



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

June 9, 2026

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 Palacios, Criminal District Attorney	Hot Checks Processing Fees Reports for October 2025 through December 2025
The Hon. Everardo Villarreal, Commissioner Precinct No. 3	Sanitation Program MFR for January 2023 through December 2024
The Hon. J.E. "Eddie" Guerra, Sheriff Hidalgo County Sheriff's Office	Sheriff's Office 2025 Equitable Sharing Agreement and Certification Audit No. 2026-13
The Hon. Celestino Avila, Constable Precinct No. 1	Constable Precinct No. 1 2025 Equitable Sharing Agreement and Certification Audit No. 2026-14
The Hon. Lazaro Gallardo, Constable Precinct No. 3	Constable Precinct No. 3 2025 Equitable Sharing Agreement and Certification Audit No. 2026-16
The Hon. Toribio Palacios, Criminal District Attorney	District Attorney's Office 2025 Equitable Sharing Agreement and Certification Audit No. 2026-12
The Hon. J.E. "Eddie" Guerra, Sheriff Hidalgo County Sheriff's Office	"D" Account MFR for April 2025 through December 2025
The Hon. Daniel Marichalar, Constable Precinct No. 5	Cash Count Audit No. 2025-79
The Hon. Martin Cantu, Constable Precinct No. 2	MFR for January 2025 through December 2025
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	Glazer's Beer and Beverage 2026 Tax Abatement Project No. 2026-27
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	Hidalgo Wind Farm, LLC- Phase I and Phase II 2026 Tax Abatement Report No. 2026-21 and 2026-22
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	Anemoui Energy Storage, LLC 2026 Tax Abatement Project No. 2026-29
Mr. Homero Garza, Fire Marshal	MFR for January 2025 through December 2025
The Honorable Pablo "Paul" Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	January 2026 DTA Payment Request Report No. 2026-33

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 Honorable Pablo "Paul" Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	February 2026 DTA Payment Request Report No. 2026-34
The Honorable Pablo "Paul" Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	March 2026 DTA Payment Request Report No. 2026- 35

Respectfully,



Letty Chavez
County Auditor

Attachments

HIDALGO COUNTY DISTRICT JUDGES



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

March 16, 2026

The Honorable Toribio “Terry” Palacios, Criminal District Attorney
Hidalgo County Office of Criminal District Attorney
100 E. Cano, 2nd Floor
Edinburg, Texas 78539

Re: Hot Checks Processing Fees Reports for October 2025 through December 2025

Dear Mr. Palacios:

We conducted a limited scope review of the Hot Checks Processing Fees Report (*Processing Fees Report*) and supporting documentation for the months of October 2025 through December 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 the months of October 2025 through December 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 *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 October 2025 through December 2025 totaled the following:

Month Ended	Amount
October 2025	\$ 17,503.53
November 2025	\$ 25,500.05
December 2025	\$ 37,059.02

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
EDINBURG, TEXAS 78539-6243

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

March 16, 2026

The Honorable Everardo Villarreal, Commissioner
Hidalgo County Precinct No. 3
724 North Breyfogle
Mission, TX 78572

Re: Sanitation Program MFR for January 2023 through December 2024

Dear Commissioner Villarreal:

We conducted a limited scope review of the Precinct 3 Sanitation Program *Monthly Fee Report* (MFR) and supporting documentation for the months of January 2023 through December 2024 pursuant to Local Government Code §115.002 (a) and (b). 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, the fees collected were generally properly accounted for and reported; however, the system of internal controls over accounting and reporting of fees requires improvement. More specifically, the following was noted:

- Monthly Fees Reports were not always submitted to the Auditor's Office as required by Local Government Code §114.001 (b).
- Permits were out of sequence and unaccounted for.
- Credit card transactions are refunded by Hamer upon request by Precinct 3 staff.
- Shortages and overages were incurred, totaling \$50.00 (shortage) and \$70.00 (overage).
- Voided receipts did not contain an explanation for the void, the date the receipt was void, the cashier's signature, and/or the supervisor's signature of approval.
- Void permits were not always documented on the *Void Permit Log*.
- The Close-out Reports and MFRs are not always properly prepared and reconciled to receipts, permits, in-person and online credit card payments, and bank deposits.
- Not all online credit card transactions were promptly receipted into the Solid Waste Disposal Program.
- Permit numbers were not always properly entered in the Solid Waste Disposal Program.

Scope:

The scope of the review was limited to collections reported by your office on the MFR for the months of January 2023 through December 2024. 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 is possible.

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.

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.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified that receipts and permits were issued in sequential order.
- Verified that procedures for voiding receipts and permits were properly followed.
- Reviewed *Cashier’s Daily Close-out Reports/Daily Remittance Forms* (Close-out Reports) to determine if fees collected were properly accounted and deposited with the financial institution on a daily basis.
- Verified that the collections per the MFR agreed to: 1.) total receipts issued by the Precinct; 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.
- Verified that the weekly remittance report is being submitted to the Treasurer's on a timely basis (next working day following the end of the week)

Conclusion:

Based on the review, we concluded that the fees collected were generally properly accounted for and reported; however, the system of internal controls for accounting and reporting fees requires improvement, as noted in the observations below. Total collections for January 2023 through December 2024 were as follows:

Month Ended	Amount	Month Ended	Amount
January 2023	\$ 50,500.00	January 2024	\$ 47,610.00
February 2023	\$ 41,375.00	February 2024	\$ 42,840.00
March 2023	\$ 57,145.00	March 2024	\$ 48,655.00
April 2023	\$ 39,750.00	April 2024	\$ 46,105.00
May 2023	\$ 46,295.00	May 2024	\$ 39,785.00
June 2023	\$ 44,650.00	June 2024	\$ 36,395.00
July 2023	\$ 40,247.50	July 2024	\$ 41,710.00
August 2023	\$ 42,477.50	August 2024	\$ 35,932.50
September 2023	\$ 38,172.50	September 2024	\$ 33,700.00
October 2023	\$ 40,217.50	October 2024	\$ 39,407.50
November 2023	\$ 43,940.00	November 2024	\$ 39,875.00
December 2023	\$ 44,012.50	December 2024	\$ 42,640.00

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 properly recorded.

Observation No. 1:

The May 2023, June 2023, August 2023, October 2023 through January 2024, May 2024 through December 2024 MFRs and 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 following permit numbers were out of sequence and unaccounted for:

Month Ended	Permit Number(s)
April 2023	114470
May 2023	114494, 114516
August 2023	117198
September 2023	118675
October 2023	118994
April 2024	124448
August 2024	127319
October 2024	129109
December 2024	130602

Precinct 3 staff were unable to provide an explanation for the unaccounted permits.

Of the 10 permits, permits 117198 and 118994 were assigned to a constituent in the Solid Waste Sanitation Program; however, no payment record could be found.

Persons who accept accountable forms (i.e., permits, receipts, etc.) become responsible, upon receipt, for the accountability and safeguarding of such forms. Loss or theft of accountable forms must be promptly reported to the County Auditor’s Office. The written notification should include a statement of the circumstances concerning the loss. Accountable forms reported lost or stolen must be marked “Void” in the Solid Waste Disposal Program. Management must also monitor all missing accountable forms to determine whether there is a pattern warranting further investigation, procedural modifications, retraining of personnel, or disciplinary action.

Failure to ensure that all permits are properly accounted for and safeguarded may result in the loss of the county revenue.

Recommendation:

Management should ensure that permits are properly accounted for and safeguarded. At a minimum, the procedures noted above should be implemented. In addition, management should replenish the \$250.00 (10 permits x \$25.00) shortage or request indemnification from the Commissioners Court pursuant to Local Government Code §157.903.

Observation No. 3:

Hamer refunds credit card transactions upon request from Precinct 3 staff. According to the Hamer online credit card payment report, credit card transactions were reversed/refunded. An explanation was not provided for each of the reversals. Total reversed/refunded amounts were as follows:

Date reversed	Amount	Date reversed	Amount
April 12, 2023	\$ 1.28	March 11, 2024	\$ 24.00
May 4, 2023	\$ 5.00	August 14, 2024	\$ 25.00
October 5, 2023	\$ 25.00	October 16, 2024	\$ 25.00
December 6, 2023	\$ 22.00	October 17, 2024	\$ 25.00
January 19, 2024	\$ 25.00	December 9, 2024	\$ 50.00
February 5, 2024	\$ 25.00		

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 submitted to the County Auditor may increase the risk of losing County funds.

Recommendation:

Management should ensure that credit card transactions are not reversed or refunded after processing and that all refund requests are submitted to the County Auditor. At a minimum, the procedures noted above should be implemented.

Observation No. 4:

We noted that shortages and overages were incurred, totaling \$50.00 and \$70.00, respectively, as follows:

Shortages:

- Collections were short \$50.00 on June 23, 2023. The reason for the shortage could not be determined. The collections were not listed in the Daily Close-out Report or the MFR.

Overages:

- Collections were over \$25.00 on January 23, 2023. The incorrect change was given out. The funds were remitted to the County Treasurer.
- Collections were over \$5.00 on February 13, 2023. The incorrect change was given out. The funds were remitted to the County Treasurer.
- Collections were over \$5.00 on May 4, 2023. The reason for the overage could not be determined. The funds were remitted to the County Treasurer.
- Collections were over \$5.00 on November 30, 2023. A constituent was charged \$25.00 for a One-Time Single-Use Double-Axle Trailer Permit instead of \$20.00. The funds were remitted to the County Treasurer, and a refund request has not been submitted to the County Auditor's Office.
- Collections were over \$25.00 on May 3, 2024. An online credit card collection (ref. 100008529) was not receipted into the Solid Waste Disposal Program. The funds were remitted to the County Treasurer, and a refund request has not been submitted to the County Auditor's Office.
- Collections were over \$5.00 on September 20, 2024. The reason for the overage could not be determined. The funds were remitted to the County Treasurer.

The County Auditor's Office requires that cash receipts be deposited intact on a daily basis. A county officer is personally liable for the loss of funds (e.g., shortage, acceptance of counterfeit bill, hot check, credit card charge back, etc.) while in his/her possession in the performance of official duties. All shortages must be replenished, and overages must be deposited.

Failure to ensure that fees are properly collected may result in the loss of County revenue.

Recommendation:

Management should monitor all shortages and overages to determine if there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action. Management

should replenish the \$50.00 shortage or request indemnification from Commissioners Court pursuant to Local Government Code §157.903. Additionally, a refund request should be submitted to the Auditor's Office as soon as possible for the overages that have not been reimbursed to the constituent.

Observation No. 5:

We noted that voided receipts did not contain an explanation for the void, the date the receipt was void, the cashier's signature, and/or the supervisor's signature of approval. In addition, voided receipts were not always submitted to the County Auditor's Office.

The County Auditor's Office requires that approval of a void receipt be obtained before voiding a receipt. Approval of void receipts should be limited to supervisors. The supervisor should ensure that the original and all copies of the void receipt contain on the face of the receipt the word "void", an explanation for the void, the date the receipt was voided, the cashier's signature, and the supervisor's signature of approval. In addition, the supervisor should ensure that if a new receipt is issued, the voided receipt number and the new receipt number are cross-referenced. All voided receipts must be submitted to the County Auditor's Office.

Failure to properly void receipts and submit them to the County Auditor's Office may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that receipts are properly voided. At a minimum, the procedures listed above should be implemented.

Observation No. 6:

We noted that void permits were not always documented on the *Void Permit Log*. In addition, the *Void Permit Log* at times did not have the supervisor's signature of approval.

The County Auditor's Office requires that a *Void Permit Log* be maintained to document the issuance of a new permit to replace an active permit (void permit). The *Void Permit Log* requires the date the permit was voided, void permit number, reason for void, new permit number, the name of the individual requesting the new permit, employee's signature, and the supervisor's signature of approval. The supervisor's signature must be obtained before the permit is voided. In addition, before issuing a replacement permit, the voided permit must be obtained from the constituent, marked void, and submitted to the County Auditor's Office along with the MFR. If the void permit cannot be provided by the constituent because the vehicle was stolen or involved in an accident, a police report must be obtained before the permit can be replaced. Void permits should not be reactivated in the Solid Waste Disposal Program.

Failure to ensure that the *Void Permit Log* is properly completed may result in the loss of County revenue.

Recommendation:

Management should ensure that the *Void Permit Log* is properly completed, and a copy is submitted to the County Auditor's Office. At a minimum, the procedures noted above should be implemented.

Observation No. 7:

The Close-out Reports and MFRs are not always properly prepared and reconciled to receipts, permits, in-person and online credit card payments, and bank deposits.

The County Auditor's Office requires that the cashier reconcile receipts, permits issued, credit card payments, and bank deposits using the Close-out Report. In addition, monthly, the department must prepare an MFR. Total collection on the MFR must be reconciled to receipts issued, Close-Out Reports, credit card reports, permits issued, and deposits. The Close-out Reports must be signed by the cashier, a witness, and the County official or his/her designee to document their responsibility for verifying the amounts reported on the Close-out Report. The MFR must be signed by the preparer and the department head or their designee.

Failure to ensure that the Close-out Reports and MFRs are properly completed and/or reconciled may result in the loss of County funds.

Recommendation:

Management should ensure that Close-out Reports and MFRs are properly prepared and reconciled to - receipts and permits issued, credit card payments, and deposits. At a minimum, the procedures noted above should be implemented.

Observation No. 8:

We noted that not all online credit card transactions were promptly receipted into the Solid Waste Disposal Program. Online credit card transaction, ref. 100008529, dated May 3, 2024, was not receipted into the Solid Waste Disposal Program. The funds were remitted to the County Treasurer on March 11, 2025, upon the Auditor's Office request.

The County Auditor's Office requires that all collections (e.g., cash, checks, credit card payments) be promptly recorded with the correct payment method and controlled using pre-numbered official County receipts.

Failure to promptly receipt credit card transactions may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that credit card transactions are promptly receipted.

Observation No. 9:

We noted that permit numbers were not always properly entered in the Solid Waste Disposal Program.

The County Auditor's Office requires the cashier to issue an official receipt that reflects the correct permit number. The cashier should verify that the actual permit number agrees with the permit number entered in the Solid Waste Disposal Program and the permit number on the receipt prior to issuing the receipt. In addition, the Solid Waste Disposal Program must contain an accurate listing of permit numbers. When a new permit is issued, the information must be entered into the Solid Waste Disposal Program. Precinct staff must scan permits prior to allowing a constituent to enter the disposal site in order to determine if the permit is active in the Solid Waste Disposal Program. If the permit is not active, the constituent cannot dispose of trash.

Failure to ensure that employees properly enter permit numbers in the Solid Waste Disposal Program may result in the constituent being denied entry to the collection station.


Recommendation:

Management should ensure that employees are properly entering permit numbers and replacement permit numbers in the Solid Waste Disposal Program.

Please provide a written management response to the observations noted above on the attached Management Response Form by March 31, 2026. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions, 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: The Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Rey Salazar, Division Manager, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator
Mr. Jorge Arcaute, Chief Administrator, Hidalgo County Precinct No. 3
Ms. Walkiria Alvarez, Executive Assistant III, Hidalgo County Precinct No. 3



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

March 17, 2026

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

Ref: Sheriff's Office 2025 Equitable Sharing Agreement and Certification
Audit No. 2026-13

Dear Sheriff Guerra:

We conducted a limited scope review of the Sheriff's Office Equitable Sharing Agreement and Certification for the year ended December 31, 2025. The objectives of the review were to determine if: 1.) revenues and expenditures reported on the Equitable Sharing Agreement and Certification agreed to those recorded in *LINQ*, the County's financial accounting system; and 2.) expenditures were permissible and incurred for law enforcement purposes pursuant to the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies (*Guide*).

Executive Summary:

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

Background:

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

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

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. 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.

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

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

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

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

Sheriff's Office Policy for Approved Use of Forfeited Funds

The Sheriff's Office is responsible for administering and expending forfeited funds, ensuring that the forfeited funds are used only for authorized purposes, and complying with policy and any applicable state and federal legal requirements. Forfeited funds may be used only for approved statutory purposes and as budgeted and approved by the Hidalgo County Commissioners' Court.

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

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

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

Scope and Methodology:

The scope was limited to a review of the revenues and expenditures reported on the Sheriff's Equitable Sharing Agreement and Certification for the year ended December 31, 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 letter may not be all-inclusive of areas for improvement.

More specifically, the following procedures were performed:

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

Conclusion:

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

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, County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Myra Montoya, Budget Manager II, Sheriff's Office



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

March 19, 2026

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

Ref: Constable Precinct No. 1 2025 Equitable Sharing Agreement and Certification
Audit No. 2026-14

Dear Constable Avila:

We conducted a limited scope review of the Constable Precinct No. 1 Equitable Sharing Agreement and Certification for the year ended December 31, 2025. The objectives of the review were to determine if: 1.) revenues and expenditures reported on the Equitable Sharing Agreement and Certification agreed to those recorded in *LINQ*, the County's financial accounting system; and 2.) expenditures were permissible and incurred for law enforcement purposes pursuant to the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies (*Guide*).

Executive Summary:

Based on the results of the review, we determined that the revenues and expenditures reported in the Equitable Sharing Agreement and Certification for the Justice Fund and Treasury Fund agreed with those recorded in *LINQ*. In addition, there were no revenues received to and expenditures incurred from the Constable's Treasury Fund, and no expenditures incurred from the Constable's Justice Fund.

Background:

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

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

The Equitable Sharing Agreement and Certification bind its signatories to the statutes and guidelines that regulate the equitable sharing program and certify that the agency (Constable Precinct No. 1) will comply with said guidelines and statutes. The Equitable Sharing Agreement and Certification stipulates that shared assets shall be used for law enforcement purposes as outlined in the Guide. The Equitable Sharing Agreement and Certification also stipulates that the Constable Precinct No. 1 must agree to account separately for Federal equitable sharing funds received from the Department of Justice and the Department of the Treasury. Funds from state and local forfeitures and other sources must not be commingled with Federal equitable sharing funds. Actual signatures of approval are not required to be submitted along with the Equitable Sharing Report.

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.

However, the agencies must obtain approval from the governing body. The agency must maintain the fully executed Equitable Sharing Agreement.

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

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

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

Constable Precinct No. 1's Office Policy for Approved Use of Forfeited Funds

The Hidalgo County Constable Pct. 1 is responsible for administering and expending forfeited funds, ensuring that forfeited funds are used only for authorized purposes, and complying with policy and any applicable state and federal legal requirements. Forfeited funds may be used only for approved statutory purposes and as budgeted and approved by the Hidalgo County Commissioners' Court.

Forfeited funds received by Hidalgo County Constable Pct. 1 through the Equitable Sharing of Federally Forfeited Property shall be administered in accordance with applicable state and federal law and U.S. Department of Justice or U.S. Department of Treasury guidelines as appropriate.

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

All requests for the expenditure of forfeited funds must be documented and approved by the Hidalgo County Commissioners' Court. All requests must document a detailed list of categories for expenditure; include backup information for expenditure, if required; be reviewed to ensure the proposed use of funds complies with applicable state and federal requirements regarding the use of forfeited funds; and be reviewed to ensure that the use of forfeited funds supports the Hidalgo County Constable Pct. 1 strategic plan.

Scope and Methodology:

The scope was limited to a review of the revenues and expenditures reported on the Constable Precinct No. 1 Equitable Sharing Agreement and Certification for the year ended December 31, 2025. The review was not designated nor intended to be a detailed study of every relevant control system, procedure, or transaction.

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

More specifically, the following procedures were performed:

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

Conclusion:

Based on the results of the review, we determined that the revenues and expenditures reported in the Equitable Sharing Agreement and Certification for the Justice and Treasury Fund agreed with those recorded in *LINQ*.

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, County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Joe Espinosa, Chief Deputy, 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

March 19, 2026

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

Re: Constable Precinct No. 3 2025 Equitable Sharing Agreement and Certification
Audit No. 2026-16

Dear Constable Gallardo:

We conducted a limited scope review of the Constable Precinct No. 3 Equitable Sharing Agreement and Certification for the year ended December 31, 2025. The objectives of the review were to determine if: 1.) revenues and expenditures reported on the Equitable Sharing Agreement and Certification agreed to those recorded in *LINQ*, the County's financial accounting system; and 2.) expenditures were permissible and incurred for law enforcement purposes pursuant to the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies (Guide).

Executive Summary:

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

Background:

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

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

The Equitable Sharing Agreement and Certification bind its signatories to the statutes and guidelines that regulate the equitable sharing program and certify that the agency (Constable Precinct No. 3) will comply with said guidelines and statutes. The Equitable Sharing Agreement and Certification stipulates that shared assets shall be used for law enforcement as outlined in the Guide. The Equitable Sharing Agreement and Certification also stipulates that Constable Precinct No. 3 must agree to account separately for Federal equitable sharing funds received from the Department of Justice and the Department of the Treasury. Funds from state and local forfeitures and other sources must not be commingled with Federal equitable sharing funds. Actual local signatures of approval are not required to be submitted along with the Equitable Sharing

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.

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

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

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

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

Constable Precinct No. 3's Office Policy for Approved Use of Forfeited Funds

The Hidalgo County Constable Pct. 3 is responsible for administering and expending forfeited funds, ensuring that forfeited funds are used only for authorized purposes, and complying with policy and any applicable state and federal legal requirements. Forfeited funds may be used only for approved statutory purposes and as budgeted and approved by the Hidalgo County Commissioners' Court.

Any forfeited funds received by Hidalgo County Constable Pct. 3 through the Equitable Sharing of Federally Forfeited Property shall be administered in accordance with applicable state and federal law and U.S. Department of Justice or U.S. Department of Treasury guidelines as appropriate.

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

All requests for the expenditure of forfeited funds must be documented and approved by the Hidalgo County Commissioners' Court. All requests must document a detailed list of categories for expenditure; include backup information for expenditure, if required; be reviewed to ensure the proposed use of funds complies with applicable state and federal requirements regarding the use of forfeited funds; and be reviewed to ensure that the use of forfeited funds supports the Precinct 3 Constable's Office strategic plan.

Scope and Methodology:

The scope was limited to a review of the revenues and expenditures reported on the Constable's Equitable Sharing Agreement and Certification for the year ended December 31, 2025. The review was neither designated nor intended to be a detailed study of every relevant control system, procedure, or transaction.

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

More specifically, the following procedures were performed:

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

Conclusion:

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

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, County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Gerardo Zamora, Chief Deputy, Constable Precinct No. 3



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

March 19, 2026

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

Ref: District Attorney's Office 2025 Equitable Sharing Agreement and Certification
Audit No. 2026-12

Dear Mr. Palacios:

We conducted a limited scope review of the District Attorney's Office Equitable Sharing Agreement and Certification for the year ended December 31, 2025. The objectives of the review were to determine if: 1.) revenues and expenditures reported on the Equitable Sharing Agreement and Certification agreed to those recorded in *LINQ*, the County's financial accounting system; and 2.) expenditures were permissible and incurred for law enforcement purposes pursuant to the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies (*Guide*).

Executive Summary:

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

Background:

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

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

The Equitable Sharing Agreement and Certification bind its signatories to the statutes and guidelines that regulate the equitable sharing program and certify that the agency (District Attorney's Office) will comply with said guidelines and statutes. The Equitable Sharing Agreement and Certification stipulates that shared assets shall be used for law enforcement purposes as outlined in the Guide. The Equitable Sharing Agreement and Certification also stipulates that the District Attorney's Office must agree to account separately for Federal equitable sharing funds received from the Department of Justice and the Department of the Treasury. Funds from state and local forfeitures and other sources must not be commingled with Federal equitable sharing funds. Actual signatures of approval are not required to be submitted with the Equitable Sharing 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.

however, the agencies must obtain approval from their governing bodies. The agency must maintain the fully executed Equitable Sharing Agreement.

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

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

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

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

The District Attorney’s Office is responsible for administering and expending forfeited funds, ensuring that forfeited funds are used only for authorized purposes, and complying with policy and any applicable state and federal legal requirements. Forfeited funds may be used only for approved statutory purposes and as budgeted and approved by the Hidalgo County Commissioners’ Court.

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

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

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

Scope and Methodology:

The scope was limited to a review of the revenues and expenditures reported on the District Attorney’s Office Equitable Sharing Agreement and Certification for the year ended December 31, 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 letter may not be all-inclusive of areas where improvement could be made.

More specifically, the following procedures were performed:

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

Conclusion:

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

If you have any questions, please contact Karen Ramirez, Compliance Audit Supervisor, at 318-2511 ext. 4656; 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 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

March 19, 2025

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

Re: "D" Account MFFR for April 2025 through December 2025

Dear Sheriff Guerra:

We have conducted a limited scope review of the Discharge "D" Account *Monthly Fines and Fees Report* (MFFR) for April 2025 through December 2025 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine whether fines and fees collected were correctly 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 fines and fees were generally properly accounted and reported; however, the system of internal controls for the accounting and reporting of fees requires improvement. More specifically, we noted that:

- The *Monthly Fee Reports* and supporting documentation were not filed with the County Auditor's Office within five days after the last day of the month; and
- Procedures for voiding receipts were not always properly followed.

Scope:

The scope of our review was limited to collections reported by your office on the "D" *MFFR* for April 2025 through December 2025. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

Methodology:

In conducting the review, the following procedures were performed:

- Verified that the "D" MFFR 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 "D" MFFR was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the "D" MFFR by footing and cross-footing the report.
- Verified that procedures for voided receipts were properly followed.

HIDALGO COUNTY DISTRICT JUDGES

- Verified that collections per the "D" MFFR 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.

Conclusion:

Based on the review, we concluded that the fees collected were generally properly accounted for and reported; however, the system of internal controls requires improvement as noted in the observations below. Total collections for the months of April 2025 through December 2025 were as follows:

Month Ended	Amount
April 2025	\$ 50.00
May 2025	\$ 50.00
June 2025	\$ 650.00
July 2025	\$ 200.00
August 2025	\$ 350.00
September 2025	\$ 50.00
October 2025	\$ 0.00
November 2025	\$ 0.00
December 2025	\$ 200.00

Observation No. 1:

The October 2025 through December 2025 MFFRs and 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 MFFR 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 MFFR 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 procedures for voiding receipts were not properly followed. At times, voided receipts did not contain an explanation for the void, the date the receipt was void, the cashier's signature, or the supervisor's signature of approval. In addition, the void receipt number and the new receipt number were not cross-referenced. Furthermore, not all copies of the voided receipts were submitted and/or properly marked as void.

The County Auditor's Office requires that approval of a void receipt be obtained prior to voiding a receipt. Approval of void receipts should be limited to supervisors. The supervisor should ensure that the original and all copies of the void receipt contain on the face of the receipt the word "void", an explanation for the void, the date the receipt was voided, the cashier's signature, and the supervisor's signature of approval. In addition, the supervisor should ensure that if a new receipt is issued, the voided receipt number and the new receipt number are cross-referenced.

Failure to properly void receipts may result in the loss or misuse of County funds.

Recommendation:

Management should train staff regarding the proper procedures for voiding receipts. At a minimum, the procedures listed above should be implemented.

Please provide a management response to the observations noted above by April 3, 2026. The Management Response Forms should be emailed to 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, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Lefty Chavez
County Auditor

Enclosure: Management Response Forms

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



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

March 23, 2026

Honorable Daniel Marichalar, Constable
Hidalgo County Precinct No. 5
708 E. Edinburg Ave., Ste A
Elsa, Texas 78543

Re: Cash Count Audit No. 2025-79

Dear Constable Marichalar:

We conducted a surprise cash count of the cash held at your office on August 22, 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 II 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. We also followed up to assess progress toward resolving the observations identified during the cash count conducted on October 16, 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 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 or 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. However, the system of internal controls for the collection and safeguarding of cash requires improvement, as noted in the following observation.

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. 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.

Repeat Observation No. 1:

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

- Custody: Receives money, issues receipts, opens and lists mail receipts, balances copies of receipts against the cash drawer, maintains a cash drawer, prepares bank deposits, has access to the inventory of unused receipts, and is responsible for the collection of returned checks.
- Recording: Accounts for the numerical sequence of cash receipts, maintains an inventory log of unused cash receipts, prepares billings and follows up on delinquencies, and prepares reports of cash received.

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, it is important that management 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 observations noted above by April 7, 2026. The Management Response Form should be emailed to 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
Mr. Diomar Galvan, Chief Deputy Constable, Constable Precinct No. 5



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

March 24, 2026

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

Re: MFR for January 2025 through December 2025

Dear Constable Cantu:

We conducted a limited scope review of the Constable Precinct No. 2 *Monthly Fees Report* (MFR) and supporting documentation for the months of January 2025 through December 2025 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 generally properly accounted for and reported.

Scope:

The scope of the review was limited to collections reported by your office on the MFR for the months January 2025 through December 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 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.
- 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.

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 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. Total collections for the months of January 2025 through December 2025 were as follows:

Month Ended	Amount
January 2025	\$ 7,977.00
February 2025	\$ 8,267.00
March 2025	\$ 5,791.00
April 2025	\$ 12,648.00
May 2025	\$ 16,919.00
June 2025	\$ 26,702.00
July 2025	\$ 4,600.00
August 2025	\$ 27,168.00
September 2025	\$ 7,935.00
October 2025	\$ 6,087.00
November 2025	\$ 18,897.00
December 2025	\$ 14,071.00

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



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

May 7, 2026

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

Re: Glazer's Beer and Beverage 2026 Tax Abatement Project No. 2026-27

Dear Mr. Garza:

We completed a limited scope review of the tax abatement agreement between Hidalgo County and Glazer's Beer and Beverage of Texas, LLC. The objective of the review was to determine if Glazer's Beer and Beverage of Texas, LLC, qualifies for a tax abatement for the 2026 tax year.

Scope and Methodology:

The scope of the review was limited to a review of the tax abatement agreement between Hidalgo County and Glazer's Beer and Beverage of Texas, LLC, correspondence received from Glazer's Beer and Beverage of Texas, LLC, and a compliance verification letter from Glazer's Beer and Beverage of Texas, LLC regarding compliance with the terms of the tax abatement agreement.

Conclusion:

Based on the results of the review, we determined that Glazer's Beer and Beverage of Texas, LLC qualifies for 60% tax abatement for the 2026 tax year.

If you have any questions, please contact Karen Ramirez, Compliance Audit Supervisor, at 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: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Randy Perez, Economic Development Director, County Judge's Office
Ms. Monique Contreras, Administrative Assistant IV, County Judge's Office
Mr. Javier Gonzalez, Supervisor - Property Records, Hidalgo County Appraisal District
Ms. Yvonne Rada, Assistant Supervisor - Property Records, Hidalgo County Appraisal District

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. 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.

Mr. Orman Anderson, Chief Executive Office, Glazer's Beer & Beverage, LLC
Ms. Tracey Hiatt, Executive Assistant, Glazer's Beer & Beverage, LLC
Mr. Will Herrin, VP of Operations, Glazer's Beer and Beverage of Texas, LLC

HIDALGO COUNTY DISTRICT JUDGES



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

April 30, 2026

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

Re: Hidalgo Wind Farm, LLC- Phase I and Phase II 2026 Tax Abatement Report No. 2026-21 and 2026-22

Dear Mr. Garza:

We completed a limited-scope review of the tax abatement agreements between Hidalgo County and Hidalgo Wind Farm, LLC, for Phases I and II. The objective of the review was to determine if Hidalgo Wind Farm, LLC, qualifies for a tax abatement for the 2026 tax year.

Scope and Methodology:

The scope of the review was limited to a review of the tax abatement agreements between Hidalgo County and Hidalgo Wind Farm, LLC, Phase I and Phase II, correspondence received from Hidalgo Wind Farm, LLC, and a compliance verification letter from Hidalgo Wind Farm, LLC regarding compliance with the terms of the tax abatement agreements.

Conclusion:

Based on the review, we determined that Hidalgo Wind Farm, LLC, Phase I, qualifies for an 80% tax abatement, and Hidalgo Wind Farm, LLC, Phase II, qualifies for a 70% tax abatement for the 2026 tax year.

If you have any questions, please contact Karen Ramirez, Compliance Audit Supervisor, at 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: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Javier Gonzalez, Supervisor - Property Records, Hidalgo County Appraisal District
Mr. Matthew Brown, Senior Property Tax Analyst

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.



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

April 24, 2026

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

Re: Anemoi Energy Storage, LLC 2026 Tax Abatement Project No. 2026-29

Dear Mr. Garza:

We completed a limited scope review of the tax abatement agreement between Hidalgo County and Anemoi Energy Storage, LLC. The objective of the review was to determine if Anemoi Energy Storage, LLC, qualifies for a tax abatement for the 2026 tax year.

Scope and Methodology:

The scope of the review was limited to the tax abatement agreement between Hidalgo County and Anemoi Energy Storage, LLC, and to correspondence received from Anemoi Energy Storage regarding compliance with its terms.

Conclusion:

Based on the review, we determined that Anemoi Energy Storage, LLC qualifies for 50% tax abatement for the 2026 tax year.

If you have any questions, please contact Linda Vasquez, Internal Auditor III, at (956) 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 4651.

Respectfully,

Letty Chavez
County Auditor

cc: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Randy Perez, Economic Development Director, Hidalgo County Judge's Office
Mr. Javier Gonzalez, Supervisor - Property Records, Hidalgo County Appraisal District
Ms. Monique Contreras, Administrative Assistant IV, County Judge's Office
Mr. Troy Reed, Senior Manager- Indirect Tax Services - Property Tax, Ernst & Young

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

March 17, 2026

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

Re: MFR for January 2025 through December 2025

Dear Mr. Garza:

We conducted a limited scope review of the Fire Marshal's *Monthly Fees Report* (MFR) and supporting documentation for the months of January 2025 through December 2025 pursuant to Local Government Code §115.002 (a) and (b). 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 fees were not generally properly accounted for and reported. More specifically, the following was noted:

- Fees were not collected in accordance with the fee schedule approved by the Commissioners Court.
- Not all checks accepted for payment contained the required information.
- Voided receipts did not contain an explanation for the void, the date the receipt was void, the cashier's signature, and/or the supervisor's signature of approval.
- The Close-out Reports were not always properly prepared and completed.
- Receipts issued were not always properly prepared.

Scope:

The scope of the review was limited to collections reported by your office on the MFR for the months of January 2025 through December 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 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).

HIDALGO COUNTY DISTRICT JUDGES

- Verified that the MFR was signed by an authorized signatory as documented on the “Authorized Signatories Form.”
- Verified the mathematical accuracy of the MFR by footing and cross-footing the report.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified that receipts were issued in sequential order.
- Verified that procedures for voiding receipts were properly followed.
- Reviewed *Daily Remittance* forms to determine if fees collected were properly accounted and deposited with the County Treasurer on or before the fifth day after the day on which the funds were received.
- Verified that the collections per the MFR agreed to total receipts issued and the deposits made with the County Treasurer.
- Verified that receipts, *Daily Remittance* forms, and the MFR were properly completed.

Conclusion:

Based on the review, we concluded that the fees collected were not properly accounted for and reported. The system of internal controls for accounting, reporting, receipting, and fee collection requires improvement, as noted in the observations below. Total collections for the months of January 2025 through December 2025 were as follows:

Month Ended	Amount
January 2025	\$ 10,127.50
February 2025	\$ 18,816.52
March 2025	\$ 10,240.00
April 2025	\$ 16,472.60
May 2025	\$ 12,506.00
June 2025	\$ 11,808.50
July 2025	\$ 18,181.34
August 2025	\$ 14,874.25
September 2025	\$ 12,761.00
October 2025	\$ 14,917.50
November 2025	\$ 8,866.66
December 2025	\$ 12,270.25

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 properly recorded.

Repeat Observation No. 1:

We noted shortages and overages were incurred totaling \$106.00 and \$118.00, respectively, as follows:

Shortages:

- Collections for March 19, 2025, were short \$5.00. Total collections for that date were reported as \$880.00; however, only \$875.00 was collected and deposited. According to the Fire Marshal’s office staff, the discrepancy was attributed to a clerical miscount.
- Collections for April 9, 2025, were short \$1.00. Total collections for that date were reported as \$2,160.60; however, only \$2,159.60 was collected and deposited. According to the Fire Marshal’s office staff, the discrepancy was attributed to a clerical miscount.
- Collections for September 10, 2025, were short \$20.00 (Receipt No. 361166). The amount collected was \$542.50 instead of \$562.50 for a building permit with a valuation of \$450,000.00 and a fire alarm system permit for up to 50 devices (20 devices). According to the Fire Marshal’s office staff, the discrepancy was attributed to a clerical error.

- Collections for June 18, 2025, were short \$75.00 (Receipt No. 35496). The amount collected was \$272.50 instead of \$347.50 for a fire alarm system permit for over 200 devices (545 devices).
- Collections for June 25, 2025, were short \$759.66 (Receipt No. 35545). The amount collected was \$200.00 instead of \$959.66 for a building permit fee for a project with a valuation of \$923,490.00. On November 14, 2025, a payment of \$756.66 was received (Receipt No. 36599); however, an outstanding balance of \$3.00 remains.
- Collections for September 3, 2025, were short \$2.00 (Receipt No. 36104). The amount collected was \$100.00 instead of \$102.00 for a fire alarm system permit for over 50 but less than 200 devices (54 devices).

Overages:

- Collections for May 28, 2025, were over \$87.50 (Receipt No. 35338). The amount collected was \$285.00 instead of \$197.50 for a sprinkler head system with over 200 heads (275). A refund request has not been submitted to the County Auditor's Office.
- Collections for May 28, 2025, were over \$30.50 (Receipt No. 35341). The amount collected was \$161.00 instead of \$130.50 for a fire alarm system with more than 50 but fewer than 200 devices (111 devices). A refund request has not been submitted to the County Auditor's Office.

The Fire Marshall's Office did not provide an explanation for all the shortages and overages.

Pursuant to Local Government Code §352.016, the Commissioners Court of a County shall prescribe a reasonable fee for an inspection performed by the County Fire Marshal. According to the fee schedule approved by Commissioners Court on May 27, 2014:

- A \$200.00 fee for the first \$200,000 valuation, plus \$1.05 per \$1,000 or fraction of value over \$200,000, must be collected on a building permit with a project valuation exceeding \$200,000 but not exceeding \$1,000,000.
- A \$1,040.00 fee for the first \$1,000,000 valuation plus \$0.55 per \$1,000 or fraction of value over \$1,000,000 must be collected on a building permit with a project valuation over \$1,000,000 up to \$5,000,000.
- A fee of \$100.00 for the first 50 devices plus \$0.50 per device must be collected on a fire alarm system permit.
- A fee of \$60.00 plus \$0.50 per device must be collected on a sprinkler system permit with over 200 devices.

The County Auditor's Office requires that cash receipts be deposited intact on a daily basis. All shortages must be replenished, and overages must be deposited.

Failure to ensure that fees are properly collected may result in the loss of County revenue.

Recommendation:

Management should monitor all shortages and overages to determine if there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action. Management should replenish the \$106.00 shortage or request indemnification from Commissioners Court pursuant to Local Government Code §157.903. In addition, a refund request should be submitted to the Auditor's Office as soon as possible for the overcollection of funds that have not been reimbursed to the constituent.

Repeat Observation No. 2:

We noted that not all checks accepted for payment contained the required information. In some cases, checks were missing the date, the purpose of the payment, or were not made payable to Hidalgo County or the appropriate County official's title. Additionally, we noted that three post-dated checks were accepted as payment.

According to the Cash Handling Guidelines, before accepting a check as payment, the cashier must verify that the check date matches the date of payment presentation. Stale-dated or post-dated checks should not be accepted. The payer's name, address, driver's license number, date of birth, and phone number are pre-printed on the face of the check. If any of this information is missing, the cashier must request this information and record it on the check. Temporary checks should not be accepted. The cashier must request identification to verify the information on the check. Third-party checks are not allowed. The check must be payable to Hidalgo County or a County official's title. The memo line should include sufficient details to identify the purpose of the payment. The check's numeric and written dollar amounts must agree and reflect the exact amount due.

Failure to ensure that checks contain the required information before accepting them for payment could lead to the loss or misuse of County funds.

Recommendation:

Management should ensure that cashiers verify that checks contain all required information before accepting them for payment. At a minimum, the procedures noted above should be implemented.

Observation No. 3:

We noted that voided receipts did not always contain an explanation for the void, the date the receipt was void, the cashier's signature, and/or the supervisor's signature of approval.

The County Auditor's Office requires that approval of a void receipt be obtained before voiding a receipt. Approval of void receipts should be limited to supervisors. The supervisor should ensure that the original and all copies of the void receipt contain on the face of the receipt the word "void", an explanation for the void, the date the receipt was voided, the cashier's signature, and the supervisor's signature of approval. In addition, the supervisor should ensure that if a new receipt is issued, the voided receipt number and the new receipt number are cross-referenced. All voided receipts must be submitted to the County Auditor's Office.

Failure to properly void receipts and submit them to the County Auditor's Office may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that receipts are properly voided. At a minimum, the procedures listed above should be implemented.

Observation No. 4:

The Close-Out Reports and MFRs are not always properly prepared and reconciled to receipts issued and bank deposits.

The County Auditor's Office requires that collections be reconciled to receipts on a daily basis. In addition, the department must prepare an MFR monthly. Total collection on the MFR must be reconciled to receipts issued, Close-Out Reports, and deposits. The Close-out Reports must be signed by the cashier, a witness, and the County official or his/her designee to document their responsibility for verifying the amounts reported on the Close-out Report. The MFR must be signed by the preparer and the department head or the department head's designee.

Failure to ensure that the Close-out Reports and MFRs are properly completed and/or reconciled may result in the loss of County funds.

Recommendation:

Management should ensure that Close-out Reports and MFRs are properly prepared and reconciled to receipts issued and deposits. At a minimum, the procedures noted above should be implemented.

Observation No. 5:

Receipts issued were not always properly prepared and completed. In several instances, the receipt date did not correspond to the actual date of issuance. Additionally, key information, such as the project valuation for building permits, was occasionally omitted, preventing verification of whether the appropriate fee was assessed and collected.

Furthermore, it was noted that Receipt No. 35984 was issued on August 5, 2025, prior to the receipt of payment. According to the Fire Marshal's Office staff, the constituent was invoiced on August 5, 2025, and payment was received on August 14, 2025.

The Auditor's Office requires that the official receipt form contain sufficient information to create an adequate audit trail to ensure the proper allocation of funds. At a minimum, the cash receipt must include fields for the date, payer name, form of payment (e.g., cash, check, or credit card), check number, amount, account name to be credited, description (e.g., account number, permit number, case number, style of case number, etc.), and the initials or signature of the cashier. Additionally, the cashier must issue an official computer-generated or manual receipt for each payment received. Payments must be received prior to rendering services or issuing an official County receipt.

Failure to ensure that receipts are issued correctly may increase the risk of loss of County funds.

Recommendation:

Management should ensure that receipts are issued correctly. At a minimum, the procedures noted above should be implemented.

Please provide a written management response to the observations noted above on the attached Management Response Forms by April 2, 2026. The Management Response Forms should be emailed to 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. Eric Sanchez, Chief Deputy Fire Marshal



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

AUDITEE: Hidalgo County Fire Marshal's Office **AUDIT NO.:** _____

AUDIT: MFR for January 2025 through December 2025 **MANAGEMENT RESPONSE DUE:** April 2, 2026

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

Management should monitor all shortages and overages to determine if there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action. Management should replenish the \$106.00 shortage or request indemnification from Commissioners Court pursuant to Local Government Code §157.903. In addition, a refund request should be submitted to the Auditor's Office as soon as possible for the overcollection of funds that have not been reimbursed to the constituent.

Management Response (Choose One):

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

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

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

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

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____



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

AUDITEE:	Hidalgo County Fire Marshal's Office	AUDIT NO.:	
AUDIT:	MFR for January 2025 through December 2025	MANAGEMENT RESPONSE DUE:	April 2, 2026
FINDING No.:	3	RECOMMENDATION:	3

Management should ensure that receipts are properly voided. At a minimum, the procedures listed above should be implemented.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**
_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**
_____ **DISAGREE THAT RISK EXISTS (Specify below)**

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

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____



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

AUDITEE:	Hidalgo County Fire Marshal's Office	AUDIT NO.:	
AUDIT:	MFR for January 2025 through December 2025	MANAGEMENT RESPONSE DUE:	April 2, 2026
FINDING No.:	5	RECOMMENDATION:	5

Management should ensure that receipts are issued correctly. At a minimum, the procedures noted above should be implemented.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**
_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**
_____ **DISAGREE THAT RISK EXISTS (Specify below)**

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

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____



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

March 18, 2026

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

Re: January 2026 DTA Payment Request Report No. 2026-33

Dear Mr. Villarreal:

We completed a limited scope review of the January 2026 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 process the January 2026 DTA payment request for \$183,063.17 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 January 31, 2026. 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 the month of January 2026."
- 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 the month of January 2026."

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 136 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 (130 tax accounts) and small accounts (6 tax accounts) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for January 2026 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	2024	E600000001000900	0.51	0.12	0.63	0.09
2	1	2023	H045000096001000	313.57	81.79	395.36	55.97
3	1	2023	R311404000016900	226.70	60.44	287.14	40.80
4	1	2023	K240000000006402	94.36	24.61	118.97	16.84
5	1	2023	S592000000004300	75.79	21.98	97.77	14.10
6	1	2023	E468001000001500	63.93	18.27	82.20	11.89
7	1	2023	T210000239001112	53.15	14.89	68.04	9.81
8	1	2023	T210000239001112	53.01	15.06	68.07	9.78
9	1	2023	C211000000003400	38.94	11.51	50.45	7.30
10	1	2023	D711101000005400	20.42	5.45	25.87	3.68
11	1	2023	T210000239001112	-53.15	-14.89	-68.04	-9.81
12	1	2022	S050000000000700	243.06	85.47	328.53	45.93
13	1	2022	B216000001004000	135.26	42.83	178.09	24.35
14	1	2022	C070000099000702	41.17	13.28	54.45	7.47
15	1	2022	B216000001004000	38.64	12.24	50.88	6.96
16	1	2022	T210000237000515	7.02	2.59	9.61	1.36
17	1	2022	W010000048000519	0.17	0.05	0.22	0.03
18	1	2021	O750000000000100	579.05	205.56	784.61	102.49
19	1	2021	S510000002000300	528.84	215.51	744.35	100.74
20	1	2021	B255000000028801	15.52	7.50	23.02	3.26
21	1	2020	O750000000000100	318.12	151.11	469.23	62.03
22	1	2020	E810000003003000	56.24	31.31	87.55	12.15
23	1	2019	L473500004001300	24.33	12.21	36.54	4.60
24	1	2019	W010000031000207	0.03	0.03	0.06	0.01
25	1	2018	T525002018003900	17.81	9.51	27.32	3.28
26	1	2017	R284805000001000	99.19	59.10	158.29	18.60
27	1	2017	L055500000001500	7.52	4.52	12.04	1.42
28	1	2016	L055500000001500	29.66	21.40	51.06	6.14
29	1	2016	J570098005000205	15.61	12.10	27.71	3.45
30	1	2015	R040802000007700	388.92	280.35	669.27	72.92
31	1	2015	K240000000008105	313.33	231.08	544.41	61.10
32	1	2015	T210000236000211	271.90	197.80	469.70	51.80
33	1	2015	S265001000004100	39.18	29.78	68.96	7.99
34	1	2015	P310800000002300	3.46	2.62	6.08	0.70
35	1	2015	S265001000004100	-39.18	-29.78	-68.96	-7.99
36	1	2014	T210000236000211	101.14	85.72	186.86	21.09
37	1	2014	V433502000010600	60.06	55.31	115.37	13.97
38	1	2014	R116000000000500	50.58	40.51	91.09	9.48
39	1	2014	B403502000023600	30.56	35.28	65.84	8.94
40	1	2014	P310800000002300	30.96	27.24	58.20	6.87
41	1	2014	L020000000000900	10.15	11.78	21.93	2.99
42	1	2014	B158504000007600	0.50	0.40	0.90	0.09
43	1	2013	R116000000000500	112.55	103.64	216.19	23.13
44	1	2013	L165001001000200	31.55	28.64	60.19	6.30
45	1	2013	S520000000001100	34.02	29.28	63.30	6.07
46	1	2013	B158504000007600	0.38	0.36	0.74	0.08
47	1	2013	B158504000007600	0.38	0.36	0.74	0.08

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
48	1	2013	B158504000007600	-0.38	-0.36	-0.74	-0.08
49	1	2012	R116000000000500	112.55	117.15	229.70	25.16
50	1	2012	B030000016002100	45.03	45.07	90.10	9.25
51	1	2011	B030000016002100	53.69	60.18	113.87	12.00
52	1	2011	H440000000010300	48.72	52.01	100.73	9.72
53	1	2011	G080000008002300	18.69	28.08	46.77	6.42
54	1	2011	B355003000007400	12.47	15.98	28.45	3.57
55	1	2011	P927901000007000	13.21	14.60	27.81	2.86
56	1	2011	B355003000007400	-12.47	-15.98	-28.45	-3.57
57	1	2010	R116000000000500	55.21	70.71	125.92	14.33
58	1	2010	P927901000007000	59.16	72.42	131.58	13.84
59	1	2010	H440000000010300	48.72	57.85	106.57	10.60
60	1	2010	D320000060000202	29.90	36.60	66.50	7.00
61	1	2010	H422000000000100	23.82	30.28	54.10	6.08
62	1	2010	A180000049000309	24.63	30.24	54.87	5.80
63	1	2010	S525001013000200	23.64	29.26	52.90	5.67
64	1	2010	H422000000000100	-23.82	-30.28	-54.10	-6.08
65	1	2009	H440000000010300	48.72	63.70	112.42	11.47
66	1	2009	W010000023000416	34.45	47.30	81.75	9.20
67	1	2009	W010000023000416	34.39	47.37	81.76	9.18
68	1	2009	M167000000005600	42.97	51.90	94.87	8.19
69	1	2009	T560000000000300	19.19	28.72	47.91	6.07
70	1	2009	M015000062000401	16.00	22.00	38.00	4.25
71	1	2009	D320000060000202	11.27	15.14	26.41	2.84
72	1	2009	C902500000002900	2.34	2.82	5.16	0.44
73	1	2009	W010000023000416	-34.45	-47.30	-81.75	-9.20
74	1	2008	W010000030000309	112.77	154.58	267.35	25.71
75	1	2008	V057700000000200	81.02	117.54	198.56	21.38
76	1	2008	H365003000001100	21.72	28.16	49.88	4.24
77	1	2008	B505000015001100	6.13	7.98	14.11	1.20
78	1	2007	C630000009001300	99.70	142.66	242.36	21.83
79	1	2007	H440000000010300	48.72	75.39	124.11	13.23
80	1	2007	P200000007001500	62.39	84.06	146.45	11.32
81	1	2007	P200000007001500	34.91	47.04	81.95	6.34
82	1	2006	D175000000001000	72.78	132.28	205.06	25.98
83	1	2006	K240000000008105	58.92	107.10	166.02	21.04
84	1	2006	V382000000016800	24.04	34.45	58.49	4.43
85	1	2006	W230000052000300	8.29	13.98	22.27	2.47
86	1	2006	V382000000016800	-24.04	-34.45	-58.49	-4.43
87	1	2005	K240000000008105	327.90	635.31	963.21	122.96
88	1	2005	M190001000003200	154.99	234.69	389.68	28.59
89	1	2005	C630000009001300	99.70	166.59	266.29	25.42
90	1	2005	W220000003001100	37.29	57.96	95.25	7.55
91	1	2005	B460001004000101	26.08	39.22	65.30	4.69
92	1	2005	A080000000114900	14.32	24.37	38.69	3.85
93	1	2005	H440000000010300	3.94	7.04	10.98	1.21
94	1	2004	L623500000001000	148.76	237.14	385.90	27.45
95	1	2004	S445000001002300	33.90	55.40	89.30	6.86
96	1	2004	B496504000032900	7.39	14.53	21.92	2.61

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
97	1	2004	B505000015000600	7.39	11.78	19.17	1.36
98	1	2003	C630000009001300	94.20	180.00	274.20	27.41
99	1	2003	W220000006000600	54.90	104.90	159.80	15.97
100	1	2003	L110001003006500	50.71	88.96	139.67	11.18
101	1	2003	S240000000009511	19.49	33.69	53.18	4.07
102	1	2003	A180000064001504	13.18	25.09	38.27	3.79
103	1	2002	L470000000003000	48.12	94.51	142.63	13.43
104	1	2002	L185002000001100	12.43	24.29	36.72	3.41
105	1	2001	E330000189000500	110.13	203.12	313.25	20.82
106	1	2000	E310000006001400	10.13	24.50	34.63	4.17
107	1	1999	V380002003001400	35.62	81.01	116.63	11.06
108	1	1999	V380002003001400	26.71	60.76	87.47	8.30
109	1	1999	L319500000005800	16.13	42.45	58.58	7.64
110	1	1997	L045000017000002	28.13	67.32	95.45	8.22
111	1	1997	L045000017000002	14.06	33.67	47.73	4.11
112	1	1997	L045000017000002	14.05	33.67	47.72	4.11
113	1	1997	S460000006000500	7.60	21.82	29.42	3.86
114	1	1997	F345000156001200	9.95	23.11	33.06	2.60
115	1	1997	S1440000000005100	5.66	14.46	20.12	2.07
116	1	1997	W210000010002201	5.55	12.48	18.03	1.26
117	1	1997	L045000017000002	-14.06	-33.67	-47.73	-4.11
118	1	1997	L045000017000002	-28.13	-67.32	-95.45	-8.22
119	1	1996	L670000017000500	52.31	137.82	190.13	19.07
120	1	1996	A080098000111600	8.22	25.43	33.65	4.60
121	1	1996	F225001004000400	4.98	13.14	18.12	1.82
122	1	1996	A080098000111600	3.08	9.54	12.62	1.73
123	1	1996	A080098000111600	-8.22	-25.43	-33.65	-4.6
124	1	1995	L205000048000200	2.02	5.32	7.34	0.66
125	1	1994	C470000003001400	8.05	23.1	31.15	3.22
126	1	1990	W230000007001200	17.74	63.41	81.15	10.14
127	1	2011	W010000031000205	1.32	1.61	2.93	0.35
128	1	2011	W010000031000205	-1.32	-1.61	-2.93	-0.35
129	1	2001	W010000031000205	3.89	9.37	13.26	1.72
130	1	1999	F225001001001300	6.35	15.57	21.92	2.48
131	1	2024	A146000000001500	0.29	0.08	0.37	0.05
132	1	2024	H27009700A001203	0.24	0.06	0.30	0.04
133	1	2024	D440001000001800	0.20	0.04	0.24	0.03
134	1	2024	V382000000016700	0.13	0.04	0.17	0.02
135	1	2023	C070000100001500	0.17	0.06	0.23	0.04
136	1	2021	A180093047001300	0.38	0.19	0.57	0.08



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

April 14, 2026

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

Re: February 2026 DTA Payment Request Report No. 2026-34

Dear Mr. Villarreal:

We completed a limited scope review of the February 2026 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 review found that the payment request was generally accurate and properly authorized. We will process the February 2026 DTA payment request for \$202,149.53 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 February 28, 2026. 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 the month of February 2026."
- 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 the month of February 2026."
- Although DTA fees for 156 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 (152 tax accounts) and small accounts (4 tax accounts) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for February 2026 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	N675001000003600	366.71	112.15	478.86	69.31
2	1	2023	C785000000000400	364.38	109.32	473.70	68.32
3	1	2023	K240000000006402	94.09	24.93	119.02	16.79
4	1	2023	E468001000001500	87.86	25.85	113.71	16.34
5	1	2023	S592000000004300	76.58	22.53	99.11	14.24
6	1	2023	T210000239001112	66.26	18.83	85.09	12.22
7	1	2023	T210000239001112	66.26	18.83	85.09	12.22
8	1	2023	F635002000000600	63.28	19.35	82.63	11.96
9	1	2023	H250000061000400	42.41	12.23	54.64	7.82
10	1	2023	L583003000015500	36.98	11.30	48.28	6.99
11	1	2023	L370002006001000	21.95	5.60	27.55	3.89
12	1	2023	D711101000005400	20.37	5.51	25.88	3.67
13	1	2023	V305301000003200	0.09	0.03	0.12	0.02
14	1	2023	C655000003000400	0.04	0.02	0.06	0.01
15	1	2023	T210000239001112	-66.26	-18.83	-85.09	-12.22
16	1	2022	Y250000000000804	302.91	95.41	398.32	54.07
17	1	2022	C785000000000400	145.73	61.21	206.94	29.95
18	1	2022	B216000001004000	115.62	37.09	152.71	20.81
19	1	2022	B156007000002600	100.96	37.10	138.06	19.38
20	1	2022	W380000401000008	80.38	26.72	107.10	14.71
21	1	2022	C451000000001300	79.94	24.71	104.65	14.15
22	1	2022	B216000001004000	77.07	24.73	101.80	13.87
23	1	2022	S477000000022800	71.01	24.85	95.86	13.31
24	1	2022	P860000000000200	42.12	17.70	59.82	8.66
25	1	2022	H250000061000400	35.15	14.35	49.50	7.12
26	1	2022	V359002000006600	30.18	12.33	42.51	6.11
27	1	2021	H46500000G000405	313.20	116.14	429.34	56.38
28	1	2021	E458000000001600	101.83	38.36	140.19	18.48
29	1	2021	C420000001000500	46.46	23.45	69.91	9.96
30	1	2021	M181000000001400	39.72	16.12	55.84	7.51
31	1	2021	M181000000001400	39.72	16.12	55.84	7.51
32	1	2021	L335500000002700	33.95	15.57	49.52	6.88
33	1	2021	B255000000028801	15.48	7.55	23.03	3.25
34	1	2021	D680000024000700	7.96	3.09	11.05	1.47
35	1	2021	M181000000001400	-39.72	-16.12	-55.84	-7.51
36	1	2020	Q400001000002300	1,828.97	740.73	2,569.70	323.73
37	1	2020	H46500000G000405	284.73	139.75	424.48	56.38
38	1	2020	W380000290000003	218.21	102.01	320.22	41.90
39	1	2020	D680000024000700	3.95	2.01	5.96	0.80
40	1	2019	Q400001000002300	1,662.70	872.92	2,535.62	324.23
41	1	2019	H46500000G000405	276.72	169.03	445.75	59.77
42	1	2019	O210000005000037	166.69	78.49	245.18	30.00
43	1	2019	S477000000006700	1.15	0.67	1.82	0.24
44	1	2019	S477000000006700	1.15	0.67	1.82	0.24
45	1	2019	S477000000006700	-1.15	-0.67	-1.82	-0.24

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
46	1	2018	H46500000G000405	284.84	208.17	493.01	66.65
47	1	2018	O210000005000037	96.75	57.16	153.91	19.16
48	1	2018	A180097028010A00	80.42	54.08	134.50	17.61
49	1	2018	T525002018003900	17.76	9.56	27.32	3.28
50	1	2017	H46500000G000405	239.19	203.51	442.70	60.28
51	1	2017	R115000000003800	95.80	82.07	177.87	24.29
52	1	2017	R284805000001000	98.96	59.37	158.33	18.55
53	1	2017	V380002010001000	8.70	5.28	13.98	1.65
54	1	2017	J570098005000205	2.10	1.38	3.48	0.42
55	1	2016	H46500000G000405	198.93	193.12	392.05	53.71
56	1	2016	W380000232000006	150.91	96.33	247.24	27.84
57	1	2016	H045000099000600	39.11	27.24	66.35	7.80
58	1	2016	J570098005000205	13.63	10.61	24.24	3.01
59	1	2015	H46500000G000405	180.89	197.32	378.21	52.10
60	1	2015	W380000232000006	236.00	178.97	414.97	47.79
61	1	2015	S265001000004100	39.10	29.88	68.98	7.97
62	1	2015	H045000099000600	36.17	29.54	65.71	7.87
63	1	2014	L255001006001600	251.08	201.28	452.36	46.70
64	1	2014	R115000000003800	137.76	167.61	305.37	42.36
65	1	2014	W380000232000006	51.92	45.60	97.52	11.45
66	1	2014	E015700000009800	28.37	25.73	54.10	6.47
67	1	2014	B158504000007600	0.50	0.40	0.90	0.09
68	1	2014	B403502000023600	-30.56	-35.28	-65.84	-8.94
69	1	2013	R115000000003800	138.56	185.21	323.77	45.10
70	1	2013	P927901000007000	133.24	115.70	248.94	23.98
71	1	2013	B158504000007600	0.38	0.36	0.74	0.08
72	1	2012	P927901000007000	130.58	129.06	259.64	25.86
73	1	2012	G597000000005100	82.24	79.36	161.60	15.42
74	1	2012	T34259700A002303	76.23	68.99	145.22	12.92
75	1	2011	V381500000003700	1,221.54	1,749.85	2,971.39	397.61
76	1	2011	P927901000007000	120.03	133.03	253.06	25.93
77	1	2011	E420000000000100	43.28	44.65	87.93	7.86
78	1	2011	R331000000008300	25.03	26.65	51.68	4.92
79	1	2010	V381500000003700	1,232.41	1,913.32	3,145.73	423.33
80	1	2010	R457003000000800	311.20	371.88	683.08	68.15
81	1	2010	P640000023000500	39.70	67.66	107.36	15.19
82	1	2010	P640000023000500	39.70	67.66	107.36	15.19
83	1	2010	D320000060000202	41.40	50.86	92.26	9.69
84	1	2010	T525000019005000	20.66	28.18	48.84	6.07
85	1	2010	1004600000007424	30.20	33.27	63.47	5.35
86	1	2010	G040000006000100	11.37	13.61	24.98	2.50
87	1	2010	J570000001000403	0.88	1.03	1.91	0.18
88	1	2010	P640000023000500	-39.70	-67.66	-107.36	-15.19
89	1	2009	V381500000003700	1,133.86	1,896.38	3,030.24	409.89
90	1	2009	J570000001000403	65.28	84.54	149.82	14.89
91	1	2009	W010000023000416	34.40	47.36	81.76	9.18
92	1	2009	W010000023000416	34.40	47.36	81.76	9.18

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
93	1	2009	N770000009000500	20.98	35.05	56.03	7.55
94	1	2009	1004600000007424	30.51	37.27	67.78	5.95
95	1	2009	J570000001000403	16.33	21.16	37.49	3.73
96	1	2009	P610000000001300	1.15	1.56	2.71	0.30
97	1	2009	W010000023000416	-34.40	-47.36	-81.76	-9.18
98	1	2008	W010000030000309	112.57	154.81	267.38	25.67
99	1	2008	H305000000000100	56.73	74.56	131.29	11.49
100	1	2008	M340002000011800	41.11	52.01	93.12	7.34
101	1	2008	S245000000001200	21.30	28.95	50.25	4.70
102	1	2006	L025000072000000	87.46	141.54	229.00	23.22
103	1	2006	D175000000001000	39.98	72.83	112.81	14.27
104	1	2006	R382500008000500	13.03	19.55	32.58	2.77
105	1	2006	W230000052000300	8.28	14.00	22.28	2.46
106	1	2006	L605098000001900	4.66	6.73	11.39	0.87
107	1	2005	K275000000005800	143.30	223.31	366.61	29.02
108	1	2005	K275000000005800	87.76	136.40	224.16	17.77
109	1	2005	K275000000005800	87.76	136.40	224.16	17.77
110	1	2005	A245600000000300	16.86	28.64	45.50	4.48
111	1	2005	K275000000005800	8.74	13.58	22.32	1.77
112	1	2005	K275000000005800	8.74	13.58	22.32	1.77
113	1	2005	K275000000005800	-8.74	-13.58	-22.32	-1.77
114	1	2005	K275000000005800	-87.76	-136.40	-224.16	-17.77
115	1	2004	L622000000009800	98.03	156.69	254.72	18.09
116	1	2004	L205000042001500	71.10	122.88	193.98	17.28
117	1	2004	W220000006000600	35.30	63.38	98.68	9.64
118	1	2004	C750006000012100	26.30	41.67	67.97	4.69
119	1	2004	S445000001002300	16.92	27.73	44.65	3.43
120	1	2004	S445000001002300	16.92	27.73	44.65	3.43
121	1	2004	B496504000032900	7.37	14.54	21.91	2.61
122	1	2004	B505000015000600	7.45	11.89	19.34	1.37
123	1	2003	C140000083001322	79.94	160.31	240.25	26.51
124	1	2003	L205000042001500	71.67	132.48	204.15	18.71
125	1	2003	W220000006000600	23.08	44.2	67.28	6.72
126	1	2003	L110001003006500	23.43	41.11	64.54	5.17
127	1	2003	L110001003006500	23.43	41.09	64.52	5.16
128	1	2003	S240000000009511	19.47	33.72	53.19	4.06
129	1	2003	L450004000014200	0.31	0.53	0.84	0.06
130	1	2002	C140000083001322	69.06	146.75	215.81	24.14
131	1	2002	L470000000003000	48.05	94.61	142.66	13.41
132	1	2002	L205000051000500	32.23	57.96	90.19	6.53
133	1	2002	L205000042001500	22.88	45.04	67.92	6.38
134	1	2002	L222500000001500	22.63	41.36	63.99	4.89
135	1	2002	L185002000001100	12.41	24.31	36.72	3.41
136	1	2001	F720000102000700	33.43	74.84	108.27	12.19
137	1	2001	A265502000002900	27.27	50.13	77.4	5.03
138	1	2001	E540000002002100	13.06	25.57	38.63	3.11

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
139	1	2001	L205000051000500	13.44	25.79	39.23	2.96
140	1	2000	F720000102000700	59.99	141.48	201.47	22.95
141	1	1999	F720000102000700	26.7	66.17	92.87	10.69
142	1	1999	L319500000005800	16.11	42.47	58.58	7.63
143	1	1999	L319500000005800	16.09	42.49	58.58	7.62
144	1	1999	A265502000002900	27.12	56.36	83.48	5.98
145	1	1998	H347500147000007	42.86	112.33	155.19	18.45
146	1	1998	A265502000002900	76.33	167.8	244.13	18.2
147	1	1998	B185000000000400	1.09	2.92	4.01	0.49
148	1	1997	W74000011B000900	12.23	31.29	43.52	4.46
149	1	1997	S144000000005100	5.64	14.47	20.11	2.07
150	1	1996	K240000000005311	8.64	24.98	33.62	4.13
151	1	1996	A080098000111600	3.09	9.54	12.63	1.72
152	1	1995	C470000003001400	22.78	62.73	85.51	8.71
153	1	2024	L605000000029510	0.67	0.16	0.83	0.13
154	1	2024	S12000000002300	0.13	0.04	0.17	0.02
155	1	2023	B15950000001200	0.41	0.15	0.56	0.09
156	1	2022	M27600100E004900	0.12	0.05	0.17	0.02



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

May 12, 2026

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

Re: March 2026 DTA Payment Request Report No. 2026-35

Dear Mr. Villarreal:

We completed a limited scope review of the March 2026 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 process the March 2026 DTA payment request for \$218,232.88 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 March 31, 2026. 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 the month of March 2026."
- 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 the month of March 2026."

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 130 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 (129 tax accounts) and small accounts (1 tax account) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for March 2026 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	2024	D36000000000103	0.12	0.03	0.15	0.02
2	1	2023	L62350000004800	192.14	59.57	251.71	36.32
3	1	2023	L596504000019000	119.66	35.70	155.36	22.26
4	1	2023	D711101000005400	87.94	24.19	112.13	15.83
5	1	2023	T210000239001112	66.07	19.05	85.12	12.19
6	1	2023	P927709000072700	32.07	9.76	41.83	6.01
7	1	2023	C21100000003400	20.67	6.29	26.96	3.88
8	1	2022	H395000003000700	497.10	184.76	681.86	95.44
9	1	2022	L205000046000700	120.11	51.64	171.75	24.86
10	1	2022	B216000001004000	13.56	4.41	17.97	2.44
11	1	2021	H395000003000700	452.98	222.73	675.71	95.13
12	1	2021	W645000001001200	300.01	119.50	419.51	55.80
13	1	2021	H085000003001322	234.15	100.10	334.25	45.31
14	1	2021	H085000003001322	82.59	35.31	117.90	15.98
15	1	2021	H395000003000700	44.12	21.69	65.81	9.27
16	1	2021	C500000003001000	35.94	14.11	50.05	6.63
17	1	2021	L530000000000500	0.12	0.07	0.19	0.03
18	1	2020	M641503000001200	663.69	313.04	976.73	127.43
19	1	2020	H395000003000700	497.10	304.06	801.16	113.34
20	1	2020	W645000001001200	266.90	138.34	405.24	54.45
21	1	2020	T210000254001002	48.03	25.73	73.76	10.01
22	1	2020	T210000254001002	48.03	25.73	73.76	10.01
23	1	2020	E810000003003000	27.98	15.82	43.80	6.05
24	1	2020	S083095002009000	24.36	11.35	35.71	4.64
25	1	2020	T210000254001002	-48.03	-25.73	-73.76	-10.01
26	1	2019	H395000003000700	145.70	106.61	252.31	35.84
27	1	2019	S083095002009000	108.90	63.80	172.70	22.71
28	1	2019	P776002000004400	99.58	64.14	163.72	22.25
29	1	2019	L319000005001700	37.01	21.46	58.47	7.66
30	1	2019	W645000001001200	6.60	4.21	10.81	1.47
31	1	2019	S397510000005000	5.17	3.17	8.34	1.11
32	1	2018	P776002000004400	204.28	156.09	360.37	49.33
33	1	2018	S083095002009000	113.67	80.23	193.90	25.75
34	1	2018	V055500000001000	127.37	65.39	192.76	22.55
35	1	2018	P776002000004400	6.78	5.19	11.97	1.64
36	1	2017	R331500000003300	204.69	123.66	328.35	38.38
37	1	2017	R284805000001000	98.73	59.64	158.37	18.51
38	1	2017	S073000000001500	39.36	28.14	67.50	8.50
39	1	2017	J570098005000205	16.63	11.03	27.66	3.37
40	1	2017	A670004000000600	8.88	5.01	13.89	1.57
41	1	2016	R331500000003300	215.18	155.83	371.01	44.22
42	1	2016	R080002000010302	3.20	2.00	5.20	0.57
43	1	2015	F390002000003900	42.95	33.00	75.95	8.76
44	1	2014	Z440000000000100	494.85	407.02	901.87	95.75
45	1	2014	R331500000003300	110.44	106.48	216.92	26.67

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
46	1	2014	W380000283000001	0.31	0.45	0.76	0.11
47	1	2014	W380000283000001	0.31	0.45	0.76	0.11
48	1	2014	B158504000007600	0.50	0.40	0.90	0.09
49	1	2014	W380000283000001	-0.31	-0.45	-0.76	-0.11
50	1	2013	P460000001001700	439.15	390.48	829.63	82.34
51	1	2013	V180000005001000	74.68	69.57	144.25	15.57
52	1	2013	P696500000000300	32.25	30.93	63.18	7.06
53	1	2013	P696500000000300	25.79	24.75	50.54	5.65
54	1	2013	B158504000007600	0.38	0.36	0.74	0.08
55	1	2012	H425004014000409	34.05	34.48	68.53	7.05
56	1	2012	W392000000003600	14.79	14.93	29.72	3.04
57	1	2012	D460000120000100	8.98	9.36	18.34	1.98
58	1	2011	Z440000000000100	494.85	585.16	1,080.01	122.48
59	1	2011	H425004014000409	90.23	102.19	192.42	20.30
60	1	2011	C295002000006700	12.92	20.21	33.13	4.61
61	1	2011	R331000000008300	12.49	13.36	25.85	2.45
62	1	2010	Z440000000000100	494.85	644.54	1,139.39	131.38
63	1	2010	W380000001000005	139.46	198.15	337.61	42.88
64	1	2010	H425004014000409	82.03	102.75	184.78	19.93
65	1	2010	D320000060000202	41.33	50.95	92.28	9.67
66	1	2010	P640000023000500	13.84	23.64	37.48	5.29
67	1	2010	G040000006000100	11.34	13.64	24.98	2.50
68	1	2009	Z440000000000100	494.85	703.93	1,198.78	140.29
69	1	2009	W380000001000005	96.61	148.86	245.47	31.45
70	1	2009	W010000030000309	102.54	129.12	231.66	21.53
71	1	2009	H425004014000409	74.57	102.35	176.92	19.46
72	1	2009	J570000001000403	65.18	84.67	149.85	14.86
73	1	2009	J570000001000403	65.18	84.67	149.85	14.86
74	1	2009	M167000000005600	42.83	52.08	94.91	8.16
75	1	2009	W010000023000416	9.87	13.64	23.51	2.64
76	1	2009	V057700000001600	0.17	0.34	0.51	0.08
77	1	2008	H425004014000409	67.66	100.99	168.65	18.88
78	1	2008	W010000023000416	24.26	36.42	60.68	6.91
79	1	2008	W010000030000309	13.37	18.44	31.81	3.05
80	1	2007	Z440000000000100	494.85	822.69	1,317.54	158.10
81	1	2007	D600001000022502	64.01	90.19	154.20	13.15
82	1	2007	L077900000000400	44.93	63.91	108.84	9.50
83	1	2007	E810000006000200	32.69	47.92	80.61	7.55
84	1	2007	W380000238000005	26.70	39.61	66.31	6.37
85	1	2007	O310009000001300	9.00	13.82	22.82	2.36
86	1	2006	S240000000013410	59.02	92.61	151.63	14.25
87	1	2006	K275000000005800	65.45	94.14	159.59	12.08
88	1	2006	W230000052000300	8.27	14.01	22.28	2.46
89	1	2005	Z440000000000100	494.85	941.45	1,436.30	175.92
90	1	2005	B190037000003300	59.70	97.07	156.77	13.79
91	1	2005	B460001004000101	25.99	39.31	65.30	4.68
92	1	2005	W220000003001100	15.26	23.84	39.10	3.09

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
93	1	2005	C733000002002700	9.32	16.09	25.41	2.57
94	1	2004	Z440000000000100	494.85	1,000.84	1,495.69	184.83
95	1	2004	W220000006000600	60.50	108.86	169.36	16.52
96	1	2004	V305200000000500	67.03	112.78	179.81	14.78
97	1	2004	G166002000001700	13.62	28.75	42.37	5.56
98	1	2004	G570000001002800	12.85	25.47	38.32	4.57
99	1	2004	B496504000032900	7.37	14.55	21.92	2.60
100	1	2004	S725002008000200	6.64	12.13	18.77	1.89
101	1	2004	E330000123000100	6.10	10.49	16.59	1.45
102	1	2004	E330000123000100	6.09	10.49	16.58	1.45
103	1	2003	Z440000000000100	457.01	979.15	1,436.16	178.92
104	1	2003	M355000073002600	13.81	29.09	42.90	5.18
105	1	2003	S2400000000009511	19.45	33.75	53.20	4.05
106	1	2002	Z440000000000100	449.14	1,016.18	1,465.32	183.92
107	1	2002	S240000000013410	17.27	35.38	52.65	5.41
108	1	2002	L185002000001100	12.39	24.33	36.72	3.40
109	1	2001	C535300000015000	0.04	0.11	0.15	0.02
110	1	2000	H347500147000007	10.44	24.95	35.39	4.12
111	1	1999	V380002003001400	26.65	60.84	87.49	8.28
112	1	1999	V380002003001400	26.65	60.84	87.49	8.28
113	1	1999	L3195000000005800	16.06	42.52	58.58	7.62
114	1	1999	V380002003001400	8.88	20.29	29.17	2.76
115	1	1999	L3195000000005800	3.39	8.96	12.35	1.61
116	1	1999	F345000156000900	6.46	13.41	19.87	1.40
117	1	1998	H347500147000007	19.10	50.22	69.32	8.22
118	1	1997	L2225000000003800	47.79	125.17	172.96	18.64
119	1	1997	L670000017000500	30.13	76.00	106.13	10.44
120	1	1996	L2225000000003800	24.97	68.40	93.37	10.19
121	1	1996	L670000017000500	25.70	67.91	93.61	9.37
122	1	1996	A080098000111600	3.08	9.55	12.63	1.72
123	1	1995	J570000001001034	12.7	33.26	45.96	4.04
124	1	1995	C470000003001400	9.33	25.73	35.06	3.57
125	1	1994	A180000054001618	16.25	45.6	61.85	5.95
126	1	1982	S120000000003100	2.27	10.7	12.97	1.8
127	17	1982	S120000000003100	0.34	1.59	1.93	0.27
128	1	2004	F675006000001900	13.17	23.41	36.58	3.47
129	1	2013	B158003003001500	11.38	10.31	21.69	2.22
130	1	2023	S325500000003500	0.42	0.15	0.57	0.08