarez, Chief Administrator, Hidalgo County Precinct No. 1



**HIDALGO COUNTY AUDITOR'S OFFICE**

**INTERNAL AUDIT DIVISION**

**MANAGEMENT RESPONSE FORM**

**AUDITEE:** The Honorable David Fuentes,  
Commissioner Precinct 1      **AUDIT NO.:** 2025-70

**AUDIT:** Cash Count      **MANAGEMENT**  
**RESPONSE DUE:** September 23, 2025

**FINDING No.:** 1      **RECOMMENDATION:** 1

Management should ensure that all refund requests are properly made to the County Auditor.

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**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):**

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**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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

<b>AUDITEE:</b>	<u>The Honorable David Fuentes, Commissioner Precinct 1</u>	<b>AUDIT NO.:</b>	<u>2025-70</u>
<b>AUDIT:</b>	<u>Cash Count</u>	<b>MANAGEMENT RESPONSE DUE:</b>	<u>September 23, 2025</u>
<b>FINDING No.:</b>	<u>2</u>	<b>RECOMMENDATION:</b>	<u>2</u>

Management should ensure that all checks are strictly endorsed immediately upon receipt. A stamp should be ordered for this purpose.

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**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):**

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---

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

---

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# HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281  
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October 22, 2025

Mr. Homero Garza, Fire Marshal  
Hidalgo County Fire Marshal's Office  
2814 S. Business Highway 281  
Edinburg, Texas 78539

Re: Cash Count Audit No. 2025-71

Dear Mr. Garza:

We conducted a surprise cash count of the cash held at your office on July 29, 2025, 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. More specifically, we noted that:

- Not all payments received were properly receipted.
- Checks received were not restrictively endorsed immediately upon receipt.
- Mail is opened, and the mail log is prepared by someone who is not independent of cash receipting and accounting functions.

### **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 the cash on hand agreed with the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 \$805.00. 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

## HIDALGO COUNTY DISTRICT JUDGES

approved change fund of \$150.00. There was an overage of \$330.00, with \$200 deposited on July 30, 2025, and \$130 returned to the sender. Additionally, we noted that the internal controls for cash collection and safeguarding need improvement, as noted in the following observations.

**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 \$330.00, comprised of two checks in the amounts of \$130.00 and \$200.00. According to staff, they were unable to promptly receipt the funds due to pending items in the payor's applications. \$200.00 was receipted on July 30, 2025, and the remaining \$130.00 was returned to the sender.

The County Auditor's Office requires that the cashier issue an official receipt for each payment received. Payments must be received before rendering services or issuing an official County receipt. Payments that are not immediately identifiable should be receipted and deposited in the bank or with the County Treasurer daily.

In the alternative, the department may return the payment to the sender. A list of checks returned to the sender due to insufficient/incorrect information or insufficient amount must be prepared to maintain an adequate audit trail of all payments returned. The log, at a minimum, should contain the following information: date of return, check number, check amount, name of payer, reason for return, and type of document. A copy of the check should be maintained on file.

Failure to ensure that payments received are properly receipted may result in the loss of County revenue.

**Recommendation:**

Management should implement formal monitoring procedures to ensure that payments received are properly receipted. Additionally, management should monitor all overages and shortages to determine if there is a pattern meriting further investigation, modification, or collection procedures, retraining of personnel, or disciplinary action. At a minimum, the procedures noted above should be implemented.

**Observation 2:**

We noted that two checks were not endorsed. According to the staff, the checks were not endorsed because they were not ready to be receipted.

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

Failure to restrictively endorse checks increases the risk of loss or misuse of County funds.

**Recommendation:**

Management should ensure that all checks are endorsed immediately upon receipt.

**Observation 3:**

We noted that the Clerk III receives money, issues receipts, opens mail, and prepares a mail log.

Pursuant to the Cash Handling Guidelines, mail should be opened by an employee who is not responsible for receipting or maintaining accounting records. Mail-in payments received must be listed on a mail log. The employee responsible for listing the mail-in payments must sign and date the mail log to document responsibility for verifying the cash received and preparing the listing. After issuing a receipt for the mail-in payment, the cashier must enter the receipt date and receipt number on the mail log. An employee other than the cashier should verify that an official County receipt was issued for each mail-in payment. The employee conducting this verification must sign and date the mail log to document responsibility for the verification.

Failure to ensure that the mail is opened and the mail log is prepared by someone independent of cash receipting and accounting functions increases the risk of loss or misuse of County funds.

**Recommendation:**

Management should ensure that the mail is opened and the mail log is prepared by someone independent of cash receipting and accounting functions. At a minimum, the procedures noted above should be implemented.

Please provide a management response to the observation noted above by November 6, 2025. The Management Response Forms should be emailed to [managementresponse@auditor.co.hidalgo.tx.us](mailto:managementresponse@auditor.co.hidalgo.tx.us).

If you have any questions, please contact Jake Solis, Internal Auditor II, at (956) 318-2511, ext. 4656; Karen Ramirez, Compliance Audit Supervisor, at ext. 4606; Yvonne Torres, Director of Audit Division, at ext. 4642; Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

cc: Honorable Richard Cortez, County Judge  
Mr. Valde Guerra, County Executive Officer









# HIDALGO COUNTY AUDITOR'S OFFICE

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[www.hidalgocounty.us/294/Auditors-Office](http://www.hidalgocounty.us/294/Auditors-Office)

September 15, 2025

The Honorable Everardo Villarreal, Commissioner  
Hidalgo County Precinct No. 3  
724 North Breyfogle  
Mission, TX 78574

Re: Cash Count Report No. 2025-72

Dear Commissioner Villarreal:

We conducted a surprise cash count of the cash held at the Precinct 3 Sanitation Office on July 30, 2025, 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 results of 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; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted that:

- Over-the-phone credit/debit card payments were accepted; and
- Deposit slip books are not delivered by the vendor to the County Auditor's Office for proper safeguarding.

### **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 to evaluate the office's progress toward resolving the observation identified in the cash count audit conducted on November 14, 2024. The review was neither 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 with the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 \$575.00. Based on the results of 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. However, we noted that the system of internal controls for collecting and safeguarding cash

## 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

requires improvement, as identified in the observations below. Lastly, we concluded that the observation identified in the cash count conducted on November 14, 2024, was resolved.

**Observation No. 1:**

We noted that over-the-phone credit/debit card payments were accepted.

Cashiers must request identification for all credit/debit card payments processed to ensure the card belongs to the payer. This verification must be done before processing the payment.

Taking credit/debit card payments over the phone increases the risk of credit card disputes, which could result in the loss of County funds.

**Recommendation:**

Management should ensure staff refrain from processing over-the-phone credit/debit card transactions.

**Observation No. 2:**

We noted that deposit slip books are not delivered by the vendor to the County Auditor's Office for proper safeguarding. Instead, they are delivered to the Precinct 3 Sanitation Office.

Pursuant to the Cash Handling Guidelines, manual receipt books, checks, deposit slip books, and/or permits ordered by departments must be delivered by the vendor to the County Auditor's Office for proper safeguarding. The manual receipt books, checks, deposit slip books, and/or permits will be issued to the departments by the County Auditor's Office. The County Auditor's Office will maintain a log that includes the sequence of receipt books, checks, deposit slip books, and/or permits issued, date issued, the name of the employee receiving the items, and the date the items are returned to the County Auditor's Office.

Failure to ensure that deposit slip books are delivered by the vendor to the County Auditor's Office for proper safeguarding may result in the loss or misuse of County funds.

**Recommendation:**

Management should ensure that deposit slip books are delivered by the vendor to the County Auditor's Office for proper safeguarding. At a minimum, the procedures noted above should be implemented.

Please provide a written management response to the observations noted above by September 30, 2025. The Management Response Forms should be emailed to [managementresponse@auditor.co.hidalgo.tx.us](mailto:managementresponse@auditor.co.hidalgo.tx.us).

If you have any questions, please contact Jorge Ortiz, Internal Auditor II, at 318-2511 ext. 4608, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

Enclosures: Management Response Forms

cc: The Honorable Richard Cortez, Hidalgo County Judge  
Mr. Valde Guerra, County Executive Officer  
Mr. Jorge Arcaute, Chief Administrator, Hidalgo County Precinct No. 3







# HIDALGO COUNTY AUDITOR'S OFFICE

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[www.hidalgocounty.us/294/Auditors-Office](http://www.hidalgocounty.us/294/Auditors-Office)

September 8, 2025

Mr. Anthony Uresti, Director  
Hidalgo County Planning Department  
2818 S. Business Hwy 281  
Edinburg, Texas 78539

Re: Cash Count Audit No. 2025-73

Dear Mr. Uresti:

We conducted a surprise cash count of the cash held at the Planning Department's Mission Office on July 30, 2025, 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 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 the cash on hand agreed with the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 \$350.00. 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. In addition, we determined 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, please contact Alejandro Torres, Internal Auditor III, at 318-2511 ext. 4644, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez  
County Auditor

cc: Honorable Richard Cortez, Hidalgo County Judge  
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.    JUAN R. ALVAREZ JUDGE, 332ND D.C.    NOE GONZALEZ JUDGE, 370TH D.C.    LETICIA LOPEZ JUDGE, 389TH D.C.    L. KENO VASQUEZ JUDGE, 398TH D.C.    ORLANDO ESQUIVEL JUDGE, 430TH D.C.    RENEE R. BETANCOURT JUDGE, 449TH D.C.    JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.    NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



# HIDALGO COUNTY AUDITOR'S OFFICE

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September 15, 2025

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

Re: Cash Count Audit No. 2025-74

Dear Constable Gallardo:

We conducted a surprise cash count of the cash held at your office on July 30, 2025, 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 neither 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 the cash on hand agreed with the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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:**

There were no collections at the time of the cash counts. In addition, we determined 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, please contact Jake Solis, Internal Auditor II, at 318-2511 ext. 4656, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez  
County Auditor

cc: Honorable Richard Cortez, Hidalgo County Judge  
Mr. Valde Guerra, County Executive Officer  
Gerardo Zamora, Chief Deputy Constable II

## 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



# HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281  
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[www.hidalgocounty.us/294/Auditors-Office](http://www.hidalgocounty.us/294/Auditors-Office)

October 21, 2025

The Honorable J.E. "Eddie" Guerra, Sheriff  
Hidalgo County Sheriff's Office  
711 El Cibolo Rd.  
Edinburg, Texas 78541

Re: Cash Count Report No. 2025-78

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Inmate Trust account on August 21, 2025, as required by Local Government Code §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.

### **Executive Summary:**

Based on the review, we concluded that 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 receipts requires improvement. More specifically, we noted that:

- Manual receipt numbers 802351 through 802550 and 802751 through 802950 were not accounted for.
- A mail log is not prepared for all mail-in 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.

As part of our procedures, we verified that the cash on hand agreed with the total receipts issued up to the time of the cash counts. We also reviewed the internal control structure to confirm 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 cash count totals \$8,942.22. Based on the results of the review, we concluded 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.

Management is responsible for establishing and maintaining a sound internal control system. 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

**Observation 1:**

Manual receipt numbers 802351 through 802550 and 802751 through 802950 were not accounted for. According to staff, they could not locate the receipts.

Pursuant to the Hidalgo County Cash Handling Guidelines and Procedures, departments should designate an employee responsible for maintaining custody of unissued official forms in a secure place. Access to the secure place must be limited to as few employees as possible. A log must be used to record the sequence of official forms issued, the date issued, to whom issued, and the date the receipts were returned. This log, along with unissued official forms, should be reviewed periodically to account for all official forms.

Failure to ensure manual receipts are properly maintained may result in the loss or misuse of County funds.

**Recommendation:**

Management should make all attempts to locate the lost manual receipts and ensure that, at a minimum, the procedures noted above are implemented.

**Observation 2:**

It was noted that a mail log is not prepared for all mail-in payments.

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

A mail log should be prepared daily. If no mail-in payments were received on a specific day, a mail log should be prepared, and the word "None" should be clearly marked on the mail log. All mail logs must be submitted to the County Auditor's Office along with the monthly report. The employee responsible for listing the mail-in payments must sign and date the mail log to document responsibility for verifying the cash received and preparing the listing.

After issuing a receipt for the mail-in payment, the cashier must enter the receipt date and receipt number on the mail log. An employee other than the cashier should verify that an official County receipt was issued for each mail-in payment. The employee conducting this verification must sign and date the mail log to document responsibility for the verification. The "Customer Copy" of a receipt issued for a mail-in payment should be mailed to the payer if the payer included a stamped, self-addressed envelope with the mail-in payment. Otherwise, the "Customer Copy" of the receipt for the mail-in payment must be properly filed.

**Recommendation:**

Management should ensure that a mail log is prepared for all mail-in payments. At a minimum, the procedures noted above should be implemented.

Please provide written management responses to the observations noted above by **November 5, 2025**. The Management Response Forms should be emailed to [managementresponse@auditor.co.hidalgo.tx.us](mailto:managementresponse@auditor.co.hidalgo.tx.us).

If you have any questions regarding these cash counts, please contact Linda Vasquez, Internal Auditor III, at 318-2511 ext. 4694, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

Enclosure: Management Response Forms

cc: Honorable Richard Cortez, County Judge  
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:** Sheriff's Office Jail Inmate Account      **AUDIT NO.:** 2025-78

**AUDIT:** Cash Count Report      **MANAGEMENT RESPONSE DUE:** November 5, 2025

**FINDING No.:** 2      **RECOMMENDATION:** 2

Management should ensure that a mail log is prepared for all mail-in payments. At a minimum, the procedures noted above should be implemented.

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**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):**

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**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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# HIDALGO COUNTY AUDITOR'S OFFICE

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September 15, 2025

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

Re: Cash Count Report No. 2025-80

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office East Substation (Fee Account) on August 22, 2025, 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:**

There were no collections at the time of the cash count; however, we noted that the system of internal controls for collecting and safeguarding cash requires improvement. More specifically, we noted that the Administrative Assistant I performed incompatible duties.

### **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 neither 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 with the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 lock cash drawers, proper authorization of voided transactions, and segregation of duties.

### **Conclusion:**

At the time of the cash count, receipts had not been issued, and collections had not been made. Based on the results of the review, we concluded that the total cash on hand reconciled to the approved change fund of \$50.00. However, we noted that the system of internal controls for collecting and safeguarding 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.    JUAN R. ALVAREZ JUDGE, 332ND D.C.    NOE GONZALEZ JUDGE, 370TH D.C.    LETICIA LOPEZ JUDGE, 389TH D.C.    L. KENO VASQUEZ JUDGE, 398TH D.C.    ORLANDO ESQUIVEL JUDGE, 430TH D.C.    RENEE R. BETANCOURT JUDGE, 449TH D.C.    JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.    NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

**Observation No. 1:**

We noted that the segregation of duties over collecting and recording collections requires improvement. The Administrative Assistant I performs the following incompatible duties:

- Custody: Receives money, issues 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 the numerical sequence of cash receipts, maintains an inventory log of unused cash receipts, prepares reports of cash received, and prepares monthly reports.
- Approval: Verifies that voided original receipts are kept and reviewed.

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 allows an individual 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, 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 comparing listed mail receipts to recorded cash receipts, accounting for the numerical sequence of cash receipts, maintaining inventory log of unused cash receipts, preparing reports of cash received, and preparing the monthly report.

Maintaining segregation of duties is especially challenging for units with few employees. In these cases, it is important that management institute compensating controls to cover for the lack of basic controls. In an environment with a limited number of clerical and administrative personnel, management must document, review, and approve transactions, reports, and reconciliations. Adequate and timely supervision is essential in small departments, where limited personnel may inhibit a thorough segregation of duties.

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

**Recommendation:**

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

Please provide a management response to the abovementioned observation on the attached Management Response Form by September 30, 2025. The Management Response Form should be emailed to [managementresponse@auditor.co.hidalgo.tx.us](mailto:managementresponse@auditor.co.hidalgo.tx.us).

If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Alejandro Torres, Internal Auditor III, at 318-2511 ext. 4644, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at 4651.

Respectfully,



Letty Chavez  
County Auditor

Enclosure: Management Response Form

- cc: Honorable Richard Cortez, County Judge
- Mr. Valde Guerra, County Executive Officer
- Mr. Oscar Montoya, Division Chief, Hidalgo County Sheriff's Office
- Ms. Myra Montoya, Budget Manager II, Hidalgo County Sheriff's Office





# HIDALGO COUNTY AUDITOR'S OFFICE

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November 6, 2025

The Honorable Eduardo Cantu, Commissioner  
Hidalgo County Precinct No. 2  
300 W. Hall Acres Suite G  
Pharr, Texas 78577

Re: Cash Count Audit No. 2025-81

Dear Commissioner Cantu:

We conducted a surprise cash count of the cash held at your office on September 10, 2025, 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 cash counts, 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 collecting and safeguarding cash requires improvement. More specifically, we noted that over-the-phone credit/debit card payments were accepted.

### **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. We also followed up to evaluate the progress toward resolving the observations identified in the cash count conducted on November 14, 2023 and May 29, 2024. 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 \$350.00. Based on the cash count, we concluded that total cash on hand reconciled to the receipts issued up to the time of the cash count and the approved change fund of \$200.00. In addition, of the two prior observations, only one had been fully resolved. 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

## 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

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:**

We noted that over-the-phone credit/debit card payments were accepted.

The County Auditor's Office prohibits accepting credit/debit card payments by telephone. Cashiers must request identification for all credit/debit card payments processed to ensure the card belongs to the payer. This verification must be done before processing payment.

Taking credit/debit card payments over the phone increases the risk of credit card disputes, which may result in the loss of County funds.

**Recommendation:**

Management should ensure staff refrain from processing over-the-phone credit/debit card transactions. Instead, constituents should be directed to the online portal to process the payment electronically.

Please provide a management response to the observations noted above by November 21, 2025. The Management Response Form should be emailed to [managementresponse@auditor.co.hidalgo.tx.us](mailto:managementresponse@auditor.co.hidalgo.tx.us).

If you have any questions, please contact Jorge Ortiz, Internal Auditor II, at 318-2511 ext. 4608, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

Enclosure: Management Response Form

cc: Honorable Richard Cortez, Hidalgo County Judge  
Mr. Valde Guerra, County Executive Officer  
Ms. Erika Zamora, Director of Administration, Hidalgo County Precinct No. 2





# HIDALGO COUNTY AUDITOR'S OFFICE

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October 15, 2025

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

Re: Cash Count Report No. 2025-82

Dear Constable Cantu:

We conducted a surprise cash count of the cash held at your office on September 10, 2025, 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, the system of internal controls for collecting and safeguarding cash requires improvement. More specifically, we noted that the Administrative Assistant III performed incompatible duties.

**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 the cash on hand agreed with the total receipts issued up to the time of the cash count. We also reviewed the internal control structure to confirm 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:**

There were no collections at the time of the cash count. However, we noted that the system of internal controls for the safeguarding of cash requires improvement, as noted in the following observation.

Management is responsible for establishing and maintaining a sound internal control system. 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 correctly.

## 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

**Observation No. 1:**

We noted that the segregation of duties over handling collections requires improvement. The Administrative Assistant III performs the following incompatible duties:

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

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 allows an individual 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 few employees. In these cases, management must implement compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, management must document, review, and approve 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 losing or misusing 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 (e.g., rotating duties).

Please provide a management response to the observation noted above on the attached Management Response Form by October 30, 2025. The Management Response Form should be emailed to [managementresponse@auditor.co.hidalgo.tx.us](mailto:managementresponse@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 III, at 318-2511 ext. 4694, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

cc: The Honorable Richard Cortez, Hidalgo County Judge  
Mr. Valde Guerra, County Executive Officer  
Mr. Fernando Gaitan, Chief Deputy, Constable Precinct No. 2



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

<b>AUDITEE:</b>	Constable Pct. 2 Martin Cantu	<b>AUDIT NO.:</b>	2025-82
<b>AUDIT:</b>	Cash Count Report	<b>MANAGEMENT RESPONSE DUE:</b>	October 30, 2025
<b>FINDING No.:</b>	1	<b>RECOMMENDATION:</b>	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 (e.g., rotating duties).

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**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):**

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**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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# HIDALGO COUNTY AUDITOR'S OFFICE

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September 15, 2025

The Honorable Atanacio Gaitan Jr, Constable  
Hidalgo County Precinct No. 4  
1212 S. 25<sup>th</sup> Ave, Suite B  
Edinburg, TX 78542

Re: MFR for January 2024 through December 2024

Dear Constable Gaitan:

We conducted a limited scope review of the Constable Precinct No. 4 *Monthly Fees Report* (MFR) and supporting documentation for January 2024 through December 2024 pursuant to Local Government Code §115.002 (a) and (b) and Code of Criminal Procedure Article 103.011. The objective of the review was to determine if fees collected were properly accounted for and reported. The purpose of this report is to furnish management with 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 the fees collected were properly accounted for and reported. However, the system of internal controls for the accounting and reporting of fees requires improvement. More specifically, we noted that:

- The MFRs, along with applicable supporting documentation, were not submitted to the County Auditor's Office within five days after the last day of the month; and
- The Constable Precinct No. 4 Office did not collect fees in accordance with the Commissioners Court-approved fee schedules.

### **Scope:**

The scope of the review was limited to collections reported by your office on the MFR for January 2024 through December 2024. The review was neither 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).
- 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.

## 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.    JUAN R. ALVAREZ JUDGE, 332ND D.C.    NOE GONZALEZ JUDGE, 370TH D.C.    LETICIA LOPEZ JUDGE, 389TH D.C.    L. KENO VASQUEZ JUDGE, 398TH D.C.    ORLANDO ESQUIVEL JUDGE, 430TH D.C.    RENEE R. BETANCOURT JUDGE, 449TH D.C.    JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.    NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified that receipts were issued in sequential order.
- Verified that procedures for voiding receipts were properly followed.
- Reviewed *Cashier's Daily Close-out Report/Daily Remittance Forms* (Close-out Reports) to determine if fees collected were properly accounted and deposited with the financial institution in a timely manner.
- Verified that the collections per the MFR agreed to: 1.) total receipts issued by the Constable; 2.) total deposits made with the financial institution; and 3.) total receipts issued by the County Treasurer.
- Verified that receipts, Close-out Reports, and the MFR were properly completed.

**Conclusion:**

Based on the review, we concluded that the fees collected were properly accounted for and reported; however, the system of internal controls for accounting, reporting, and fee collection requires improvement, as noted in the observations below. Total collections for January 2024 through December 2024 were as follows:

Month Ended	Amount
January 2024	\$ 16,758.00
February 2024	\$ 11,429.00
March 2024	\$ 6,135.00
April 2024	\$ 6,276.00
May 2024	\$ 9,248.00
June 2024	\$ 5,900.00
July 2024	\$ 12,852.00
August 2024	\$ 10,233.00
September 2024	\$ 6,046.00
October 2024	\$ 7,789.00
November 2024	\$ 5,550.00
December 2024	\$ 4,758.00

**Observation No. 1:**

The MFRs for January 2024 through October 2024 and December 2024, along with applicable supporting documentation, were not submitted to the County Auditor's Office within five days after the last day of the month.

Local Government Code §114.001 (b) requires monthly reports to be submitted to the County Auditor's Office within five days after the last day of each month.

Failure to ensure that the MFR is submitted to the County Auditor's Office within five days after the last day of the month may result in the improper reporting of County funds.

**Recommendation:**

Management should develop and implement formal procedures to ensure that MFR and applicable supporting documentation are submitted to the County Auditor's Office within five days after the last day of the month.

**Observation No. 2:**

We noted that the Constable Precinct No. 4 Office did not collect fees in accordance with the Commissioners The court-approved fee schedule. In February 2024, \$75.00 was collected for a Temporary Protective Order; however, this service is not listed on the Sheriff and Constable Fee Schedule.

Pursuant to Local Government Code §118.131 (a), the Commissioners Court of a county may set reasonable fees to be charged for services by the offices of the Constable. On September 5, 2023, the Commissioners Court approved the Sheriff and Constable Fee Schedule, effective January 1, 2024, respectively. The schedule details the amounts that must be collected.

Failure to ensure that fees are collected as approved by Commissioners Court may result in loss of County funds.

**Recommendation:**

Management should develop and implement formal procedures to ensure that fees are collected as approved by the Commissioners Court.

Please provide a management response to the observations noted above on the attached Management Response Forms by September 30, 2025. The Management Response Forms should be emailed to [managementresponse@auditor.co.hidalgo.tx.us](mailto:managementresponse@auditor.co.hidalgo.tx.us).

If you have any questions, please contact Jorge Ortiz, Internal Auditor II, at ext. 4608, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

Enclosure: Management Response Forms

cc: Mr. Valde Guerra, County Executive Officer  
Mr. Horaldo Sanchez, Chief Deputy, Hidalgo County Constable Precinct 4



**HIDALGO COUNTY AUDITOR'S OFFICE**

**INTERNAL AUDIT DIVISION**

**MANAGEMENT RESPONSE FORM**

**AUDITEE:** Constable Precinct No. 4      **AUDIT NO.:** \_\_\_\_\_

**AUDIT:** MFR for January 2024 through December 2024      **MANAGEMENT RESPONSE DUE:** September 30, 2025

**FINDING No.:** 1      **RECOMMENDATION:** 1

Management should develop and implement formal procedures to ensure that MFR and applicable supporting documentation are submitted to the County Auditor's Office within five days after the last day of the month.

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**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:** \_\_\_\_\_

---

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

**AUDITEE:** Constable Precinct No. 4      **AUDIT NO.:** \_\_\_\_\_

**AUDIT:** MFR for January 2024 through December 2024      **MANAGEMENT RESPONSE DUE:** September 30, 2025

**FINDING No.:** 2      **RECOMMENDATION:** 2

Management should develop and implement formal procedures to ensure that fees are properly collected as approved by the Commissioners Court.

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**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:** \_\_\_\_\_

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# HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281  
EDINBURG, TEXAS 78539-6243

PHONE: (956) 318-2511 FAX: (956) 318-2577  
[www.hidalgocounty.us/294/Auditors-Office](http://www.hidalgocounty.us/294/Auditors-Office)

September 15, 2025

Ms. Dairen Sarmiento Rangel, Director  
Hidalgo County Department of Health and Human Services  
2804 S. Business Hwy 281  
Edinburg, Texas 78539

Re: Forensic Center MFR for January 2025 through August 2025

Dear Ms. Rangel:

We conducted a limited scope review of the Monthly Fees Report (MFR) and supporting documentation submitted by the District Attorney's Office for January 2025 through August 2025 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if the fees collected were properly accounted for and reported.

The purpose of this report is to furnish management with 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 the fees collected were generally properly accounted for and reported.

### **Scope:**

The scope of the review was limited to collections reported by the Health Department on the *Monthly Fees Report* for January 2025 through August 2025. The review was neither designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

### **Methodology:**

In conducting the review, the following procedures were performed:

- Verified that the *Monthly Fees Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly Fees Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Fees Report* by footing and cross-footing the report.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.

## 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.    JUAN R. ALVAREZ JUDGE, 332ND D.C.    NOE GONZALEZ JUDGE, 370TH D.C.    LETICIA LOPEZ JUDGE, 389TH D.C.    L. KENO VASQUEZ JUDGE, 398TH D.C.    ORLANDO ESQUIVEL JUDGE, 430TH D.C.    RENEE R. BETANCOURT JUDGE, 449TH D.C.    JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.    NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

- Verified receipts were issued in sequential order.
- Verified that procedures for voiding receipts were properly followed.
- Reviewed *Daily Remittances/Close-out Forms* to determine whether fees collected were properly accounted and deposited with the County Treasurer daily.
- Verified that the collections per the *Monthly Fees Report* agreed to total receipts issued and the deposits made with the County Treasurer.
- Verified that receipts, *Daily Remittance/Close-out Forms*, and the *Monthly Fees Report* were properly completed.

**Conclusion:**

Based on the review, we concluded that collections were generally properly accounted for and reported. Total collections for January 2025 through August 2025 were as follows:

<b>Month Ended</b>	<b>Collections</b>
January 31, 2025	NO ACTIVITY
February 28, 2025	NO ACTIVITY
March 31, 2025	\$ 57.30
April 30, 2025	NO ACTIVITY
May 31, 2025	NO ACTIVITY
June 30, 2025	NO ACTIVITY
July 31, 2025	NO ACTIVITY
August 31, 2025	NO ACTIVITY

If you have any questions, please contact Jorge Ortiz, Internal Auditor II, at (956) 318-2511, ext. 4608, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

cc: The Honorable Richard Cortez, County Judge  
Mr. Valde Guerra, County Executive Officer



# HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281  
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[www.hidalgocounty.us/294/Auditors-Office](http://www.hidalgocounty.us/294/Auditors-Office)

October 16, 2025

The Honorable J.E. "Eddie" Guerra, Sheriff  
Hidalgo County Sheriff's Office  
711 El Cibolo Rd.  
Edinburg, Texas 78541

Re: Fee Account MFR for July 2025 through September 2025

Dear Sheriff Guerra:

We conducted a limited scope review of the Fee Account *Monthly Fees Report* (MFR) for July 2025 through September 2025 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if fees collected were accounted for correctly and reported. The purpose of this report is to furnish management with 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 collections were generally properly accounted for and reported.

### **Scope:**

The scope of the review was limited to collections reported by your office on the MFR for July 2025 through September 2025. 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 five days after the last day of the month pursuant to Local Government Code §114.001(b).
- 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 to determine if proper fee amounts were collected and reported.
- Verified that procedures for voiding receipts were followed correctly.
- Verified that the collections per the MFR agreed to: 1.) total receipts issued per the Receipt Journal Report generated from *Odyssey*; 2.) total deposits made with the financial institution; and 3.) total receipts issued by the County Treasurer.
- Verified that receipts were issued in sequential order.

## 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.    JUAN R. ALVAREZ JUDGE, 332ND D.C.    NOE GONZALEZ JUDGE, 370TH D.C.    LETICIA LOPEZ JUDGE, 389TH D.C.    L. KENO VASQUEZ JUDGE, 398TH D.C.    ORLANDO ESQUIVEL JUDGE, 430TH D.C.    RENE R. BETANCOURT JUDGE, 449TH D.C.    JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.    NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

- Verified that receipts and the MFR were completed correctly.

**Conclusion:**

Based on the review, we concluded that the fees collected were generally properly accounted for and reported. Total collections for July 2025 through September 2025 were as follows:

Month Ended	Amount
July 2025	\$ 26,269.52
August 2025	\$ 23,840.71
September 2025	\$ 22,027.90

If you have any questions, please contact Alejandro Torres, Internal Auditor III, at 318-2511, ext. 4644, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606; Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez,  
County Auditor

cc: The Honorable Richard Cortez, County Judge  
Mr. Valde Guerra, County Executive Officer  
Myra Montoya, Budget Manager II, Hidalgo County Sheriff's Office



# HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281  
EDINBURG, TEXAS 78539-6243

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[www.hidalgocounty.us/294/Auditors-Office](http://www.hidalgocounty.us/294/Auditors-Office)

September 15, 2025

The Honorable Toribio "Terry" Palacios, Criminal District Attorney  
Hidalgo County Office of Criminal District Attorney  
100 E. Cano, 2<sup>nd</sup> Floor  
Edinburg, Texas 78539

Re: Hot Checks Processing Fees Reports for April 2025 through June 2025

Dear Mr. Palacios:

We conducted a limited scope review of the Hot Checks Processing Fees Report (*Processing Fees Report*) and supporting documentation for April 2025 through June 2025 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if collections were properly accounted for 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 collections were properly accounted for and reported.

### **Scope:**

The scope of the review was limited to collections reported by your office on the *Processing Fees Report* for April 2025 through June 2025. The review was neither 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 *Processing Fees Report* and supporting documentation were submitted to the County Auditor's Office within five days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Processing Fees Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Processing Fees Report* by footing and cross-footing the report.
- Verified that the sequence of receipts and checks issued per the *Processing Fees Report* agreed with *Odyssey's DA Receipt Journal Report* and *Check Transaction Register Report*. In addition, verified that receipts and checks were issued in sequential order.
- Verified collections and disbursements per the *Processing Fees Report*, agreed to *Odyssey's Hot Checks Receipt Journal Report*.

## 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

- Verified that collections received from the Community Supervision and Corrections Department were receipted and included on the *Processing Fees Report*.
- Verified that the collections per the *Processing Fees Report* agreed to total receipts issued and the deposits made to the Hot Check bank account.
- Verified that the processing fees per the *Processing Fees Report* were remitted to the County Treasurer's Office in a timely manner.
- Verified that procedures for voiding receipts and checks were properly followed.
- Randomly selected receipts to determine if court costs were remitted to the applicable Justice of the Peace courts.
- Randomly selected receipts to determine if the restitution, processing fee, and merchant fee were properly collected and reported as required by Code of Criminal Procedures §102.007 and Business and Commerce Code §3.506 (b).

**Conclusion:**

Based on the review, we concluded that collections were generally properly accounted for and reported. Collections for April 2025 through June 2025 totaled the following:

<b>Month Ended</b>	<b>Amount</b>
April 2025	\$ 56,525.77
May 2025	\$ 57,267.62
June 2025	\$ 26,341.30

If you have any questions, please contact Enrique Leal, Internal Auditor II, at 318-2511 ext. 4641, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

cc: Honorable Richard Cortez, County Judge  
Valde Guerra, County Executive Office  
Rosalinda Cantu, Assistant Chief of Staff II, District Attorney's Office



# HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281  
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PHONE: (956) 318-2511 FAX: (956) 318-2577  
[www.hidalgocounty.us/294/Auditors-Office](http://www.hidalgocounty.us/294/Auditors-Office)

September 15, 2025

The Honorable Toribio "Terry" Palacios, Criminal District Attorney  
Hidalgo County Office of the Criminal District Attorney  
100 E. Cano, 2<sup>nd</sup> Floor  
Edinburg, TX 78539

Re: H.B.65 Financial Statements for April 2025 through June 2025

Dear Mr. Palacios:

We conducted a limited scope review of the H.B. 65 financial statements for April 2025 through June 2025 pursuant to Local Government Code §112.006 (b), §115.001, §115.002 (b), and §115.901. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

Management is responsible for preparing the financial statements, including the design, implementation, and maintenance of internal controls relevant to this. Our responsibility is to perform procedures to obtain limited assurance that the financial statements are free from material misstatements.

Based on the review, nothing came to our attention that caused us to believe that the financial statements contained any material misstatements.

If you have any questions, please contact Linda Vasquez, Internal Auditor III, at 318-2511 ext. 4694, Karen Ramirez, Compliance Audit Supervisor, at (956) 318-2511 ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez  
County Auditor

cc: Honorable Richard Cortez, County Judge  
Mr. Valde Guerra, County Executive Officer  
Ms. Rosalinda Cantu, Assistant Chief of Staff II, District Attorney'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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



# HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281  
EDINBURG, TEXAS 78539-6243

PHONE: (956) 318-2511 FAX: (956) 318-2577  
[www.hidalgocounty.us/294/Auditors-Office](http://www.hidalgocounty.us/294/Auditors-Office)

September 15, 2025

The Honorable Toribio "Terry" Palacios, Criminal District Attorney  
Hidalgo County Office of the Criminal District Attorney  
100 E. Cano, 2<sup>nd</sup> Floor  
Edinburg, TX 78539

Re: HIDTA Financial Statements for April 2025 through June 2025

Dear Mr. Palacios:

We conducted a limited scope review of the HIDTA financial statements for April 2025 through June 2025 pursuant to Local Government Code §112.006 (b), §115.001, §115.002 (b), and §115.901. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

Management is responsible for preparing the financial statements, including the design, implementation, and maintenance of internal controls relevant to this. Our responsibility is to perform procedures to obtain limited assurance that the financial statements are free from material misstatements.

Based on the review, nothing came to our attention that caused us to believe that the financial statements contained any material misstatement.

If you have any questions, please contact Linda Vasquez, Internal Auditor III, at 318-2511 ext. 4694, Karen Ramirez, Compliance Audit Supervisor, at (956) 318-2511 ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Ketty Chayez  
County Auditor

cc: Honorable Richard Cortez, County Judge  
Mr. Valde Guerra, County Executive Officer  
Ms. Rosalinda Cantu, Assistant Chief of Staff II, District Attorney'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.    JUAN R. ALVAREZ JUDGE, 332ND D.C.    NOE GONZALEZ JUDGE, 370TH D.C.    LETICIA LOPEZ JUDGE, 389TH D.C.    L. KENO VASQUEZ JUDGE, 398TH D.C.    ORLANDO ESQUIVEL JUDGE, 430TH D.C.    RENEE R. BETANCOURT JUDGE, 449TH D.C.    JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.    NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



# HIDALGO COUNTY AUDITOR'S OFFICE

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[www.hidalgocounty.us/294/Auditors-Office](http://www.hidalgocounty.us/294/Auditors-Office)

September 15, 2025

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

Re: Regular Trust Financial Statements for April 2025 through August 2025

Dear Sheriff Guerra:

We conducted a limited-scope review of the Regular Trust Fund financial statements for April 2025 through August 2025 pursuant to Local Government Code §115.001. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

Management is responsible for preparing the financial statements, including the design, implementation, and maintenance of internal controls relevant to this. Our responsibility is to perform procedures to obtain limited assurance that the financial statements are free from material misstatements.

### **Executive Summary:**

Based on the review, nothing came to our attention that caused us to believe that the financial statements contained any material misstatements. However, we noted that the internal control system relevant to preparing financial statements requires improvement. More specifically, we noted that not all checks are listed in the *Odyssey* "Check Register" report.

### **Repeat Observation No. 1**

We noted that the checks recorded on the Regular Trust Fund financial statements were not on the *Odyssey* "Check Register" report. According to staff, the issue is caused by the *Odyssey* system. Multiple attempts have been made to resolve the issue with the Information Technology Department (IT) or Tyler Technology, but to no avail.

All checks should be posted in the *Odyssey* "Check Register" report. The *Odyssey* "Check Register" report and the checks recorded in the Regular Trust financial statements should agree.

Failure to ensure that the *Odyssey* "Check Register" report includes all issued and voided checks may result in improper reporting and loss of County funds.

### **Recommendation:**

We recommend that the Sheriff's Office continue communicating with the IT Department and Tyler Technologies to ensure that the issue is resolved.

## 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.    JUAN R. ALVAREZ JUDGE, 332ND D.C.    NOE GONZALEZ JUDGE, 370TH D.C.    LETICIA LOPEZ JUDGE, 389TH D.C.    L. KENO VASQUEZ JUDGE, 398TH D.C.    ORLANDO ESQUIVEL JUDGE, 430TH D.C.    RENE R. BETANCOURT JUDGE, 449TH D.C.    JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.    NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Please provide a management response to the observation noted above by September 30, 2025. The Management Response Form should be emailed to [managementresponse@auditor.co.hidalgo.tx.us](mailto:managementresponse@auditor.co.hidalgo.tx.us).

If you have any questions, please contact Alejandro Torres, Internal Auditor III, at 318-2511, ext. 4644, Karen Ramirez, Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez,  
County Auditor

Enclosure: Management Response Form

cc: The Honorable Richard Cortez, County Judge  
Mr. Valde Guerra, County Executive Officer  
Myra Montoya, Budget Manager II, Hidalgo County Sheriff's Office  
Daniel Salinas, Director of Information Technology

