



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

September 29, 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
Ms. Dairen Sarmiento Rangel, Director Department of Health & Human Services	Environmental Health Division MFR for January 2025 through December 2025
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	2026 Tax Abatement-Monte Cristo Windpower LLC Report No. 2026-25
The Hon. Daniel Marichalar, Constable Precinct No. 5	MFR for January 2025 through December 2025
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	2026 Tax Abatement-VESI 38 LLC 2026 Tax Abatement Project No. 2026-28
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Regular Trust Financial Statements for January 2026 through March 2026
The Hon. Martin Cantu, Constable Precinct No. 2	2025 Equitable Sharing Agreement and Certification Audit No. 2026-15
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	"B" Account Financial Statements for January 2026 through March 2026
The Hon. Atanacio Gaitan, Constable Precinct No. 4	2025 Equitable Sharing Agreement and Certification Audit No. 2026-17
The Hon. Toribio Palacios, Criminal District Attorney	Hot Checks Processing Fees Reports for January through March 2026
The Hon. Toribio Palacios, Criminal District Attorney	Hot Checks Financial Statements for January 2026 through March 2026
The Hon. Toribio Palacios, Criminal District Attorney	H.B. 65 Financial Statements for January 2026 through March 2026
The Hon. Toribio Palacios, Criminal District Attorney	HIDTA Financial Statements for January 2026 through March 2026
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	Great Kiskadee Storage, LLC 2026 Tax Abatement Project No. 2026-30
The Hon. Atanacio Gaitan, Constable Precinct No. 4	Chapter 59 Asset Forfeiture Report YE 12-31-25 Audit No. 2026-09

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

The Hon. Celestino Avila, Jr., Constable Precinct No. 1	Chapter 59 Asset Forfeiture Report YE 12-31-25 Audit No. 2026-06
The Hon. Pablo “Paul” Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	April 2026 DTA Payment Request Report No. 2026-36
The Hon. Martin Cantu, Constable Precinct No. 2	Chapter 59 Asset Forfeiture Report YE 12-31-25 Audit No. 2026-07
The Hon. Lazaro Gallardo, Jr., Constable Precinct No. 3	Chapter 59 Asset Forfeiture Report YE 12-31-25 Audit No. 2026-08
Ms. Dairen Sarmiento Rangel, Director Department of Health & Human Services	Forensic Center MFR for January 2026 through March 2026
Ms. Angie Chapa, Law Librarian	Cash Count Audit No. 2026-64
Ms. Dairen Sarmiento Rangel, Director Department of Health & Human Services	Cash Count Audit No. 2026-63
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	Grapefruit Solar LLC 2026 Tax Abatement Report No. 2026-94
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	La Joya Windpower LLC 2026 Tax Abatement Report No. 2026-24
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	Monte Alto Windpower LLC 2026 Tax Abatement Report No. 2026-23
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	Monte Alto Windpower, LLC – Monte Alto II 2026 Tax Abatement Project No. 2026-31
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	Monte Cristo Windpower II, LLC 2026 Tax Abatement Project No. 2026-32
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	Kemper Corporation 2026 Tax Abatement Project No. 2026-26
The Hon. Lazaro Gallardo, Jr., Constable Precinct No. 3	MFR for January 2024 through December 2025
The Hon. Toribio Palacios, Criminal District Attorney	Asset Forfeiture Cash Count Report No. 2026-67
Myra Ayala, City Manager, City of Edinburg	City of Edinburg TIRZ No. 4 Entertainment Center - Report No. 2026-54
Myra Ayala, City Manager, City of Edinburg	City of Edinburg TIRZ No. 3 La Sienna - Report No. 2026-52
The Hon. Toribio Palacios, Criminal District Attorney	Hot Checks Cash Count Report No. 2026-66
Mr. Anthony Uresti, Director, Planning Department	Cash Count Report No. 2026-65
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	2026 Tax Abatement-Monte Cristo Windpower LLC Report No. 2026-25 (Amended)
The Hon. J.E. “Eddie” Guerra, Hidalgo County Sheriff	Fee Account MFR for January 2026 through March 2026
Ms. Dairen Sarmiento Rangel, Director Department of Health & Human Services	Forensic Center MFR for April 2026 through June 2026
The Hon. Pablo “Paul” Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	May 2026 DTA Payment Request Report No. 2026-37
Myra Ayala, City Manager, City of Edinburg	City of Edinburg TIRZ No. 1 The Shoppes - Report No. 2026-51
Ms. Angie Chapa, Law Librarian	MFR for January 2026 through June 2026
The Hon. J.E. “Eddie” Guerra, Hidalgo County Sheriff	Cash Count Report No. 2026-70 and 2026-71
Erika Reyna, Director, Department of Human Resources	Cash Count Report No. 2026-75
The Hon. Pablo “Paul” Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	June 2026 DTA Payment Request Report No. 2026-38

HIDALGO COUNTY DISTRICT JUDGES

Respectfully,



Letty Chavez
County Auditor

Attachments

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.
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May 15, 2026

Ms. Dairen Sarmiento Rangel, Director
Hidalgo County Department of Health & Human Services
1304 S. 25th Street
Edinburg, Texas 78539

Re: Environmental Health Division MFR for January 2025 through December 2025

Dear Ms. Sarmiento:

We conducted a limited-scope review of the Environmental Health Division 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 the fees collected were generally properly accounted for and reported; however, the system of internal controls for accounting and reporting of fees requires improvement. More specifically, 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.

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 intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

Methodology:

In conducting the review, the following procedures were performed:

- Verified that the MFR and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the MFR was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the MFR by footing and cross-footing the report.

HIDALGO COUNTY DISTRICT JUDGES

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- 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/Close-out Reports* (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 Environmental Health Division; 2.) total deposits made with the financial institution; and 3.) total receipts issued by the County Treasurer.
- Verified that receipts, Close-out Reports, and the MFR were properly completed.

Conclusion:

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

Month Ended	Amount
January 2025	\$ 22,370.00
February 2025	\$ 23,455.00
March 2025	\$ 26,560.00
April 2025	\$ 35,835.00
May 2025	\$ 49,265.00
June 2025	\$ 15,965.00
July 2025	\$ 32,630.00
August 2025	\$ 24,065.00
September 2025	\$ 32,100.00
October 2025	\$ 23,035.00
November 2025	\$ 15,105.00
December 2025	\$ 51,230.00

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 recorded correctly.

Observation No. 1:

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.

Ms. Dairen Sarmiento Rangel
May 15, 2026
Page 3 of 3

Please provide a management response to the observation noted above on the attached Management Response Form by May 22, 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 (956) 318-2511, ext. 4608; Karen Ramirez, Compliance Audit Supervisor, at ext. 4606; Yvonne Torres, Director of Audit Division, at ext. 4642; Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez,
County Auditor

Enclosure: Management Response Form

cc: The Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Diana Cortes, Program Manager II

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C.	FERNANDO MANCIAS JUDGE, 93RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139TH D.C.	ROSE GUERRA REYNA JUDGE, 206TH D.C.	MARLA CUELLAR JUDGE, 275TH D.C.	JUAN R. ALVAREZ JUDGE, 332ND D.C.	NOE GONZALEZ JUDGE, 370TH D.C.	LETICIA LOPEZ JUDGE, 389TH D.C.	L. KENO VASQUEZ JUDGE, 398TH D.C.	ORLANDO ESQUIVEL JUDGE, 430TH D.C.	RENEE R. BETANCOURT JUDGE, 449TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.	NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.
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HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE:	Health Department - Environmental Health Division	AUDIT NO.:	
AUDIT:	MFR for January 2025 through December 2025	MANAGEMENT RESPONSE DUE:	May 22, 2026
FINDING No.:	1	RECOMMENDATION:	1

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:	
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May 15, 2026

Rolando Garza, Chief Appraiser
Hidalgo County Appraisal District
4405 S. Professional Dr.
Edinburg, Texas 78539

Ref: 2026 Tax Abatement-Monte Cristo Windpower LLC Report No. 2026-25

Dear Mr. Garza

We have completed a limited scope review of the tax abatement agreement between Hidalgo County and Monte Cristo Windpower LLC. The objective of the review was to determine whether Monte Cristo Windpower LLC qualifies for a tax abatement for the 2026 tax year.

Executive Summary

Based on the review, we concluded that Monte Cristo Windpower LLC does not qualify 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 Monte Cristo Windpower LLC. Our review was neither designated nor intended to be a detailed study of every relevant control system or transaction. The responsibility for sound internal controls rests with management.

As part of our review, we reviewed the tax abatement agreement between Hidalgo County and Monte Cristo Windpower LLC, Hidalgo County Tax Abatement Guidelines, correspondence received from Monte Cristo Windpower LLC, and a compliance verification letter from Monte Cristo Windpower LLC regarding compliance with the terms of the tax abatement agreement.

Conclusion:

Based on our review, we determined that Monte Cristo Windpower LLC does not qualify for tax abatement for the 2026 tax year. The newly created value, as assessed on tax account 20873057 by the Hidalgo County Appraiser, does not meet the criteria for a tax abatement percentage outlined in Exhibit E of the tax abatement agreement.

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

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.

cc: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, Hidalgo County Executive Officer
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
Mr. Milton Howard, Representative, Monte Criso Windpower LLC
Mr. Damon Huplosky, Managing Director of Tax, Terra- Gen LLC

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.
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May 18, 2026

The Honorable Daniel Marichalar, Constable
Hidalgo County Precinct No. 5
P.O. Box 1279
Elsa, TX 78543

Re: MFR for January 2025 through December 2025

Dear Constable Marichalar:

We conducted a limited scope review of the Constable Precinct No. 5 *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 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).
- 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.

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 the collections per the MFR agreed to: 1.) total receipts issued by the Constable; 2.) total deposits made with the financial institution; and 3.) total receipts issued by the County Treasurer.
- Verified that receipts, Close-out Reports, and the MFR were properly completed.

Conclusion:

Based on the review we concluded that fees collected were generally properly accounted and reported. Total collections for the months of January 2025 through December 2025 were as follows:

Month Ended	Amount
January 2025	\$ 300.00
February 2025	\$ 2,278.00
March 2025	\$ 4,324.00
April 2025	\$ 6,666.00
May 2025	\$ 2,576.00
June 2025	NO ACTIVITY
July 2025	\$ 2,344.00
August 2025	\$ 3,004.00
September 2025	\$ 5,512.00
October 2025	\$ 3,466.00
November 2025	\$ 100.00
December 2025	\$ 1,882.00

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. Diomar Galvan, Chief Deputy Constable, Hidalgo County Precinct No. 5



HIDALGO COUNTY AUDITOR'S OFFICE

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May 18, 2026

Rolando Garza, Chief Appraiser
Hidalgo County Appraisal District
4405 S. Professional Dr.
Edinburg, Texas 78539

Ref: 2026 Tax Abatement-VESI 38 LLC 2026 Tax Abatement Project No. 2026-28

Dear Mr. Garza

We have completed a limited scope review of the tax abatement agreement between Hidalgo County and VESI 38 LLC. The objective of the review was to determine whether VESI 38 LLC qualifies for a tax abatement for the 2026 tax year.

Scope and Methodology:

The scope of our review was limited to the tax abatement agreement between Hidalgo County and VESI 38 LLC, Hidalgo County Tax Abatement Guidelines, and correspondence received from VESI 38 LLC's representatives. Our review was neither designated nor intended to be a detailed study of every relevant control system or transaction. The responsibility for sound internal controls rests with management.

Conclusion:

Based on the review, we have determined that VESI 38 LLC does not qualify for tax abatement for the 2026 tax year. According to the correspondence received, the project was substantially completed in August 2025; however, documentation confirming the project's capital cost has not been provided. In addition, the newly created value cannot be ascertained from the tax rolls of the Hidalgo County Appraisal District.

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
Mr. Brian Henderson, Deloitte Tax LLP
Mr. Brandon Budde, Deloitte Tax LLP

HIDALGO COUNTY DISTRICT JUDGES

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May 19, 2026

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

Re: Regular Trust Financial Statements for January 2026 through March 2026

Dear Sheriff Guerra:

We conducted a limited-scope review of the Regular Trust Fund financial statements for January 2026 through March 2026 pursuant to Local Government Code §115.001. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

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

Executive Summary:

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

Observation No. 1

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

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

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

Recommendation:

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Please provide a management response to the observation noted above by June 3, 2026. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

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

Respectfully,



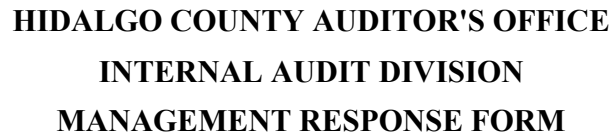
Letty Chavez,
County Auditor

Enclosure: Management Response Form

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

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.
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AUDITEE:	<u>Sheriff's Office</u>	AUDIT NO.:	<u>N/A</u>
AUDIT:	<u>Regular Trust Financial Statements for January 2026 through March 2026</u>	MANAGEMENT RESPONSE DUE:	<u>June 3, 2026</u>
FINDING No.:	<u>1</u>	RECOMMENDATION:	<u>1</u>

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

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

May 19, 2026

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

Re: Constable Precinct No. 2 2025 Equitable Sharing Agreement and Certification
Audit No. 2026-15

Dear Constable Cantu:

We conducted a limited scope review of the Constable Precinct No. 2 Equitable Sharing Agreement and Certification for the year ended December 31, 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 receipted to and expenditures incurred from the Constable's Justice and Treasury Funds.

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. The submission of the Equitable Sharing Agreement and Certification is a prerequisite to the approval of any equitable sharing request. Noncompliance may result in the denial of the agency's sharing request.

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

The Equitable Sharing Agreement and Certification binds its signatories to the statutes and guidelines that regulate the equitable sharing program and certifies that the agency (Constable Precinct No. 2) will comply with said guidelines and statutes. The Equitable Sharing Agreement and Certification stipulates that shared assets shall be used for law enforcement purposes as set forth in the *Guide*. The Equitable Sharing Agreement and Certification also stipulates that Constable Precinct No. 2 must agree to account separately for Federal equitable sharing funds received from the Department of Justice and the Department of 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

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. 2's Office Policy for Approved Use of Forfeited Funds

The Hidalgo County Constable Pct. 2 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 Commissioner's Court.

Forfeited funds received by Hidalgo County Constable Pct. 2 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 expenditure categories; include backup information for expenditures, if required; and be reviewed to ensure the proposed use of funds complies with applicable state and federal requirements regarding the use of forfeited funds.

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 for improvement.

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, there were no revenues receipted to and expenditures incurred from the Constable's Justice and Treasury Funds.

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. Fernando Gaitan, Chief Deputy, Constable 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 20, 2026

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

Re: "B" Account Financial Statements for January 2026 through March 2026

Dear Sheriff Guerra:

We conducted a limited scope review of the "B" Account financial statements for the months of January 2026 through March 2026 pursuant to Local Government Code §112.006 (a), §115.001, §115.002 (b), and §115.901. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatement.

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

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

If you have any questions, please contact 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,

Letty Chavez
County Auditor

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 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.



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www.hidalgocounty.us/294/Auditors-Office

May 20, 2026

The Honorable Atanacio "J.R." Gaitan, Constable
Hidalgo County Constable Precinct No. 4
1212 S. 25th Ave. Suite B
Edinburg, TX 78542

Ref: Constable Precinct No. 4 2025 Equitable Sharing Agreement and Certification
Audit No. 2026-17

Dear Constable Gaitan:

We conducted a limited scope review of the Constable Precinct No. 4 Equitable Sharing Agreement and Certification for the year ended December 31, 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, no expenditures were incurred from the Constable's Justice and Treasury Funds.

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. 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. 4) will comply with said guidelines and statutes. The Equitable Sharing Agreement and Certification stipulates that shared assets shall be used for law enforcement purposes as set forth in the Guide. The Equitable Sharing Agreement and Certification also stipulates that Constable Precinct No. 4 must agree to account separately for Federal equitable sharing funds received from the Department of Justice and the Department of 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 agency must obtain approval from the governing body. The agency must maintain the fully executed Equitable Sharing Agreement.

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.

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. 4's Office Policy for Approved Use of Forfeited Funds

The Hidalgo County Constable Pct. 4 is responsible for the administration and expenditure of forfeited funds, will ensure that forfeited funds are used only for authorized purposes, and will comply with policy and any applicable state and federal legal requirements for the approved use of forfeited funds. Forfeited funds may be used only for approved statutory purposes and as budgeted and approved by the Hidalgo County Commissioners' Court.

Any forfeited funds received by Hidalgo County Constable Pct. 4 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 the 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 expenditure categories; include backup information for expenditures, if required; and be reviewed to ensure the proposed use of funds complies with applicable state and federal requirements regarding the use of forfeited funds.

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 for improvement.

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, no expenditures were incurred from the Constable's Justice and Treasury Funds.

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. Horaldo Sanchez, Chief Deputy, Constable Precinct No. 4



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

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www.hidalgocounty.us/294/Auditors-Office

May 20, 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 January through March 2026

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 January 2026 through March 2026 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 with independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Executive Summary:

Based on the review, we concluded that collections were 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 January 2026 through March 2026. 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 for improvement.

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 the months of January 2026 through March 2026 totaled the following:

Month Ended	Amount
January 2026	\$ 18,424.39
February 2026	\$ 17,028.39
March 2026	\$ 72,570.15

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

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www.hidalgocounty.us/294/Auditors-Office

May 20, 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 Financial Statements for January 2026 through March 2026

Dear Mr. Palacios:

We conducted a limited scope review of the Hot Checks financial statements for the months January 2026 through March 2026 pursuant to Local Government Code §112.006 (b), §115.001, §115.002 (b), and §115.901. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

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

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

If you have any questions, please contact 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, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez
County Auditor

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



HIDALGO COUNTY AUDITOR'S OFFICE

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www.hidalgocounty.us/294/Auditors-Office

May 20, 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: H.B. 65 Financial Statements for January 2026 through March 2026

Dear Mr. Palacios:

We conducted a limited scope review of the H.B. 65 financial statements for the months of January 2026 through March 2026 pursuant to Local Government Code §112.006 (b), §115.001, §115.002 (b), and §115.901. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

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

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

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

Respectfully,

Letty Chavez,
County Auditor

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

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

May 20, 2026

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

Re: HIDTA Financial Statements for January 2026 through March 2026

Dear Mr. Palacios:

We conducted a limited scope review of the HIDTA financial statements for the months of January 2026 through March 2026 pursuant to Local Government Code §112.006 (b), §115.001, §115.002 (b), and §115.901. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

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

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

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

Respectfully,

Letty Chavez
County Auditor

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



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May 28, 2026

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

Re: Great Kiskadee Storage, LLC 2026 Tax Abatement Project No. 2026-30

Dear Mr. Garza:

We have completed a limited scope review of the tax abatement agreement between Hidalgo County and Great Kiskadee Storage, LLC. The objective of the review was to determine if Great Kiskadee Storage, 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 Kiskadee Storage, LLC., and the Hidalgo County Tax Abatement Guidelines.

Conclusion:

Based on the review, we determined that, pursuant to section 3.06 of the Tax Abatement Agreement and Section IX(B)(5) of the Guidelines and Criteria for Granting Tax Abatements, Kiskadee Storage, LLC is not eligible for a tax abatement for the 2026 tax year due to failure to submit required documentation.

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
Mr. Houston Eagleston, Development Manager, Great Kiskadee Storage, LLC

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.



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May 21, 2026

The Honorable Atanacio Gaitan, Constable
Hidalgo County Precinct No. 4
1212 S. 25th Avenue, Ste. B
Edinburg, TX 78542

Re: Chapter 59 Asset Forfeiture Report YE 12-31-25 Audit No. 2026-09

Dear Constable Gaitan:

We completed an audit of the Chapter 59 Asset Forfeiture Audit Report by Law Enforcement Agency for the Year Ended December 31, 2025, pursuant to Code of Criminal Procedure §59.06 (g)(1) and Local Government Code §115.001 and §115.0035. The objective of the audit was to determine if Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted for and reported.

Executive Summary:

Based on the audit results, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted for and reported.

Background:

Code of Criminal Procedure (CCP) Chapter 59 "Forfeiture of Contraband" provides law enforcement agencies with the authority to confiscate, forfeit, and dispose of contraband. Chapter 59 defines "contraband" as property of any nature (including real, personal, tangible, or intangible property) that is used or intended for use in the commission of certain enumerated felonies, Class A and Class B misdemeanors, or gained, acquired, and/or used to facilitate the commission of certain enumerated felonies and misdemeanors.

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

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

Pursuant to CCP §59.06 (a), all forfeited property is administered by the District Attorney, acting as the agent of the state, in accordance with accepted accounting practices and with the provisions of any local agreement entered into between the District Attorney and law enforcement agencies (LEAs).

Pursuant to CCP §59.06 (b), if a local agreement exists between the District Attorney and the LEA, the District Attorney may transfer the property to the LEA. In addition, CCP § 59.06 (c) states, if a local agreement exists between the District Attorney and the LEA, all money, securities, negotiable instruments, stocks or bonds, or

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.

things of value, or proceeds from the sale of those items shall be deposited, after the deduction of court costs which the District Clerk is entitled, into one or more of the following funds: (1) a special fund in the county treasury for the benefit of the District Attorney's Office, to be used by the District Attorney solely for the official purposes of his office; or (2) a special fund in the county treasury if distributed to a county LEA, to be used solely for law enforcement purposes, such as salaries and overtime pay for officers, officer training, specialized investigative equipment and supplies, and items used by officers in direct law enforcement duties.

CCP §59.06 (d) states that awarded proceeds may be spent by a law enforcement agency after a detailed budget has been submitted to the Commissioners Court. The Constable Precinct No. 4 Chapter 59 budget for the year ended December 31, 2025, was \$224,755.61, and expenditures totaled \$58,795.58 (i.e., equipment, travel).

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

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

For the year ended December 31, 2025, Constable Precinct No. 4 reported no seizures or forfeitures. Additionally, 1 vehicle was returned to the respondent.

Local Agreement Between District Attorney's Office and Constable Precinct No. 4

On February 6, 2023, the Hidalgo County District Attorney and Constable Precinct No. 4 entered into a local agreement pursuant to CCP §59.06 (b). According to the local agreement, Constable Precinct No. 4 is responsible for paying all court costs, attorney ad-litem fees, depositions, title searches, title policies, confidential informants, storage costs, and all other related costs in the forfeiture of vehicles and all other personal property.

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

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

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

All other personal property, not suitable or desired for use, shall be forfeited to the District Attorney and sold at public auction. The net proceeds of said sale of said property, after deductions of sale expenses, shall be divided as follows: 60% to Constable Precinct No. 4 and 40% to the District Attorney.

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

Constable Precinct No. 4 Procedures

The Constable Precinct No. 4 Office has formal procedures for the seizure and forfeiture of personal property and cash. In addition, pre-numbered official receipt forms were utilized to record and control seizures.

Seized funds are counted and confirmed by the seizing deputy and a credible witness. Funds are placed in the Constable Precinct No. 4 vault until deposited. A copy of the bank receipt is submitted to the District Attorney's Office along with the Asset Forfeiture Intake Sheet.

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

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

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

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

Agreement for Auctioneer Services

On September 27, 2022, the Hidalgo County Commissioners Court entered into a contract with Bond & Bond Auctioneers for the provision of auctioneer services. The contract is effective from October 1, 2022, to September 30, 2025, with an option to extend for an additional two (2) one (1) year terms. On September 16, 2025, the Commissioners Court approved the first of two (2) one-year extensions, commencing on October 1, 2025, and expiring on September 30, 2026. There were four auctions held for the fiscal year ending December 31, 2025. The auctions were held on March 1st, July 11th, August 30th, and October 25, 2025.

Scope and Methodology:

The scope of the audit was limited to a review of all seized currency and personal property for which an agent's affidavit was made available to the County Auditor's Office for review and all forfeited currency and personal property for which a final judgment was rendered and recorded in *Odyssey*, the County's justice information system, for the period of January 1, 2025, through 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 report may not be all-inclusive of areas where improvements could be made.

In conducting the review, the following procedures were performed:

1. Compared Chapter 59 revenue and expenditure reports generated from *LINQ*, the County's financial accounting system, and the "Purchasing Department/Fixed Asset Division Auction Report" to the Chapter 59 Asset Forfeiture Report to determine if all revenues and expenditures were reported.
2. Generated "Cases filed" and "Cases disposed" index reports for the period of January 1, 2025, to December 31, 2025, from *Odyssey* to determine if all seized, forfeited, and property returned to respondents were reported on the Chapter 59 Asset Forfeiture Report.
3. Reviewed expenditures from the Constable Precinct No. 4 Chapter 59 Forfeiture Fund to determine if expenditures were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. Reviewed the petitions and judgments for property related to an offense under Section 20.05, 20.06, 20.07, 43.04, or 43.05 or Chapter 20A of the Penal Code to determine if the forfeited property was properly accounted for.
5. Reviewed written policies and procedures for the accounting and reporting of seizures and forfeitures. In addition, inquired whether seizures were promptly recorded and controlled by using pre-numbered official receipt forms.

Conclusion:

Based on the results of the audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted for and reported.

1. All Chapter 59 revenues and expenditures recorded in *LINQ*, and the "Purchasing Department/Fixed Asset Division Auction Report," were reported on the Chapter 59 Asset Forfeiture Report.
2. A review of the "Cases filed" and "Cases disposed" index reports generated from *Odyssey* for the period of review revealed that the Constable Precinct No. 4 had no seizures or forfeitures, with one vehicle returned to the respondent.
3. All expenditures from Constable Precinct No. 4 Chapter 59 Forfeiture Fund were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. There were no petitions or judgments for property related to an offense under section 20.05, 20.06, 20.7, 43.04, or 43.05 or Chapter 20A of the Penal Code.
5. Formal policies and procedures have been developed and implemented by the Constable Precinct No. 4 Office regarding Chapter 59 seizures and forfeitures. Additionally, pre-numbered official receipt forms were used to record and control seizures.

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

Respectfully,



Letty Chavez
County Auditor

cc: Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Kent Richardson, Assistant Attorney General
Mr. Horaldo Sanchez, Chief Deputy, Constable Precinct No. 4



HIDALGO COUNTY AUDITOR'S OFFICE

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May 26, 2026

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

Re: Chapter 59 Asset Forfeiture Report YE 12-31-25 Audit No. 2026-06

Dear Constable Avila:

We completed an audit of the Chapter 59 Asset Forfeiture Audit Report by Law Enforcement Agency for the Year Ended December 31, 2025, pursuant to Code of Criminal Procedure §59.06 (g)(1) and Local Government Code §115.001 and §115.0035. The objective of the audit was to determine if Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted for and reported.

Executive Summary:

Based on the results of the audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted for and reported; however, improvements could be made to the system of internal controls for their accounting and reporting. More specifically, we noted that the policies and procedures regarding Chapter 59 seizures and forfeitures do not include procedures for determining when a forfeited vehicle or property will be put to use.

Background:

Code of Criminal Procedure (CCP) Chapter 59 "Forfeiture of Contraband" provides law enforcement agencies with the authority to confiscate, forfeit, and dispose of contraband. Chapter 59 defines "contraband" as property of any nature (including real, personal, tangible, or intangible property) that is used or intended for use in the commission of certain enumerated felonies, Class A and Class B misdemeanors, or gained, acquired, and/or used to facilitate the commission of certain enumerated felonies and misdemeanors.

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

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

Pursuant to CCP §59.06 (a), all forfeited property is administered by the District Attorney, acting as the agent of the state, in accordance with accepted accounting practices and with the provisions of any local agreement entered into between the District Attorney and law enforcement agencies (LEAs).

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

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

CCP §59.06 (d) states that awarded proceeds may be spent by a law enforcement agency after a detailed budget has been submitted to the Commissioners Court. The Constable Precinct No. 1 Chapter 59 budget for the year ended December 31, 2025, was \$67,286.00, and expenditures totaled \$34,106.83 (i.e., equipment, supplies, travel).

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

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

For the year ended December 31, 2025, Constable Precinct No. 1 seized 1 motor vehicle. In addition, 2 motor vehicles were forfeited (awarded) to the Constable Precinct No. 1 Office.

Local Agreement Between District Attorney's Office and Constable Precinct No. 1

On July 21, 2023, the Hidalgo County District Attorney and Constable Precinct No. 1 entered into a local agreement pursuant to CCP §59.06 (b). According to the local agreement, Constable Precinct No. 1 is responsible for paying all court costs, attorney ad-litem fees, depositions, title searches, title policies, confidential informants, storage costs, and all other related costs in the forfeiture of vehicles and all other personal property.

Personal Property (Vehicles, laptops, computers, cell phones, weapons, etc.)- If personal property, including vehicles retained by Constable Precinct No. 1, is to be sold, net proceeds from the sale of said property, after deduction of costs, are to be divided as follows: 75% to Constable Precinct No. 1 and 25% to the District Attorney.

If personal property, including vehicles that are retained by the Constable for law enforcement purposes, is at any time decommissioned and then sold, net proceeds from the sale of said property, after deduction of costs, are to be divided as follows: 75% to Constable Precinct No. 1 and 25% to the District Attorney.

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

All other personal property, not suitable or desired for use, shall be forfeited to the District Attorney and sold at public auction. The net proceeds of said sale of said property, after deductions of sale expenses, shall be divided as follows: 60% to Constable Precinct No. 1 and 40% to the District Attorney.

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

Constable Precinct No. 1 Procedures

The Constable Precinct No. 1 Office has formal procedures for accounting and reporting of seizures and forfeitures.

Seized funds are counted and confirmed by the seizing deputy and a credible witness. Funds are placed in the Constable Precinct No. 1 vault until deposited. A copy of the bank receipt is submitted to the District Attorney's Office along with the Asset Forfeiture Intake Sheet.

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

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

Upon disposition, if the vehicle and/or property are not forfeited, the owner of the vehicle and/or property will be responsible for any and all fees accrued by the towing company. If the vehicle and/or property are awarded to the Constable, an original judgment from the Hidalgo County District Attorney's Office will be received, noting any awarded vehicles and/or property. A second original judgment should be obtained for the purposes of the auction of each vehicle. A log of all seized property is kept by the Constable Precinct No. 1 Office, which indicates the property's status, location, and condition.

Agreement for Auctioneer Services

On September 27, 2022, the Hidalgo County Commissioners Court entered into a contract with Bond & Bond Auctioneers for the provision of auctioneer services. The contract is effective from October 1, 2022, to September 30, 2025, with an option to extend for an additional two (2) one (1) year terms. On September 16, 2025, the Commissioners Court approved the first of two (2) one-year extensions, commencing on October 1, 2025, and expiring on September 30, 2026. There were four auctions held for the fiscal year ending December 31, 2025. The auctions were held on March 1st, July 11th, August 30th, and October 25, 2025.

Scope and Methodology:

The scope of the audit was limited to a review of all seized currency and personal property for which an agent's affidavit was made available to the County Auditor's Office for review and all forfeited currency and personal property for which a final judgment was rendered and recorded in *Odyssey*, the County's justice information system, for the period of January 1, 2025, through 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 report may not be all-inclusive of areas where improvements could be made.

In conducting the review, the following procedures were performed:

1. Compared Chapter 59 revenue and expenditure reports generated from *LINQ*, the County's financial accounting system, and the "Purchasing Department/Fixed Asset Division Auction Report" to the Chapter 59 Asset Forfeiture Report to determine if all revenues and expenditures were reported.

2. Generated “Cases filed” and “Cases disposed” index reports for the period of January 1, 2025, to December 31, 2025, from *Odyssey* to determine if all seized, forfeited, and property returned to respondents were reported on the Chapter 59 Asset Forfeiture Report.
3. Reviewed expenditures from the Constable Precinct No. 1 Chapter 59 Forfeiture Fund to determine if expenditures were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. Selected 3 vehicles that were seized and/or forfeited during the reporting period and not sold for physical identification.
5. Reviewed the petitions and judgments for property forfeited to Constable Precinct No. 1 to determine if property with respect to an offense under section 20.05, 20.06, 20.7, 43.04, or 43.05, or Chapter 20A of the Penal Code was properly accounted for.
6. Reviewed written policies and procedures for the accounting and reporting of seizures and forfeitures. In addition, inquired whether seizures were promptly recorded and controlled by using pre-numbered official receipt forms.

Conclusion:

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

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

1. All Chapter 59 revenues and expenditures recorded in *LINQ* and the “Purchasing Department/Fixed Asset Division Auction Report” were reported on the Chapter 59 Asset Forfeiture Report.
2. A review of the “Cases filed” and “Cases disposed” index reports generated from *Odyssey* for the period of review revealed that the Constable Precinct No. 1 seized 1 motor vehicle. In addition, 2 motor vehicles were forfeited (awarded) to the Constable Precinct No. 1. All items were properly reported on the Chapter 59 Asset Forfeiture Report.
3. All expenditures from Constable Precinct No. 1 Chapter 59 Forfeiture Fund were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. The 3 motor vehicles selected were physically located.
5. All petitions or judgments filed for property related to an offense under section 20.05, 20.06, 20.7, 43.04, or 43.05, or Chapter 20A of the Penal Code were properly accounted for.
6. The Constable Precinct No. 1 Office policies and procedures regarding Chapter 59 seizures and forfeitures do not include procedures for determining when a forfeited vehicle or property will be put to use. In addition, pre-numbered official receipt forms were utilized to record and control seizures.

Recommendation:

In our opinion, the issue noted in repeat finding 6 can be addressed by revising the policies and procedures to address when a forfeited vehicle or property will be put to use.

Please provide a management response to the finding noted above by June 11, 2026. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

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.

The Honorable Celestino Avila Jr.
May 26, 2026
Page 5 of 5

Respectfully,



Letty Chavez
County Auditor

Enclosure: Management Response Form

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Kent Richardson, Assistant Attorney General
Mr. Julio Gonzales, Chief Deputy, Constable Precinct No. 1

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

AUDITEE:	<u>The Honorable Celestino Avila, Jr.,</u> <u>Constable Precinct 1</u>	AUDIT NO.:	<u>2026-06</u>
	<u>Chapter 59 Asset Forfeiture Report</u>	MANAGEMENT	
AUDIT:	<u>YE 12-31-25</u>	RESPONSE DUE:	<u>June 11, 2026</u>
FINDING No.:	<u>1</u>	RECOMMENDATION:	<u>1</u>

In our opinion, the issue noted in repeat finding 6 can be addressed by revising the policies and procedures to address when a forfeited vehicle or property will be put to use.

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

May 26, 2026

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

Re: April 2026 DTA Payment Request Report No. 2026-36

Dear Mr. Villarreal:

We completed a limited scope review of the April 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 proceed with processing the April 2026 DTA payment request for \$206,754.91 to LGBS.

The scope of the review was limited to a review of the DTA fees collected by your office on behalf of the following entities: Hidalgo County (GHD), Road District 2 (RD2), Road District 5 (RD5), Road District 7 (RD7), Road District 12 (RD12), Road District 14 (RD14), Road District 15 (RD15), State of Texas (TEX); and the payment request prepared by your office for the month ended April 30, 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 April 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

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.

collections for the month of April 2026.”

- Although DTA fees for 124 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 (122 tax accounts) and small accounts (2 tax accounts) (see Exhibit A).
- The total amount of DTA fees collected on the “Hidalgo County Tax Office Collection Reports” for April 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

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.

Exhibit A

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2023	T101400000014600	405.50	125.03	530.53	76.03
2	1	2023	E330000372001100	254.28	82.85	337.13	48.82
3	1	2023	R056002000001300	76.87	24.59	101.46	14.64
4	1	2023	T210000239001112	65.70	19.49	85.19	12.12
5	1	2023	S592000000004300	63.47	19.19	82.66	11.80
6	1	2023	S055600000003300	55.20	16.37	71.57	10.18
7	1	2023	S592000000004300	11.70	3.53	15.23	2.18
8	1	2022	V056000000002000	1,383.20	519.86	1,903.06	265.58
9	1	2022	P890003005001500	1,316.15	425.56	1,741.71	234.93
10	1	2022	P275001000016500	186.13	64.52	250.65	34.34
11	1	2022	L045000023000010	71.11	25.19	96.30	13.33
12	1	2022	W738203000000600	67.29	22.14	89.43	12.11
13	1	2022	H215001002001400	56.75	23.64	80.39	11.49
14	1	2022	S170002062001900	53.28	22.82	76.10	10.95
15	1	2022	P860000000000200	40.72	17.44	58.16	8.37
16	1	2022	H490000477000602	42.92	15.64	58.56	8.12
17	1	2022	L446700000000405	23.46	10.05	33.51	4.82
18	1	2022	T210000277000318	0.04	0.01	0.05	0.01
19	1	2021	P100002000019400	199.62	109.46	309.08	44.62
20	1	2021	L284503000001400	81.12	39.28	120.40	16.79
21	1	2021	B255000000028801	15.41	7.64	23.05	3.23
22	1	2021	C497097GPF171608	9.89	5.43	15.32	2.21
23	1	2020	R012000000006400	193.28	86.65	279.93	35.95
24	1	2020	E595000000007600	141.12	59.16	200.28	25.19
25	1	2020	V433502000007700	14.88	8.37	23.25	3.19
26	1	2020	T040000001001500	16.26	7.17	23.43	2.98
27	1	2019	L473500004001300	33.02	16.98	50.00	6.24
28	1	2019	S477000000006700	14.90	8.71	23.61	3.08
29	1	2018	G590001003002900	46.02	32.93	78.95	10.49
30	1	2018	S073000000001500	39.36	23.57	62.93	7.79
31	1	2018	T525002018003900	17.68	9.66	27.34	3.26
32	1	2018	R250000001001000	5.17	4.46	9.63	1.37
33	1	2017	V351500000011500	392.47	222.72	615.19	69.47
34	1	2017	V351500000011500	392.47	222.72	615.19	69.47
35	1	2017	R284805000001000	98.49	59.91	158.40	18.47
36	1	2017	A670004000000600	73.78	41.87	115.65	13.06
37	1	2017	R380000005000500	19.33	10.97	30.30	3.42
38	1	2017	J570098005000205	16.59	11.06	27.65	3.36
39	1	2017	H045000099000600	11.93	6.98	18.91	2.16
40	1	2017	S073000000001500	2.95	2.12	5.07	0.64
41	1	2017	V351500000011500	-392.47	-222.72	-615.19	-69.47
42	1	2016	V351500000011500	491.97	338.23	830.20	95.93
43	1	2016	V351500000011500	491.97	338.23	830.20	95.93
44	1	2016	H045000099000600	69.57	49.05	118.62	13.88
45	1	2016	T181701002000600	29.63	32.48	62.11	8.89

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
46	1	2016	V351500000011500	-491.97	-338.23	-830.20	-95.93
47	1	2015	V351500000011500	466.63	376.80	843.43	99.39
48	1	2015	V351500000011500	466.63	376.80	843.43	99.39
49	1	2015	S016000000003500	108.49	83.80	192.29	22.13
50	1	2015	S265001000004100	38.94	30.07	69.01	7.94
51	1	2015	P2750010000011100	41.14	29.21	70.35	7.28
52	1	2015	E015700000009800	26.32	20.95	47.27	5.53
53	1	2015	V351500000011500	-466.63	-376.80	-843.43	-99.39
54	1	2014	V351500000011500	47.78	44.31	92.09	11.04
55	1	2014	V351500000011500	47.78	44.31	92.09	11.04
56	1	2014	L020000000000900	10.11	11.85	21.96	2.97
57	1	2014	E015700000009800	3.54	3.24	6.78	0.81
58	1	2014	V351500000011500	-47.78	-44.31	-92.09	-11.04
59	1	2011	A320000000001800	78.38	93.53	171.91	19.63
60	1	2011	A320000000001800	64.99	77.56	142.55	16.28
61	1	2011	P640000023000500	40.31	64.37	104.68	14.69
62	1	2011	H1200000950001700	7.66	8.02	15.68	1.41
63	1	2011	C295002000006700	2.62	4.11	6.73	0.94
64	1	2010	D320000060000202	41.28	51.03	92.31	9.66
65	1	2010	C295002000006700	13.73	23.17	36.90	5.15
66	1	2010	G0400000060000100	11.32	13.66	24.98	2.50
67	1	2009	W010000030000309	116.17	146.77	262.94	24.40
68	1	2009	J570000001000403	65.06	84.81	149.87	14.84
69	1	2009	J570000001000403	65.06	84.81	149.87	14.84
70	1	2009	M167000000005600	57.01	69.56	126.57	10.86
71	1	2009	R284505000003000	52.30	62.76	115.06	9.49
72	1	2009	G560000012002000	6.12	7.46	13.58	1.17
73	1	2008	W010000023000416	33.95	51.25	85.20	9.67
74	1	2007	C875000014001100	24.54	38.77	63.31	6.88
75	1	2007	C730000021000800	9.87	19.34	29.21	4.01
76	1	2007	O310009000001300	8.97	13.83	22.80	2.36
77	1	2007	M355000148200301	4.44	6.56	11.00	1.04
78	1	2006	K240000000008105	178.95	326.74	505.69	63.89
79	1	2006	W230000052000300	8.27	14.02	22.29	2.46
80	1	2006	L605098000001900	9.29	13.48	22.77	1.74
81	1	2005	A245600000000300	16.85	28.67	45.52	4.47
82	1	2005	A080000000114900	14.27	24.44	38.71	3.83
83	1	2005	W220000006000600	0.71	1.21	1.92	0.18
84	1	2004	W220000006000600	59.74	107.73	167.47	16.31
85	1	2004	A413000000001700	55.60	99.52	155.12	14.85
86	1	2004	C750006000012100	26.21	41.77	67.98	4.68
87	1	2004	S445000001002300	21.09	34.73	55.82	4.27
88	1	2004	S445000001002300	16.88	27.78	44.66	3.42
89	1	2004	B4965040000032900	7.34	14.57	21.91	2.60
90	1	2003	L470000000003000	39.66	73.64	113.30	10.35
91	1	2003	L470000000003000	39.66	73.64	113.30	10.35
92	1	2003	M355000073002600	13.79	29.12	42.91	5.17

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
93	1	2003	L205000031001000	24.32	41.99	66.31	4.92
94	1	2003	S240000000009511	19.41	33.78	53.19	4.05
95	1	2003	L470000000003000	-39.66	-73.64	-113.30	-10.35
96	1	2002	T543501000000800	55.99	103.40	159.39	12.35
97	1	2002	L222500000001500	22.56	41.44	64.00	4.87
98	1	2002	L205000051000500	23.10	41.74	64.84	4.68
99	1	2002	L185002000001100	12.37	24.35	36.72	3.40
100	1	2002	L470000000003000	8.12	16.04	24.16	2.27
101	1	2002	L470000000003000	8.12	16.04	24.16	2.27
102	1	2002	L470000000003000	-8.12	-16.04	-24.16	-2.27
103	1	2001	G205000000001600	2.53	5.06	7.59	0.65
104	1	2001	T543501000000800	0.68	1.33	2.01	0.16
105	1	2000	L205000031001000	75.65	157.85	233.50	19.40
106	1	2000	H347500147000007	18.84	45.11	63.95	7.44
107	1	2000	G205000000001600	23.91	50.85	74.76	6.56
108	1	1999	L205000031001000	81.02	178.79	259.81	22.24
109	1	1999	V380002003001400	35.50	81.18	116.68	11.03
110	1	1999	V380002003001400	26.62	60.89	87.51	8.27
111	1	1999	L319500000005800	16.06	42.56	58.62	7.61
112	1	1999	P935000000000400	13.26	27.78	41.04	2.98
113	1	1998	L205000031001000	59.22	137.79	197.01	17.32
114	1	1998	P935000000000400	19.00	42.12	61.12	4.62
115	1	1997	S144000000005100	5.64	14.49	20.13	2.06
116	1	1996	C470000003001400	22.76	60.13	82.89	8.29
117	1	1996	F225001004000400	4.97	13.17	18.14	1.81
118	1	1996	A080098000111600	3.08	9.55	12.63	1.72
119	1	1994	T540000001000100	29.81	87.26	117.07	12.48
120	1	1989	P640000006000100	6.04	24.96	31.00	4.43
121	1	1988	P640000006000100	8.67	36.91	45.58	6.53
122	1	2022	H268002000002500	198.85	66.62	265.47	36.10
123	1	2024	E503803000021900	0.77	0.19	0.96	0.15
124	1	2010	C665000B11000400	0.14	0.29	0.43	0.07



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 27, 2026

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

Re: Chapter 59 Asset Forfeiture Report YE 12-31-25 Audit No. 2026-07

Dear Constable Cantu:

We completed an audit of the Chapter 59 Asset Forfeiture Audit Report by Law Enforcement Agency for the Year Ended December 31, 2025, pursuant to Code of Criminal Procedure §59.06 (g)(1) and Local Government Code §115.001 and §115.0035. The objective of the audit was to determine if Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted for and reported.

Executive Summary:

Based on the results of the audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted for and reported.

Background:

Code of Criminal Procedure (CCP) Chapter 59 "Forfeiture of Contraband" provides law enforcement agencies with the authority to confiscate, forfeit, and dispose of contraband. Chapter 59 defines "contraband" as property of any nature (including real, personal, tangible, or intangible property) that is used or intended for use in the commission of certain enumerated felonies, Class A and Class B misdemeanors, or gained, acquired, and/or used to facilitate the commission of certain enumerated felonies and misdemeanors.

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

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

Pursuant to CCP §59.06 (a), all forfeited property is administered by the District Attorney, acting as the agent of the state, in accordance with accepted accounting practices and with the provisions of any local agreement entered into between the District Attorney and law enforcement agencies (LEAs).

Pursuant to CCP §59.06 (b), if a local agreement exists between the District Attorney and the LEA, the District Attorney may transfer the property to the LEA. In addition, CCP § 59.06 (c) states, if a local agreement exists between the District Attorney and the LEA, all money, securities, negotiable instruments, stocks or bonds, or

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.

things of value, or proceeds from the sale of those items shall be deposited, after the deduction of court costs which the District Clerk is entitled, into one or more of the following funds: (1) a special fund in the county treasury for the benefit of the District Attorney's Office, to be used by the District Attorney solely for the official purposes of his office; or (2) a special fund in the county treasury if distributed to a county LEA, to be used solely for law enforcement purposes, such as salaries and overtime pay for officers, officer training, specialized investigative equipment and supplies, and items used by officers in direct law enforcement duties.

CCP §59.06 (d) states that awarded proceeds may be spent by a law enforcement agency after a detailed budget has been submitted to the Commissioners Court. No budget was submitted to Commissioners Court, and no expenditures were incurred for the year ended December 31, 2025.

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

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

For the year ended December 31, 2025, the Constable Precinct No. 2 Office had no seizures or forfeitures.

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

On January 17, 2023, the Hidalgo County District Attorney and Constable Precinct No. 2 entered into a local agreement pursuant to CCP §59.06 (b). According to the local agreement, Constable Precinct No. 2 is responsible for paying all court costs, attorney ad-litem fees, depositions, title searches, title policies, confidential informants, storage costs, and all other related costs in the forfeiture of vehicles and all other personal property.

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

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

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

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

HIDALGO COUNTY DISTRICT JUDGES

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

Constable Precinct No. 2 Procedures

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

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

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

The following documents are used by the Constable Precinct No. 2 Office to document seizures: 1.) a detailed report describing the circumstances of the seizure, 2.) asset forfeiture cover sheet, 3.) offense report, 4.) affidavits and search warrants, 5.) vehicle impound sheet, if applicable, 6.) DMV vehicle registration, 7.) arrest probable cause affidavit, 8.) pre-numbered receipt of property seizure, 9.) bank deposit slip, if applicable, 10.) seizure affidavit, 11.) criminal history of all parties claiming interest in item, 12.) mechanic vehicle review sheet, 13.) NADAR or Kelly Blue Book value, and 14.) photographs of items.

Scope and Methodology:

The scope of the audit was limited to a review of all seized currency and personal property for which an agent's affidavit was made available to the County Auditor's Office for review and all forfeited currency and personal property for which a final judgment was rendered and recorded in *Odyssey*, the County's justice information system, for the period of January 1, 2025 through 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 report may not be all-inclusive of areas where improvements could be made.

In conducting the review, the following procedures were performed:

1. Compared Chapter 59 revenue and expenditure reports generated from *LINQ*, the County's financial accounting system, and the "Purchasing Department/Fixed Asset Division Auction Report" to the Chapter 59 Asset Forfeiture Report to determine if all revenues and expenditures were reported.
2. Generated "Cases filed" and "Cases disposed" index reports for the period of January 1, 2025 to December 31, 2025 from *Odyssey* to determine if all seized, forfeited, and property returned to respondents was reported on the Chapter 59 Asset Forfeiture Report.
3. Reviewed expenditures from the Constable Precinct No. 2 Chapter 59 Forfeiture Fund to determine if expenditures were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. Reviewed written policies and procedures for the accounting and reporting of seizures and forfeitures. In addition, inquired whether seizures were promptly recorded and controlled by using pre-numbered official receipt forms.

Conclusion:

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

1. All Chapter 59 revenues and expenditures recorded in *LINQ* and the “Purchasing Department/Fixed Asset Division Auction Report”, were reported on the Chapter 59 Asset Forfeiture Report.
2. A review of the “Cases filed” and “Cases disposed” index reports generated from Odyssey for the period of review revealed that the Constable Precinct No. 2 had no seizures or forfeitures.
3. There were no expenditures incurred from the Constable Precinct No. 2 Chapter 59 Forfeiture Fund.
4. Formal policies and procedures have been developed and implemented by the Constable Precinct No. 2 Office regarding Chapter 59 seizures and forfeitures. In addition, pre-numbered official receipt forms were utilized to record and control seizures.

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. Kent Richardson, Assistant Attorney General
Mr. Fernando Gaitan, Chief Deputy, Constable Precinct No. 2

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.
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HIDALGO COUNTY AUDITOR'S OFFICE

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EDINBURG, TEXAS 78539-6243

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

May 27, 2026

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

Re: Chapter 59 Asset Forfeiture Report YE 12-31-25 Audit No. 2026-08

Dear Constable Gallardo:

We completed an audit of the Chapter 59 Asset Forfeiture Report by Law Enforcement Agency for the Year Ended December 31, 2025, pursuant to Code of Criminal Procedure §59.06 (g)(1) and Local Government Code §115.001 and §115.0035. The objective of the audit was to determine if Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted for and reported.

Executive Summary:

Based on the results of the audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted for and reported.

Background:

Code of Criminal Procedure (CCP) Chapter 59 "Forfeiture of Contraband" provides law enforcement agencies with the authority to confiscate, forfeit, and dispose of contraband. Chapter 59 defines "contraband" as property of any nature (including real, personal, tangible, or intangible property) that is used or intended for use in the commission of certain enumerated felonies, Class A and Class B misdemeanors, or gained, acquired, and/or used to facilitate the commission of certain enumerated felonies and misdemeanors.

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

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

Pursuant to CCP §59.06 (a), all forfeited property is administered by the District Attorney, acting as the agent of the state, in accordance with accepted accounting practices and with the provisions of any local agreement entered into between the District Attorney and law enforcement agencies (LEAs).

Pursuant to CCP §59.06 (b), if a local agreement exists between the District Attorney and the LEA, the District Attorney may transfer the property to the LEA. In addition, CCP § 59.06 (c) states, if a local agreement exists

HIDALGO COUNTY DISTRICT JUDGES

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

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

CCP §59.06 (d) states that awarded proceeds may be spent by a law enforcement agency after a detailed budget has been submitted to the Commissioners Court. The Constable Precinct No. 3 Chapter 59 budget for the year ended December 31, 2025, was \$16,684.1, and expenditures totaled \$5,586.15 (i.e., equipment, supplies, travel).

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

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

For the year ended December 31, 2025, the Constable Precinct No. 3 Office had no seizures or forfeitures

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

On February 3, 2023, the Hidalgo County District Attorney and Constable Precinct No. 3 entered into a local agreement pursuant to CCP §59.06 (b). According to the local agreement, Constable Precinct No. 3 is responsible for paying all court costs, attorney ad-litem fees, depositions, title searches, title policies, confidential informants, storage costs, and all other related costs in the forfeiture of vehicles and all other personal property.

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

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

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

All other personal property, not suitable or desired for use, shall be forfeited to the District Attorney and sold at public auction. The net proceeds of said sale of said property, after deductions of sale expenses, shall be divided as follows: 60% to Constable Precinct No. 3 and 40% to the District Attorney.

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

Constable Precinct No. 3 Procedures

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

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

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

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

When property is seized under CCP Chapter 59, the deputy is required to complete a case file consisting of the following: intake sheet; Constable Precinct 3's supplement report; booking sheet; Constable Precinct 3's intake sheet; case initiation; commitment; complaint; warrants; seizure report; drug to dollar amount conversion table; evidence submission; DPS lab submission; Miranda warnings; voluntary statement of the

HIDALGO COUNTY DISTRICT JUDGES

accused; arrest report/personal history; criminal case management report (i.e., Odyssey); defendant's criminal history; affidavit of seizing deputy; asset forfeiture intake sheet; picture of the seized property; vehicle registration information and/or copy of certificate of deposit, if applicable; reports from other law enforcement agencies, etc.

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

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

Agreement for Auctioneer Services

On September 27, 2022, the Hidalgo County Commissioners Court entered into a contract with Bond & Bond Auctioneers for the provision of auctioneer services. The contract is effective from October 1, 2022, to September 30, 2025, with an option to extend for an additional two (2) one (1) year terms. On September 16, 2025, the Commissioners Court approved the first of two (2) one-year contract extensions, commencing October 1, 2025, and expiring on September 30, 2026. There were four auctions held for the fiscal year ending December 31, 2025. The auctions were held on March 1st, July 11th, August 30th, and October 25, 2025.

Scope and Methodology:

The scope of the audit was limited to a review of all seized currency and personal property for which an agent's affidavit was made available to the County Auditor's Office for review and all forfeited currency and personal property for which a final judgment was rendered and recorded in *Odyssey*, the County's justice information system, for the period of January 1, 2025, through 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 report may not be all-inclusive of areas where improvements could be made.

In conducting the review, the following procedures were performed:

1. Compared Chapter 59 revenue and expenditure reports generated from *LINQ*, the County's financial accounting system, and the "Purchasing Department/Fixed Asset Division Auction Report" to the Chapter 59 Asset Forfeiture Report to determine if all revenues and expenditures were reported.
2. Generated "Cases filed" and "Cases disposed" index reports for the period of January 1, 2025, to December 31, 2025, from Odyssey to determine if all seized, forfeited, and property returned to respondents were reported on the Chapter 59 Asset Forfeiture Report.
3. Reviewed expenditures from the Constable Precinct No. 3 Chapter 59 Forfeiture Fund to determine if expenditures were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. Reviewed written policies and procedures for the accounting and reporting of seizures and forfeitures. In addition, inquired whether seizures were promptly recorded and controlled by using pre-numbered official receipt forms.

Conclusion:

Based on the results of the audit, we determined that Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted for and reported.

1. All Chapter 59 revenues and expenditures recorded in *LINQ* and the “Purchasing Department/Fixed Asset Division Auction Report” were reported on the Chapter 59 Asset Forfeiture Report.
2. A review of the “Cases filed” and “Cases disposed” index reports generated from *Odyssey* for the period of review revealed that the Constable Precinct No. 3 had no seizures or forfeitures.
3. All expenditures from Constable Precinct No. 3 Chapter 59 Forfeiture Fund were incurred for law enforcement purposes pursuant to CCP §59.06 (d-3).
4. Formal policies and procedures have been developed and implemented by the Constable Precinct No. 3 Office regarding Chapter 59 seizures and forfeitures. In addition, pre-numbered official receipt forms were utilized to record and control seizures.

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. Kent Richardson, Assistant Attorney General
Mr. Gerardo Zamora, Chief Deputy, Constable Precinct No. 3



HIDALGO COUNTY AUDITOR'S OFFICE

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May 27, 2026

Ms. Dairen Sarmiento Rangel, Director
Hidalgo County Health and Human Services Department
1304 S 25th Avenue
Edinburg, Texas 78542

Re: Forensic Center MFR for January 2026 through March 2026

Dear Ms. Rangel:

We conducted a limited-scope review of the Forensic Center Monthly Fees Report (MFR) and supporting documentation for January 2026 through March 2026, pursuant to Local Government Code §115.002(a) and (b). The objective of the review was to determine if the fees collected were properly accounted for and reported.

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

Executive Summary:

Based on the review, we concluded that the fees collected were generally properly accounted for and reported; however, the internal controls over the accounting and reporting of fees require improvement. More specifically, we noted that the Monthly Fees Reports were not always submitted to the Auditor's Office as required by Local Government Code §114.001 (b).

Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Fees Report* for January 2026 through March 2026. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

Methodology:

In conducting the review, the following procedures were performed:

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

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

Conclusion:

Based on the review, we concluded that the fees collected were generally properly accounted for and reported. However, the internal control system for accounting and reporting fees requires improvement, as noted in the observation below. Total collections for January 2026 through March 2026 were as follows:

Month Ended	Collections
January 31, 2026	NO ACTIVITY
February 28, 2026	NO ACTIVITY
March 31, 2026	\$ 58.60

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 correctly.

Observation 1:

The January 2026 through March 2026 MFRs 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.

Please provide a written management response to the observation noted above on the attached Management Response Form by June 11, 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 (956) 318-2511, ext. 4608; Karen Ramirez, Compliance Audit Supervisor, at ext. 4606; Yvonne Torres, Director of Audit Division, at ext. 4642; Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Ms. Dairen Sarmiento Rangel
May 27, 2026
Page 3 of 3

Respectfully,



Letty Chavez
County Auditor

Enclosure: Management Response Form

cc: The Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Darlene Villareal, Human Services Division Manager

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

AUDITEE:	Forensic Centere	AUDIT NO.:	
	Forensic Center MFR for January 2026 through March 2026	MANAGEMENT RESPONSE DUE:	June 11, 2026
AUDIT:			
FINDING No.:	1	RECOMMENDATION:	1

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

Management Response (Choose One):

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

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

Specify Target Date of Remedial Action (if any):

Signature: _____	Date: _____
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HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

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

May 27, 2026

Ms. Angie Chapa, Law Librarian
Hidalgo County Law Library
100 N. Closner Blvd.
Edinburg, Texas 78539

Re: Cash Count Audit No. 2026-64

Dear Ms. Chapa:

We conducted a surprise cash count of the cash held at your office on April 29, 2026, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Executive Summary:

We concluded that total cash on hand reconciled with total receipts issued up to the time of the cash count, plus the approved change fund; however, we noted that the system of internal controls for the collections and safeguarding of cash requires improvement. More specifically, we noted that security cameras were not utilized in areas where cash is receipted and safeguarded.

Scope:

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

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

Conclusion:

Cash on hand at the time of the cash count was \$330.00. Based on the results of the review, we concluded that total cash on hand reconciled with total receipts issued up to the time of the cash count, plus the approved change fund of \$300.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement, as noted in the following observation.

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Observation No. 1:

We noted that security cameras were not utilized where cash is receipted and safeguarded. According to staff, a 360-degree camera is installed in the center of the Law Library and is intended to provide a wide-angle view of the entire area. However, the camera is positioned behind the cashiering station, which may limit visibility of activities occurring in front of the cashiering area. Additionally, no surveillance camera is installed inside the office where cash is stored overnight for safeguarding.

Security cameras serve as a crime deterrent; therefore, the County Auditor's Office recommends that security alarms and security cameras be installed in areas where cash collections and receipts are received and safeguarded.

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

Recommendation:

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

Please provide a management response to the observation noted above on the attached Management Response Form by June 11, 2026. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

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

Respectfully,



Letty Chavez
County Auditor

Enclosure: Management Response Form

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



AUDITEE:	Law library	AUDIT NO.:	2026-64
AUDIT:	Cash Count	MANAGEMENT RESPONSE DUE:	June 11, 2026
FINDING No.:	1	RECOMMENDATION:	1

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

Management Response (Choose One):

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

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

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

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

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____



HIDALGO COUNTY AUDITOR'S OFFICE

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EDINBURG, TEXAS 78539-6243

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

May 27, 2026

Ms. Dairen Sarmiento Rangel, Director
Hidalgo County Department of Health and Human Services
Environmental Health Division
1304 S 25th Avenue
Edinburg, TX 78539

Re: Cash Count Audit No. 2026-63

Dear Ms. Rangel:

We conducted a surprise cash count of the cash held by the Environmental Health Division- Restaurant Health Permit Section on April 17, 2026, as required by Local Government Code § 115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Executive Summary:

There were no collections at the time of the cash count; however, we noted that the internal control system for safeguarding receipts requires improvement.

Scope:

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

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

Conclusion:

Cash on hand at the time of the cash count totaled \$25.00. Based on the results of the review, we determined that the total cash on hand reconciled to the approved change fund of \$25.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement, as noted in the following observations.

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Observation No. 1:

It was noted that a manual backup receipting system was unavailable. According to staff, the previously maintained manual receipt booklets were returned to the County Auditor's Office in 2025. The office transitioned to a computerized receipting system in June 2022 and has since relied solely on that system. Staff further indicated that if the computerized receipting system fails, the office will stop issuing permits or collecting funds.

The County Auditor's Office requires that if a computerized receipting system is used, a manual back-up receipting system be available. Pre-numbered manual receipts must be issued to customers when the computerized receipting system fails. When a department with a computerized receipting system uses manual receipts, those manual receipts must be entered into the computerized receipting system as soon as possible, but in no event later than the next business day after the computerized receipting system is operational. Each manual receipt and corresponding computer-generated receipt should be cross-referenced.

Failure to have a manual back-up receipting system increases the risk of loss of County funds.

Recommendation:

Management should ensure that a manual back-up receipting system is available. At a minimum, the procedures noted above should be implemented.

Observation No. 2:

We noted that security cameras were not utilized in the area where cash is safeguarded overnight. According to staff, cash collections are secured overnight in a locked safe located inside an office. It was observed that a security camera monitors the area outside the office where the cash is safeguarded; however, no security camera is installed inside the office.

Security cameras serve as a crime deterrent; therefore, the County Auditor's Office recommends that security alarms and security cameras be installed in areas where cash collections and receipts are received and safeguarded.

Failure to use security cameras at locations where cash is received and safeguarded increases the risk of loss or misuse of County funds.

Recommendation:

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

Please provide a management response to the observations noted above on the attached Management Response Form by June 11, 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
Ms. Diana Cortes, Program Manager, Environmental Health Division

HIDALGO COUNTY DISTRICT JUDGES



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

AUDITEE:	Hidalgo County Department of Health and Human Services- Environmental Public Health Division	AUDIT NO.:	2026-63
AUDIT:	Restaurant Health Permit Section Count Report	MANAGEMENT RESPONSE DUE:	June 11, 2026
FINDING No.:	2	RECOMMENDATION:	2

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

Management Response (Choose One):

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

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

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____



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

AUDITEE:	Hidalgo County Department of Health and Human Services- Environmental Public Health Division	AUDIT NO.:	2026-63
	Restaurant Health Permit Section	MANAGEMENT	
AUDIT:	Count Report	RESPONSE DUE:	June 11, 2026
FINDING No.:	1	RECOMMENDATION:	1

Management should ensure that a manual back-up receipting system is available. 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

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EDINBURG, TEXAS 78539-6243

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

May 28, 2026

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

Re: Grapefruit Solar LLC 2026 Tax Abatement Report No. 2026-94

Dear Mr. Garza:

We have completed a limited scope review of the tax abatement agreement between Hidalgo County and Grapefruit Solar LLC. The objective of the review was to determine whether Grapefruit Solar 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 Grapefruit Solar LLC, Hidalgo County Tax Abatement Guidelines, and correspondence received from Grapefruit Solar LLC, Representative.

Conclusion:

Based on the results of the review, we determined that pursuant to section 3.02 of the tax abatement agreement, Grapefruit Solar LLC does not qualify for a tax abatement for the 2026 tax year. According to correspondence received from Grapefruit Solar LLC, the representative stated that construction on the project has not commenced.

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
Mr. Brian Munger, Manager, Grapefruit Solar LLC

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



HIDALGO COUNTY AUDITOR'S OFFICE

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May 28, 2026

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

Re: La Joya Windpower LLC 2026 Tax Abatement Report No. 2026-24

Dear Mr. Garza:

We have completed a limited scope review of the tax abatement agreement between Hidalgo County and La Joya Windpower LLC. The objective of the review was to determine if La Joya Windpower 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 La Joya Windpower, and the Hidalgo County Tax Abatement Guidelines.

Conclusion:

Based on the review, we determined that, pursuant to Section 3.06 of the Tax Abatement Agreement and Section IX (B)(5) of the Guidelines and Criteria for Granting Tax Abatements, La Joya Windpower LLC is not eligible for a tax abatement for the 2026 tax year due to failure to submit required documentation.

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
Mr. Milton Howard, La Joya Windpower LLC Representative

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.
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May 28, 2026

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

Re: Monte Alto Windpower LLC 2026 Tax Abatement Report No. 2026-23

Dear Mr. Garza:

We have completed a limited scope review of the tax abatement agreement between Hidalgo County and Monte Alto Windpower LLC. The objective of the review was to determine if Monte Alto Windpower 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 Monte Alto Windpower, and the Hidalgo County Tax Abatement Guidelines.

Conclusion:

Based on the review, we determined that, pursuant to section 3.06 of the Tax Abatement Agreement and Section IX(B)(5) of the Guidelines and Criteria for Granting Tax Abatements, Monte Alto Windpower LLC is not eligible for a tax abatement for the 2026 tax year due to failure to submit required documentation.

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
Mr. Milton Howard, Monte Alto Windpower LLC Representative

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.



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May 28, 2026

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

Re: Monte Alto Windpower, LLC – Monte Alto II 2026 Tax Abatement Project No. 2026-31

Dear Mr. Garza:

We have completed a limited scope review of the tax abatement agreement between Hidalgo County and Monte Alto Windpower LLC – Monte Alto II. The objective of the review was to determine if Monte Alto Windpower LLC – Monte Alto II 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 Monte Alto Windpower, LLC, and the Hidalgo County Tax Abatement Guidelines.

Conclusion:

Based on the review, we determined that, pursuant to section 3.06 of the Tax Abatement Agreement and Section IX(B)(5) of the Guidelines and Criteria for Granting Tax Abatements, Monte Alto Windpower LLC – Monte Alto II is not eligible for a tax abatement for the 2026 tax year due to failure to submit required documentation.

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
Mr. Milton Howard, Monte Alto Windpower LLC – Monte Alto II Representative

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.
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May 28, 2026

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

Re: Monte Cristo Windpower II, LLC 2026 Tax Abatement Project No. 2026-32

Dear Mr. Garza:

We have completed a limited scope review of the tax abatement agreement between Hidalgo County and Monte Cristo Windpower II, LLC. The objective of the review was to determine if Monte Cristo Windpower II, 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 Monte Cristo Windpower II, LLC, and the Hidalgo County Tax Abatement Guidelines.

Conclusion:

Based on the review, we determined that, pursuant to Section 3.06 of the Tax Abatement Agreement and Section IX(B)(5) of the Guidelines and Criteria for Granting Tax Abatements, Monte Cristo Windpower II, LLC is not eligible for a tax abatement for the 2026 tax year due to failure to submit required documentation.

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
Mr. Milton Howard, Monte Cristo Windpower II, LLC Representative

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.



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May 28, 2026

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

Re: Kemper Corporation 2026 Tax Abatement Project No. 2026-26

Dear Mr. Garza:

We have completed a limited scope review of the tax abatement agreement between Hidalgo County and Merastar Insurance Company (Kemper Corporation Subsidiary). The objective of the review was to determine if Merastar Insurance Company (Kemper Corporation Subsidiary) 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 Merastar Insurance Company (Kemper Corporation Subsidiary), and Hidalgo County Tax Abatement Guidelines.

Conclusion:

Based on the review, we determined that, pursuant to Section 3.05 of the Tax Abatement Agreement and Section IX (B)(5) of the Guidelines and Criteria for Granting Tax Abatements, Merastar Insurance Company (Kemper Corporation Subsidiary) is not eligible for a tax abatement for the 2026 tax year due to failure to submit required documentation.

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
Mr. Calvin Nash, Director, Director- Real Estate, Kemper Corporate Services

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

June 9, 2026

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

Re: MFR for January 2024 through December 2025

Dear Constable Gallardo:

We conducted a limited scope review of the Constable Precinct No. 3 *Monthly Fees Report* (MFR) and supporting documentation for the months of January 2024 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. However, the system of internal controls for accounting and reporting of fees requires improvement. More specifically, we noted that:

- The Monthly Fees Reports were not always submitted to the Auditor's Office as required by Local Government Code §114.001 (b).
- Documentation was not maintained to substantiate the amounts used to calculate the commission fees assessed on a "Writ of Execution Sale."

Scope:

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

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

Conclusion:

Based on the review, we concluded that the fees collected were generally properly accounted for and reported. The system of internal controls for accounting and reporting fees requires improvement, as noted in the observations below. Total collections for the months of January 2024 through December 2025 were as follows:

Month Ended	Amount	Month Ended	Amount
January 2024	\$ 21,120.00	January 2025	\$ 7,712.00
February 2024	\$ 5,975.00	February 2025	\$ 9,499.00
March 2024	\$ 4,710.00	March 2025	\$ 6,496.00
April 2024	\$ 4,000.00	April 2025	\$ 9,870.00
May 2024	\$ 10,035.00	May 2025	\$ 8,276.00
June 2024	\$ 5,053.00	June 2025	\$ 20,176.00
July 2024	\$ 18,942.00	July 2025	\$ 3,010.00
August 2024	\$ 4,958.79	August 2025	\$ 11,381.00
September 2024	\$ 23,390.00	September 2025	\$ 7,524.00
October 2024	\$ 3,900.00	October 2025	\$ 5,418.00
November 2024	\$ 9,579.00	November 2025	\$ 10,747.00
December 2024	\$ 8,829.00	December 2025	\$ 8,555.00

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 recorded correctly.

Observation No. 1:

The January 2024, July 2024, August 2024, October 2024 through February 2025, May 2025, June 2025, November 2025, and December 2025 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 monthly report 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 the Monthly Fees Reports and applicable supporting documentation is submitted with the County Auditor's Office within five days after the last day of the month.

Observation No. 2:

The Commissioners' Court approved a Sheriff and Constable Fee Schedule. Under the schedule, the amount collected for a "Writ of Execution Sale" is based on a percentage of the sale price. We noted that documentation

was not maintained to substantiate the amounts used to calculate the commission fees assessed on a "Writ of Execution Sale"; therefore, we were unable to verify that the fees were properly collected. According to staff, documentation supporting the "sale" amount is not maintained.

The Auditor's Offices require that adequate documentation be maintained for all receipts and fee calculations to ensure amounts assessed are accurate, properly supported, and in compliance with the Sheriff and Constable Fee Schedule approved by the Commissioners Court.

Failure to maintain adequate supporting documentation for fees collected may result in the loss of County revenue.

Recommendation:

Management should ensure that documentation to support the "sale" amount for a "Writ of Execution Sale" is collected and maintained.

Please provide a management response to the observations noted above on the attached Management Response Forms by June 23, 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 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

Enclosure: Management Response Forms

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Gerardo Zamora, Chief Deputy Constable, Hidalgo County Constable Precinct No. 3



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

AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)

AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION

DISAGREE THAT RISK EXISTS (Specify below)

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____



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

AUDITEE:	The Hon. Lazaro Gallardo, Constable	AUDIT NO.:	
AUDIT:	MFR for January 2024 through December 2025	MANAGEMENT RESPONSE DUE:	June 23, 2026
FINDING No.:	2	RECOMMENDATION:	2

Management should ensure that documentation to support the “sale” amount for a “Writ of Execution Sale” is collected and maintained.

Management Response (Choose One):

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

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

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

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

Specify Target Date of Remedial Action (if any):

Signature: _____	Date: _____
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HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

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

June 8, 2026

The Honorable Toribio Palacios, Criminal District Attorney
Hidalgo County District Attorney's Office
100 E. Cano St.
Edinburg, TX 78539

Re: Asset Forfeiture Cash Count Report No. 2026-67

Dear Mr. Palacios:

We conducted a surprise cash count of the cash held at the District Attorney's Office – Asset Forfeiture Division on May 21, 2026, 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:

We concluded that total cash on hand reconciled with total receipts issued up to the time of the cash count; however, we noted that the system of internal controls for the collections and safeguarding of cash requires improvement. More specifically, we noted that checks received were not restrictively endorsed immediately upon receipt.

Scope:

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

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

Conclusion:

Cash on hand at the time of the cash count was \$500.00. Based on the results of the review, we concluded that total cash on hand reconciled with total receipts issued up to the time of the cash count. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement, as noted in the following observations.

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

Observation No. 1:

We noted that checks received were not restrictively endorsed immediately upon receipt. According to staff, the check had not yet been endorsed, as they were awaiting confirmation as to whether the payment would be accepted.

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

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

Recommendation:

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

Please provide a management response to the observation noted above on the attached Management Response Form by June 23, 2026. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Linda Vasquez, Internal Auditor III, at 318-2511 ext. 4694, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

Enclosure: Management Response Form

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



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

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

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

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

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____



HIDALGO COUNTY AUDITOR'S OFFICE

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www.hidalgocounty.us/294/Auditors-Office

June 9, 2026

Myra Ayala, City Manager
City of Edinburg
415 W. University Drive
Edinburg, Texas 78541

Re: City of Edinburg TIRZ No. 4 Entertainment Center - Report No. 2026-54

Dear Ms. Ayala:

We conducted a limited-scope review of the interlocal agreement between the City of Edinburg, Hidalgo County, and the City of Edinburg TIRZ No. 4. The objectives of the review were to determine the accuracy of the Edinburg TIRZ No. 4 2025-2026 payment request and compliance with Sections IV (B)(2) and VII (J) of the interlocal agreement and Tax Code § 311.016.

The scope of the review was limited to the property accounts within Edinburg TIRZ No. 4 as of January 31, 2026. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

The results of the review revealed the following:

1. A payment request was submitted for \$95,450.52; however, it was determined that the payment amount should be \$104,210.03 (see Exhibit A), and
2. The annual report and annual financial review were submitted in compliance with Tax Code §311.016 and Sections IV (B)(2) and VII (J) of the interlocal agreement.

We will proceed to process the 2025-2026 Edinburg TIRZ No. 4 payment in the amount of \$104,210.03.

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: Exhibit A

cc: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, County Executive 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.
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Exhibit A
2025-2026 Edinburg TIRZ No. 4 - Entertainment Center Payment

Tax Increment Reinvestment Zone (TIRZ) Payment Calculation	Edinburg TIRZ No. 4 Calculation 2020	Edinburg TIRZ No. 4 Calculation 2021	Edinburg TIRZ No. 4 Calculation 2022	Edinburg TIRZ No. 4 Calculation 2023	Edinburg TIRZ No. 4 Calculation 2024	Edinburg TIRZ No. 4 Calculation 2025	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) (Multiplied by) Hidalgo County Current (GHD) Tax Rate (.575/100)						\$ 25,832,700.00 0.00575	
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ						\$ 148,538.03	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) (Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)						\$ 25,832,700.00 \$ 2,340,271.00	
Captured Appraised Value						\$ 23,492,429.00	
Captured Appraised Value (multiplied by) Contribution Rate (The lesser of actual tax year M&O rate or rate specified on agreement) (.5127/100)						\$ 23,492,429.00 0.0041056	
Tax Levy Due to TIRZ						\$ 96,450.52	
TIRZ Collections (for February 1, 2025 through January 31, 2026) as per Collections Reports provided by Hidalgo County Tax Office (divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ						\$ 148,538.03 \$ 148,538.03	
Percent Collected of Actual Levy						100.0000%	
Tax Levy Due to TIRZ (Multiplied by) Percent Collected of Actual Levy						\$ 96,450.52 100.0000%	
(Less) Administrative Cost						\$ 96,450.52	
(Less) Adjustments **						\$ 1,000.00 \$ -	
2025-2026 TIRZ PAYMENT AMOUNT						\$ 95,450.52	\$ 95,450.52

** Adjustments are made in order to prevent an overpayment; the adjustment limits payments to 100% allowable TIRZ levy; adjustments are made for county taxes that are delinquent for more than five years pursuant to section IV.B.9

Tax Increment Reinvestment Zone (TIRZ) Payment Calculation	Auditor's Edinburg TIRZ No. 4 Calculation 2020	Auditor's Edinburg TIRZ No. 4 Calculation 2021	Auditor's Edinburg TIRZ No. 4 Calculation 2022	Auditor's Edinburg TIRZ No. 4 Calculation 2023	Auditor's Edinburg TIRZ No. 4 Calculation 2024	Auditor's Edinburg TIRZ No. 4 Calculation 2025	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) (Multiplied by) Hidalgo County Current (GHD) Tax Rate (.575/100)	\$ 24,064,445.00 0.00575	\$ 24,585,289.00 0.00575	\$ 24,939,103.00 0.00575	\$ 25,372,667.00 0.00575	\$ 25,396,335.00 0.00575	\$ 25,832,700.00 0.00575	
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ	\$ 138,370.56	\$ 141,365.41	\$ 143,999.84	\$ 145,892.84	\$ 146,028.93	\$ 148,538.03	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) (Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)	\$ 24,064,445.00 \$ 444,933.00	\$ 24,585,289.00 \$ 444,933.00	\$ 24,939,103.00 \$ 444,933.00	\$ 25,372,667.00 \$ 444,933.00	\$ 25,396,335.00 \$ 444,933.00	\$ 25,832,700.00 \$ 444,933.00	
Captured Appraised Value	\$ 23,619,512.00	\$ 24,140,356.00	\$ 24,494,170.00	\$ 24,927,734.00	\$ 24,951,402.00	\$ 25,387,767.00	
Captured Appraised Value (multiplied by) Contribution Rate (The lesser of actual tax year M&O rate or rate specified on agreement) (.5127/100)	\$ 23,619,512.00 0.004034	\$ 24,140,356.00 0.004106	\$ 24,494,170.00 0.004138	\$ 24,927,734.00 0.004101	\$ 24,951,402.00 0.004150	\$ 25,387,767.00 0.004144	
Tax Levy Due to TIRZ	\$ 95,281.11	\$ 99,120.30	\$ 101,356.88	\$ 102,228.64	\$ 103,548.32	\$ 105,206.91	
TIRZ Collections (for February 1, 2025 through January 31, 2026) as per Collections Reports provided by Hidalgo County Tax Office (divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ	\$ - \$ 138,370.56	\$ - \$ 141,365.41	\$ - \$ 143,999.84	\$ - \$ 145,892.84	\$ 3,857.24 \$ 146,028.93	\$ 144,680.79 \$ 148,538.03	
Percent Collected of Actual Levy	0.0000%	0.0000%	0.0000%	0.0000%	2.6414%	97.4032%	
Tax Levy Due to TIRZ (Multiplied by) Percent Collected of Actual Levy	\$ 95,281.11 0.0000%	\$ 99,120.30 0.0000%	\$ 101,356.88 0.0000%	\$ 102,228.64 0.0000%	\$ 103,548.32 2.6414%	\$ 105,206.91 97.4032%	
(Less) Administrative Cost	\$ -	\$ -	\$ -	\$ -	\$ 2,735.13	\$ 102,474.90	
(Less) Adjustments **	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	
2025-2026 TIRZ PAYMENT AMOUNT	\$ -	\$ -	\$ -	\$ -	\$ 2,735.13	\$ 101,474.90	\$ 104,210.03

** Adjustments are made in order to prevent an overpayment; the adjustment limits payments to 100% allowable TIRZ levy; adjustments are made for county taxes that are delinquent for more than five years pursuant to section IV.B.9

*** City/County Payment Calculation Variance

*** \$ (8,759.51)



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

Myra Ayala, City Manager
City of Edinburg
415 W. University Drive
Edinburg, Texas 78541

Re: City of Edinburg TIRZ No. 3 La Sienna - Report No. 2026-52

Dear Ms. Ayala:

We conducted a limited scope review of the interlocal agreement between the City of Edinburg, Hidalgo County, City of Edinburg TIRZ No. 3, and Burns Brothers, LTD. The objectives of the review were to determine the accuracy of the City of Edinburg TIRZ No. 3 2025-2026 payment request and compliance with Section IV (B)(2), Section VIII (J) of the interlocal agreement, and Tax Code §311.016.

The scope of the review was limited to the property accounts within the Edinburg TIRZ No. 3 as of January 31, 2026. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The results of the review revealed the following:

1. A payment request was submitted in the amount of \$667,763.63; however, it was determined that the payment amount should be \$667,971.51 (see Exhibit A).
2. The annual report, fact sheet, and annual financial review were submitted in compliance with Section IV (B)(2), Section VIII (J) of the interlocal agreement, and Tax Code §311.016. According to the Edinburg TIRZ No. 3, they did not have any contracts with disadvantaged businesses; therefore, the applicable report was not provided.

We will proceed to process the 2025-2026 Edinburg TIRZ No. 3 payment in the amount of \$667,971.51.

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: Exhibit A

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Exhibit A
2025-2026 Edinburg TIRZ No. 3 - La Sienna Payment

Tax Increment Reinvestment Zone (TIRZ) Payment Calculation	Edinburg TIRZ No. 3 Calculation 2020	Edinburg TIRZ No. 3 Calculation 2021	Edinburg TIRZ No. 3 Calculation 2022	Edinburg TIRZ No. 3 Calculation 2023	Edinburg TIRZ No. 3 Calculation 2024	Edinburg TIRZ No. 3 Calculation 2025	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) (Multiplied by) Hidalgo County Current (GHD) Tax Rate (.575/100)						\$ 138,448,306.00 0.00575	
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ						\$ 796,077.76	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) (Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)						\$ 138,448,306.00 \$ 2,491,556.00	
Captured Appraised Value						\$ 135,956,750.00	
Captured Appraised Value (multiplied by) Contribution Rate (The lesser of actual tax year M&O rate or rate specified on agreement) (.5127/100)						\$ 135,956,750.00 0.005127	
Tax Levy Due to TIRZ						\$ 697,050.26	
TIRZ Collections (for February 1, 2025 through January 31, 2026) as per Collections Reports provided by Hidalgo County Tax Office (divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ						\$ 762,918.94 \$ 796,077.76	
Percent Collected of Actual Levy						95.8347%	
Tax Levy Due to TIRZ (Multiplied by) Percent Collected of Actual Levy						\$ 697,050.26 95.8347%	
(Less) Administrative Cost						\$ 668,016.21	
(Less) Adjustments **						\$ -	
						\$ (252.57)	
2025-2026 TIRZ PAYMENT AMOUNT						\$ 667,763.63	\$ 667,763.63

** Adjustments are made in order to prevent an overpayment; the adjustment limits payments to 100% allowable TIRZ levy; adjustments are made for county taxes that are delinquent for more than five years pursuant to section IV.B.9

Tax Increment Reinvestment Zone (TIRZ) Payment Calculation	Auditor's Edinburg TIRZ No. 3 Calculation 2020	Auditor's Edinburg TIRZ No. 3 Calculation 2021	Auditor's Edinburg TIRZ No. 3 Calculation 2022	Auditor's Edinburg TIRZ No. 3 Calculation 2023	Auditor's Edinburg TIRZ No. 3 Calculation 2024	Auditor's Edinburg TIRZ No. 3 Calculation 2025	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) (Multiplied by) Hidalgo County Current (GHD) Tax Rate (.575/100)	\$ 50,493,701.00 0.00575	\$ 57,880,799.00 0.00575	\$ 75,221,040.00 0.00575	\$ 112,949,741.00 0.00575	\$ 122,377,312.00 0.00575	\$ 138,725,590.00 0.00575	
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ	\$ 290,338.78	\$ 332,814.59	\$ 432,520.98	\$ 649,461.01	\$ 703,669.54	\$ 797,672.14	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) (Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)	\$ 50,493,701.00 \$ 2,491,556.00	\$ 57,880,799.00 \$ 2,491,556.00	\$ 75,221,040.00 \$ 2,491,556.00	\$ 112,949,741.00 \$ 2,491,556.00	\$ 122,377,312.00 \$ 2,491,556.00	\$ 138,725,590.00 \$ 2,491,556.00	
Captured Appraised Value	\$ 48,002,145.00	\$ 55,389,243.00	\$ 72,729,484.00	\$ 110,458,185.00	\$ 119,885,756.00	\$ 136,234,034.00	
Captured Appraised Value (multiplied by) Contribution Rate (The lesser of actual tax year M&O rate or rate specified on agreement) (.5127/100)	\$ 48,002,145.00 0.005043	\$ 55,389,243.00 0.005127	\$ 72,729,484.00 0.005127	\$ 110,458,185.00 0.005126	\$ 119,885,756.00 0.005127	\$ 136,234,034.00 0.005127	
Tax Levy Due to TIRZ	\$ 242,074.82	\$ 283,980.65	\$ 372,884.06	\$ 566,208.66	\$ 614,654.27	\$ 698,471.89	
TIRZ Collections (for February 1, 2025 through January 31, 2026) as per Collections Reports provided by Hidalgo County Tax Office (divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ	\$ (86.24) \$ 290,338.78	\$ (86.25) \$ 332,814.59	\$ (140.89) \$ 432,520.98	\$ (1,019.50) \$ 649,461.01	\$ 37,612.76 \$ 703,669.54	\$ 726,639.06 \$ 797,672.14	
Percent Collected of Actual Levy	-0.0297%	-0.0259%	-0.0326%	-0.1570%	5.3452%	91.0950%	
Tax Levy Due to TIRZ (Multiplied by) Percent Collected of Actual Levy	\$ 242,074.82 -0.0297%	\$ 283,980.65 -0.0259%	\$ 372,884.06 -0.0326%	\$ 566,208.66 -0.1570%	\$ 614,654.27 5.3452%	\$ 698,471.89 91.0950%	
(Less) Administrative Cost	\$ (71.90)	\$ (73.55)	\$ (121.56)	\$ (888.95)	\$ 32,854.50	\$ 636,272.97	
(Less) Adjustments **	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2025-2026 TIRZ PAYMENT AMOUNT	\$ (71.90)	\$ (73.55)	\$ (121.56)	\$ (888.95)	\$ 32,854.50	\$ 636,272.97	\$ 667,971.51

** Adjustments are made in order to prevent an overpayment; the adjustment limits payments to 100% allowable TIRZ levy; adjustments are made for county taxes that are delinquent for more than five years pursuant to section IV.B.9

*** City/County Payment Calculation Variance

*** \$ (207.88)



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 25, 2026

The Honorable Toribio Palacios, Criminal District Attorney
Hidalgo County District Attorney's Office
100 E. Cano St.
Edinburg, TX 78539

Re: Hot Checks Cash Count Report No. 2026-66

Dear Mr. Palacios:

We conducted a surprise cash count of the cash held at your office on May 21, 2026, as required by Local Government Code § 115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued up to the time of the cash count.

Scope:

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

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

Conclusion:

Cash on hand at the time of the cash count was \$2,187.25. Based on the results of the review, we concluded that total cash on hand reconciled with total receipts issued up to the time of the cash count. In addition, we determined that adequate internal controls were in place to properly safeguard cash on hand and ensure that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures.

If you have any questions or would like to schedule a meeting to discuss this cash count, 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: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Rosalinda Cantu, Assistant Chief of Staff, Hidalgo County District Attorney's Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

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

July 6, 2026

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

Re: Cash Count Report No. 2026-65

Dear Mr. Uresti:

We conducted a surprise cash count of the cash held at the Planning Department's Edinburg Office on May 6, 2026, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled with the total receipts issued for the day up to the time of the cash count and with the approved change fund.

Executive Summary:

There were no collections at the time of the cash count; however, the system of internal controls for the collection and reporting of cash requires improvement. More specifically, we noted that the *Cashier's Daily Close-Out Reports* are not always prepared daily.

Scope:

The scope of the review was limited to a count of cash on hand at the time of the cash count. The review was not designed or 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 that could be improved.

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

Conclusion:

Cash on hand at the time of the cash count totaled \$300.00. Based on the results of the review, we determined that the total cash on hand reconciled to the approved change fund of \$300.00. However, we noted that the system of internal controls for the accounting and reporting of cash requires improvement, as noted in the observation below.

Management is responsible for establishing and maintaining a sound internal control system. The objectives of an internal control system are to provide management with reasonable, but no absolute, assurance that assets are safeguarded against loss from unauthorized use or theft and that transactions are executed in accordance with management's authorization and recorded correctly.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Observation No. 1:

We noted that the *Cashier's Daily Close-Out Reports* for May 1, 2026, through May 5, 2026 (prior day), were not prepared. According to staff, the employee primarily responsible for preparing the reports was on leave. The only other employee with the knowledge to prepare the reports was assigned to complete the *Monthly Fee Report*. Consequently, the required *Cashier's Daily Close-Out Reports* were not prepared. This indicates that adequate cross-training and procedures were not in place to ensure that required daily reconciliations were completed during employee absences or other staffing constraints.

Pursuant to the Cash Handling Guidelines and Procedures, each cashier is required to reconcile the cash drawer daily to receipts issued using the *Cashier's Daily Close-Out Report*. To ensure continuity of operations and compliance with established procedures, personnel involved in the cash collection process should be adequately cross-trained to perform these duties when the primary employee is unavailable.

Failure to prepare the *Cashier's Daily Close-Out Report* each day increases the risk that errors, irregularities, or the loss or misuse of County funds may not be detected in a timely manner.

Recommendation:

Management should ensure that the *Cashier's Daily Close-Out Report* is prepared each business day and that sufficient staff are cross-trained to perform the required daily reconciliations in the primary employee's absence.

Please provide a written management response to the observation noted above on the attached Management Response Form by July 21, 2026. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

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

Respectfully,



Letty Chavez
County Auditor

Enclosure: Management Response Form

cc: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Flor Serin, Administrative Assistant IV, Planning Department



Management should ensure that the *Cashier's Daily Close-Out Report* is prepared each business day and that sufficient staff are cross-trained to perform the required daily reconciliations in the primary employee's absence.

Signature: _____ **Date:** _____



HIDALGO COUNTY AUDITOR'S OFFICE

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EDINBURG, TEXAS 78539-6243

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

July 6, 2026

Rolando Garza, Chief Appraiser
Hidalgo County Appraisal District
4405 S. Professional Dr.
Edinburg, Texas 78539

Ref: 2026 Tax Abatement-Monte Cristo Windpower LLC Report No. 2026-25 (Amended)

Dear Mr. Garza

We have completed a limited scope review of the tax abatement agreement between Hidalgo County and Monte Cristo Windpower LLC. The objective of the review was to determine whether Monte Cristo Windpower LLC qualifies for a tax abatement for the 2026 tax year.

Scope and Methodology:

The scope of our review was limited to a review of the tax abatement agreement between Hidalgo County and Monte Cristo Windpower LLC. Our review was not designated nor intended to be a detailed study of every relevant control system or transaction. The responsibility for sound internal controls rests with management.

As part of our review, we reviewed the tax abatement agreement between Hidalgo County Monte Cristo Windpower LLC and Hidalgo County Tax Abatement Guidelines; correspondence received from Monte Cristo Windpower LLC and its representative; and the compliance verification letter from Monte Cristo Windpower LLC regarding compliance with the terms of the tax abatement agreement.

Conclusion:

Based on the results of our review, we determined that Monte Cristo Windpower LLC qualifies for a 75% 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, ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez
County Auditor

cc: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, Hidalgo County Executive Officer
Mr. Randy Perez, Economic Development Director, County Judge's Office
Ms. Monique Contreras, Administrative Assistant IV, County Judge'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.

Mr. Javier Gonzalez, Supervisor - Property Records, Hidalgo County Appraisal District
Ms. Yvonne Rada, Assistant Supervisor - Property Records, Hidalgo County Appraisal District
Mr. Milton Howard, Representative, Monte Criso Windpower LLC
Mr. Damon Huplosky, Managing Director of Tax, Terra- Gen LLC

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.
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HIDALGO COUNTY AUDITOR'S OFFICE

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EDINBURG, TEXAS 78539-6243

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

July 6, 2026

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

Re: Fee Account MFR for January 2026 through March 2026

Dear Sheriff Guerra:

We conducted a limited scope review of the Fee Account *Monthly Fees Report* (MFR) for the months of January 2026 through March 2026 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 collections were generally accounted for and reported properly. However, we noted that the system of internal controls for the collection and reporting of fees requires improvement. More specifically, we noted that the *Daily Close-Out Reports* are not always properly prepared, completed, and reconciled.

Scope:

The scope of the review was limited to collections reported by your office on the MFR for the months of January 2026 through March 2026. The review was not designed or intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

Methodology:

In conducting the review, the following procedures were performed:

- Verified that the MFR and supporting documentation were submitted to the County Auditor's Office within five days after the last day of the month pursuant to Local Government Code §114.001(b).
- Verified that the MFR was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the MFR by footing and cross-footing the report.
- Reviewed receipts to determine if proper fee amounts were collected and reported.
- Verified that procedures for voiding receipts were properly followed.
- Verified that the collections per the MFR agreed to: 1.) total receipts issued per the Receipt Journal

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 generated from *Odyssey and Civil Serve*; 2.) total deposits made with the financial institution; and 3.) total receipts issued by the County Treasurer.

- Verified that receipts were issued in sequential order.
- Verified that receipts and the MFR were properly completed.

Conclusion:

Based on the review, we concluded that the fees collected were generally properly accounted for and reported. However, we noted that the system of internal controls for the collection and reporting of fees requires improvement, as noted in the observation below. Total collections for January 2026 through March 2026 were as follows:

Month Ended	Amount
January 2026	\$ 23,669.43
February 2026	\$ 28,649.21
March 2026	\$ 30,140.71

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 correctly.

Observation No. 1:

We noted that on January 28, 2026, \$3.00 from the change fund was deposited with the day's collections. According to staff, a \$3.00 check was received; however, the transaction was incorrectly receipted as a cash payment. As a result, when preparing the daily deposit, HCSO did not include the check in the deposit and instead substituted \$3.00 from the change fund so that the deposit would reconcile to the receipt based on the incorrect tender type.

As a result, the *Daily Close-out Report* for January 28, 2026, was not properly completed. The report reflected a \$3.00 overage because it included the \$3.00 check that had been received but not yet deposited, and also reflected \$3.00 in cash that did not exist. On January 29, 2026, the change fund was counted and found to be short by \$3.00. The receipt was subsequently voided, another receipt was issued to correct the tender type, and the check was deposited. A reimbursement request was later submitted to and approved by the County Auditor's Office to restore the change fund.

In addition, we noted that the *Daily Close-out Report* was not fully completed. Although the required cashier and witness signatures were obtained, the approval signature was missing, and the "Cash on Hand by Actual Count" section was incomplete. This indicates that the required review and approval procedures were not performed to verify the accuracy and completeness of the *Daily Close-out Report* prior to finalizing the deposit.

The County Auditor's Office requires that collections be reconciled daily to receipts issued, the change fund, and the deposit. The reconciliation must be documented on the *Daily Close-out Report* before the deposit is made. The cashier and witness are required to verify that the *Daily Close-out Report* agrees with the deposit slip. After the deposit is made, the County official or designee must verify that the total on the bank-validated deposit and County Treasurer receipt agrees with the *Daily Close-out Report*.

Failure to properly prepare, reconcile, review, and approve the *Daily Close-out Report* increases the risk that errors, shortages, or irregularities involving County funds may not be detected in a timely manner.

Recommendation:

Management should ensure that *Daily Close-out Reports* are properly prepared, completed, reconciled, reviewed, and approved each business day. At a minimum, reconciliations should be performed to receipts issued, the change fund, deposit slip, bank-validated deposit, and County Treasurer receipt, and all required sections and signatures should be completed before the report is finalized.

The Honorable J.E. "Eddie" Guerra
July 6, 2026
Page 3 of 3

Please provide a written management response to the observation noted above on the attached Management Response Form by July 17, 2026. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions, please contact Alejandro Torres, Internal Auditor III, at 318-2511, ext. 4644, Karen Ramirez, 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,

A handwritten signature in blue ink, appearing to read 'L. Chavez', with a stylized flourish at the end.

Letty Chavez,
County Auditor

Enclosure: Management Response Form

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



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

AUDITEE:	<u>Hidalgo County Sheriff's Office</u>	AUDIT NO.:	
	<u>Fee Account MFR for January 2026 through March 2026</u>	MANAGEMENT RESPONSE DUE:	<u>July 17, 2026</u>
AUDIT:			
FINDING No.:	<u>1</u>	RECOMMENDATION:	<u>1</u>

Management should ensure that Daily Close-out Reports are properly prepared, completed, reconciled, reviewed, and approved each business day. At a minimum, reconciliations should be performed to receipts issued, the change fund, deposit slip, bank-validated deposit, and County Treasurer receipt, and all required sections and signatures should be completed before the report is finalized.

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

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

July 16, 2026

Ms. Dairen Sarmiento Rangel, Director
Hidalgo County Health and Human Services Department
1304 S 25th Avenue
Edinburg, Texas 78542

Re: Forensic Center MFR for April 2026 through June 2026

Dear Ms. Rangel:

We conducted a limited-scope review of the Forensic Center Monthly Fees Report (MFR) and supporting documentation for April 2026 through June 2026, pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if the fees collected were properly accounted for and reported.

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

Executive Summary:

There were no collections from April 2026 through June 2026.

Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Fees Report* for April 2026 through June 2026. The review was not designed or intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

Methodology:

In conducting the review, the following procedures were performed:

- Verified that the *Monthly Fees Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly Fees Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."

Conclusion:

There were no collections from April 2026 through June 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.

Ms. Dairen Sarmiento Rangel
July 16, 2026
Page 2 of 2

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

Respectfully,



Letty Chavez
County Auditor

cc: The Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Darlene Villareal, Human 2026- Services Division Manager

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.
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HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

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

July 16, 2026

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

Re: May 2026 DTA Payment Request Report No. 2026-37

Dear Mr. Villarreal:

We completed a limited scope review of the May 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 proceed with processing the May 2026 DTA payment request for \$202,132.74 to LGBS.

The scope of the review was limited to a review of the DTA fees collected by your office on behalf of the following entities: Hidalgo County (GHD), Road District 2 (RD2), Road District 5 (RD5), Road District 7 (RD7), Road District 12 (RD12), Road District 14 (RD14), Road District 15 (RD15), State of Texas (TEX); and the payment request prepared by your office for the month ended May 31, 2026. The review was not designed or intended to be a detailed study of every relevant control system, procedure, or transaction. The responsibility for sound internal controls rests with management.

In conducting the review, the following procedures were performed:

- Verified that the payment request was signed and included a certification by the Hidalgo County Tax Assessor/Collector that the "payment represents 15% of the delinquent taxes and penalty and interest collections for the month of May 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 and penalty and interest collections for the month of May 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 125 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 (123 tax accounts) and small accounts (2 tax accounts) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for May 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

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.

Exhibit A

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2023	M355000064000200	85.97	23.35	109.32	15.22
2	1	2023	M686000000001600	72.67	23.56	96.23	13.84
3	1	2023	B216000001002900	56.89	18.44	75.33	10.84
4	1	2023	E334503000001200	51.21	16.18	67.39	9.75
5	1	2023	M3300000000006210	29.81	9.84	39.65	5.72
6	1	2023	L185000000000100	10.53	3.04	13.57	1.91
7	1	2022	S050000000000700	144.27	53.14	197.41	27.27
8	1	2022	A022001000010600	97.80	38.87	136.67	19.22
9	1	2022	S050000000000700	67.72	24.95	92.67	12.80
10	1	2022	S050000000000700	67.72	24.95	92.67	12.80
11	1	2022	S460000010000101	39.45	15.22	54.67	7.63
12	1	2022	V359002000006600	29.96	12.60	42.56	6.06
13	1	2022	H305500003000600	28.55	12.85	41.40	6.00
14	1	2022	H305500003000600	28.56	12.85	41.41	6.00
15	1	2022	D680000034001700	17.18	7.33	24.51	3.51
16	1	2022	T210000237000515	2.36	0.89	3.25	0.46
17	1	2022	C539000000000200	0.19	0.09	0.28	0.04
18	1	2022	S050000000000700	-67.72	-24.95	-92.67	-12.80
19	1	2021	N540000034000200	369.04	139.93	508.97	66.43
20	1	2021	L284503000001400	113.29	55.33	168.62	23.45
21	1	2021	B255000000028801	15.37	7.68	23.05	3.23
22	1	2021	D680000024000700	15.39	6.17	21.56	2.84
23	1	2021	C497097GPF171608	11.96	6.61	18.57	2.67
24	1	2021	L080000009000311	9.99	5.41	15.40	2.20
25	1	2020	Y250000000000803	694.73	297.00	991.73	124.01
26	1	2020	N540000034000200	340.80	170.12	510.92	67.48
27	1	2020	S460000010000101	16.66	10.42	27.08	3.82
28	1	2019	G74000600A004800	1,001.18	536.46	1,537.64	193.73
29	1	2019	N540000034000200	300.27	185.92	486.19	64.86
30	1	2019	L284000000000900	36.72	23.96	60.68	8.21
31	1	2019	S477000000006700	14.87	8.74	23.61	3.08
32	1	2018	G74000600A004800	1,207.51	791.93	1,999.44	255.39
33	1	2018	N540000034000200	195.69	144.65	340.34	45.79
34	1	2018	S073000000001500	31.85	19.21	51.06	6.31
35	1	2017	G74000600A004800	490.00	380.16	870.16	112.46
36	1	2017	N540000034000200	195.69	168.13	363.82	49.31
37	1	2017	P230000000001400	137.12	82.39	219.51	25.30
38	1	2017	J570098005000205	16.55	11.10	27.65	3.35
39	1	2017	V380002010001000	8.65	5.35	14.00	1.63
40	1	2016	N540000034000200	195.69	191.61	387.30	52.84
41	1	2016	C840000001000400	215.85	148.04	363.89	41.77
42	1	2016	T181701002000600	69.55	76.52	146.07	20.87
43	1	2016	B365000006001800	64.95	65.76	130.71	18.02
44	1	2016	S016000000003500	33.93	22.28	56.21	6.31
45	1	2016	O757000000000100	26.84	18.18	45.02	5.19

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
46	1	2016	M473003000004500	12.10	10.02	22.12	2.81
47	1	2015	N540000034000200	195.69	215.09	410.78	56.36
48	1	2015	B190005000001500	94.44	70.91	165.35	18.27
49	1	2015	S016000000003500	36.24	28.15	64.39	7.39
50	1	2015	E0157000000009800	30.04	24.03	54.07	6.31
51	1	2015	M184001000000800	33.46	24.55	58.01	6.22
52	1	2015	P310800000002300	19.76	15.34	35.10	4.03
53	1	2014	N540000034000200	132.30	161.29	293.59	40.48
54	1	2014	W120000003000500	49.70	42.30	92.00	10.07
55	1	2014	L020000000000900	10.09	11.87	21.96	2.97
56	1	2014	B403502000023600	7.59	8.88	16.47	2.22
57	1	2013	V180000005001000	62.24	58.51	120.75	12.98
58	1	2013	C465000000000500	27.72	24.24	51.96	4.91
59	1	2012	P717016026005800	67.78	70.00	137.78	14.64
60	1	2012	L505000000016600	32.03	31.33	63.36	6.01
61	1	2012	L335200000001200	6.55	8.53	15.08	1.97
62	1	2011	E458000000002500	140.73	149.76	290.49	26.81
63	1	2011	P640000023000500	24.16	38.66	62.82	8.80
64	1	2011	D320000060000202	27.37	30.68	58.05	5.91
65	1	2011	R195001000000800	19.46	21.23	40.69	3.94
66	1	2011	R195001000000800	19.45	21.24	40.69	3.94
67	1	2011	R331000000008300	12.44	13.41	25.85	2.45
68	1	2010	W010098042000206	99.66	163.95	263.61	36.18
69	1	2010	C295002000006700	16.30	27.57	43.87	6.11
70	1	2010	D320000060000202	15.30	18.99	34.29	3.58
71	1	2010	W010000030000309	13.37	15.34	28.71	2.57
72	1	2010	G040000006000100	11.30	13.69	24.99	2.49
73	1	2009	W010000030000309	99.95	126.68	226.63	20.99
74	1	2009	J570000001000403	64.96	84.95	149.91	14.81
75	1	2009	J570000001000403	64.96	84.94	149.90	14.81
76	1	2009	J570000001000403	64.96	84.94	149.90	14.81
77	1	2009	M167000000005600	42.70	52.26	94.96	8.13
78	1	2009	J570000001000403	-64.96	-84.94	-149.90	-14.81
79	1	2008	W010000023000416	33.94	51.26	85.20	9.68
80	1	2008	C750007009002500	39.31	54.42	93.73	8.90
81	1	2007	W380000238000005	26.63	39.71	66.34	6.35
82	1	2007	O310009000001300	7.55	11.66	19.21	1.98
83	1	2007	O310009000001300	7.55	11.66	19.21	1.98
84	1	2007	O310009000001300	-7.55	-11.66	-19.21	-1.98
85	1	2006	K240000000008105	89.25	163.69	252.94	31.86
86	1	2006	C750007009002500	43.86	71.24	115.10	11.51
87	1	2006	W230000052000300	8.26	14.04	22.30	2.45
88	1	2005	W220000006000600	62.89	106.12	169.01	16.03
89	1	2004	A413000000001700	19.14	34.34	53.48	5.11
90	1	2004	B496504000032900	7.33	14.58	21.91	2.60
91	1	2004	C690000001000700	7.29	12.32	19.61	1.61
92	1	2004	E330000123000100	6.07	10.50	16.57	1.45

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
93	1	2004	B505000015000600	7.06	11.38	18.44	1.30
94	1	2004	S725002008000200	3.31	6.08	9.39	0.94
95	1	2003	L470000000003000	47.68	88.74	136.42	12.45
96	1	2003	R021501000002800	32.41	59.54	91.95	8.17
97	1	2003	M355000073002600	13.78	29.14	42.92	5.17
98	1	2003	S240000000009511	19.39	33.81	53.20	4.04
99	1	2003	S240000000009511	19.38	33.82	53.20	4.04
100	1	2003	C61000000000300	6.41	13.26	19.67	2.30
101	1	2003	F420000000002300	4.44	8.01	12.45	1.07
102	1	2003	L205000051000500	4.02	6.78	10.80	0.74
103	1	2002	L205000051000500	19.39	35.12	54.51	3.93
104	1	2002	L185002000001100	12.37	24.36	36.73	3.39
105	1	2001	M167000000002200	100.71	196.48	297.19	23.12
106	1	2000	V380002003001400	26.10	56.66	82.76	7.63
107	1	2000	H347500147000007	18.82	45.14	63.96	7.43
108	1	2000	V380002003001400	19.90	43.21	63.11	5.82
109	1	2000	R170000000011400	17.02	36.25	53.27	4.67
110	1	2000	C773000000000100	0.79	2.24	3.03	0.43
111	1	1999	V380002003001400	9.17	21.01	30.18	2.85
112	1	1998	D410000000002300	25.59	60.50	86.09	7.87
113	1	1997	D410000000002300	42.39	105.31	147.70	13.80
114	1	1997	S144000000005100	7.39	19.02	26.41	2.70
115	1	1996	D410000000002300	24.24	63.12	87.36	8.33
116	1	1996	C470000003001400	10.75	28.45	39.20	3.92
117	1	1996	A080098000111600	3.07	9.56	12.63	1.72
118	1	1982	S120000000003100	2.27	10.70	12.97	1.80
119	17	1982	S120000000003100	0.34	1.59	1.93	0.27
120	1	2001	W010000031000205	4.70	11.41	16.11	2.09
121	1	2013	B158003003001500	10.19	9.23	19.42	1.99
122	1	1999	F225001001001300	20.87	51.54	72.41	8.15
123	1	1990	S170002020000523	9.68	34.05	43.73	5.22
124	1	2024	T220000027001500	0.45	0.12	0.57	0.08
125	1	2020	V433595000005802	0.44	0.33	0.77	0.11



HIDALGO COUNTY AUDITOR'S OFFICE

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www.hidalgocounty.us/294/Auditors-Office

July 17, 2026

Myra Ayala, City Manager
City of Edinburg
415 W. University Drive
Edinburg, Texas 78541

Re: City of Edinburg TIRZ No. 1 The Shoppes - Report No. 2026-51

Dear Ms. Ayala:

We conducted a limited scope review of the interlocal agreement between the City of Edinburg, Hidalgo County, and City of Edinburg TIRZ No. 1. The objectives of the review were to determine the accuracy of the City of Edinburg TIRZ No. 1 2025-2026 payment request and compliance with Section 3 (b) of the interlocal agreement and Tax Code §311.016.

The scope of the review was limited to the property accounts within Edinburg TIRZ No. 1 as of January 31, 2026. The review was not designed or intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

The results of the review revealed the following:

1. A payment request was submitted in the amount of \$311,210.70; however, it was determined that the payment amount should be \$311,815.50. (see Exhibit A); and
2. The annual report was submitted in compliance with Tax Code §311.016 and Section 3 (b) of the interlocal agreement.

We will proceed to process the 2025-2026 Edinburg TIRZ No. 1 payment in the amount of \$311,815.50.

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

Respectfully,

Letty Chavez
County Auditor

Enclosure: Exhibit A

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

2025-2026 Edinburg TIRZ No. 1 - The Shoppes Payment

Tax Increment Reinvestment Zone (TIRZ) Payment Calculation	Edinburg TIRZ No. 1 Calculation 2025	Edinburg TIRZ No. 1 Calculation 2024	Edinburg TIRZ No. 1 Calculation 2023	Edinburg TIRZ No. 1 Calculation 2022	Edinburg TIRZ No. 1 Calculation 2021	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) (Multiplied by) Hidalgo County Current (GHD) Tax Rate (.575/100)	\$ 63,000,027.00 0.00575					
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ	\$ 362,250.16					
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))	\$ 63,000,027.00					
(Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)	\$ 1,495,937.00					
Captured Appraised Value	\$ 61,504,090.00					
Captured Appraised Value (multiplied by) Contribution Rate (Per agreement s/b the lesser of current M&O Rate or 88% of County Rate)	\$ 61,504,090.00 0.005060					
Tax Levy Due to TIRZ	\$ 311,210.70					
TIRZ Collections (for February 1 through January 31) as per Collections Reports provided by Hidalgo County Tax Office (divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ	\$ 363,494.37 \$ 362,250.16					
Percent Collected of Actual Levy	100.3435%					
Tax Levy Due to TIRZ (Multiplied by) Percent Collected of Actual Levy	\$ 311,210.70 100.3435%					
(Less) Adjustments **	\$ 312,279.61 (1,068.91)					
2025-2026 TIRZ PAYMENT AMOUNT	\$ 311,210.70		\$ -			\$ 311,210.70

** Adjustments are made in order to prevent an overpayment; the adjustment limits payments to 100% allowable TIRZ levy

Tax Increment Reinvestment Zone (TIRZ) Payment Calculation	County Auditor's Calculation for Tax Year 2025	County Auditor's Calculation for Tax Year 2024	County Auditor's Calculation for Tax Year 2023	County Auditor's Calculation for Tax Year 2022	County Auditor's Calculation for Tax Year 2021	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) (Multiplied by) Hidalgo County Current (GHD) Tax Rate (.575/100)	\$ 63,000,027.00 0.00575	\$ 60,569,433.00 0.00575	\$ 60,665,984.00 0.00575	63,046,364.00 0.00575	63,148,066.00 0.00575	
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ	\$ 362,250.16	\$ 348,274.24	\$ 348,829.41	\$ 362,516.59	\$ 363,101.38	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))	\$ 63,000,027.00	\$ 60,569,433.00	\$ 60,665,984.00	\$ 63,046,364.00	\$ 63,148,066.00	
(Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)	\$ 1,577,021.00	\$ 1,577,021.00	\$ 1,577,021.00	\$ 1,577,021.00	\$ 1,577,021.00	
Captured Appraised Value	\$ 61,423,006.00	\$ 58,992,412.00	\$ 59,088,963.00	\$ 61,469,343.00	\$ 61,571,045.00	
Captured Appraised Value (multiplied by) Contribution Rate (Per agreement s/b the lesser of current M&O Rate or 88% of County Rate)	\$ 61,423,006.00 0.005060	\$ 58,992,412.00 0.005060	\$ 59,088,963.00 0.005060	\$ 61,469,343.00 0.005060	\$ 61,571,045.00 0.005060	
Tax Levy Due to TIRZ	\$ 310,800.41	\$ 298,501.60	\$ 298,990.15	\$ 311,034.88	\$ 311,549.49	
TIRZ Collections (for Feb 1 through Jan 31) as per Collections Reports provided by Hidalgo County Tax Office (divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ	\$ 304,192.56 \$ 362,250.16	\$ 59,301.81 \$ 348,274.24	\$ - \$ 348,829.41	\$ - \$ 362,516.59	\$ - \$ 363,101.38	
Percent Collected of Actual Levy	83.9731%	17.0273%	0.0000%	0.0000%	0.0000%	
Tax Levy Due to TIRZ (Multiplied by) Percent Collected of Actual Levy	\$ 310,800.41 83.9731%	\$ 298,501.60 17.0273%	\$ 298,990.15 0.0000%	\$ 311,034.88 0.0000%	\$ 311,549.49 0.0000%	
(Less) Administrative Cost	\$ 260,988.74	\$ 50,826.76	\$ -	\$ -	\$ -	
(Less) Adjustments **	\$ -	\$ -	\$ -	\$ -	\$ -	
2025-2026 TIRZ PAYMENT AMOUNT	\$ 260,988.74	\$ 50,826.76	\$ -	\$ -	\$ -	\$ 311,815.50

** Adjustments are made in order to prevent an overpayment; the adjustment limits payments to 100% allowable TIRZ levy

*** \$ (604.80)

** City/County Payment Calculation Variance



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

July 21, 2026

Ms. Angie Chapa, Law Librarian
Hidalgo County Law Library
100 N. Closner
Edinburg, Texas 78539

Re: MFR for January 2026 through June 2026

Dear Ms. Chapa:

We conducted a limited-scope review of the Monthly Fees Report (MFR) and supporting documentation for the months of January 2026 through June 2026, 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 properly accounted for and reported. The system of internal controls for accounting and reporting of fees requires improvement. More specifically, we noted that:

- For several receipts, the amount collected did not match the cost for the quantity of copies provided.
- The Monthly Fees Reports were not always submitted to the Auditor's Office as required by Local Government Code §114.001 (b).
- Collections for March 27, 2026 were short \$10.00.

Scope:

The scope of the review was limited to collections reported by your office on the MFR for January 2026 through June 2026. 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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

- Verified receipts were issued in sequential order.
- Verified that procedures for voiding receipts were followed correctly.
- 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 or before the fifth business day after the day on which the funds were received pursuant to Local Government Code §113.022.
- Verified that the collections per the MFR agreed to 1) total receipts issued by the Law Library; 2) total deposits made with the financial institution; and 3) total deposits made with the County Treasurer.
- Verified that receipts, *Daily Remittance/Close-out Forms*, and the MFR were completed correctly.

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 and reporting fees requires improvement as noted in the observations below. Total collections for January 2026 through June 2026 were as follows:

Month	Amount
January 2026	\$ 1,277.75
February 2026	\$ 1,091.50
March 2026	\$ 1,603.50
April 2026	\$ 1,535.50
May 2026	\$ 1,218.00
June 2026	\$ 1,300.50

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 correctly.

Observation 1:

We noted that the amount collected did not match the number of copies shown on the receipt. According to the Law Library staff, these inaccuracies stemmed from unintentional errors in completing the relevant fields.

The Hidalgo County Commissioners Court approved a fee schedule. The Law Library is required to collect fees in accordance with the fee schedule and to ensure that receipts are issued accurately.

Failure to ensure that fees are collected in accordance with the approved fee schedule and that receipts are issued accurately may increase the risk of loss of County funds.

Recommendation:

Management should ensure that fees are collected in accordance with the approved fee schedule and that receipts are issued accurately. The amount collected should match the fee associated with the number of copies provided.

Observation 2:

The January 2026 through June 2026 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 3:

We noted that the March 27, 2026, collections were short \$10.00. Receipts totaled \$72.25; however, only \$62.25 was deposited. According to staff, a \$10.00 bill was inadvertently left behind in the till and not deposited. The \$10.00 was deposited on April 24, 2026, after the County Auditor's Office inquired about the shortage.

In addition, we noted that the *Daily Close-out Report* was completed and all signatures of acknowledgment and approval were documented; however, the recap of receipts was made for the wrong amount. It appears that individuals signing the form are not verifying the totals on the *Daily Close-out Report*.

The County Auditor's Office requires that collections be reconciled to receipts on a daily basis. The reconciliation must be documented on the *Daily Close-out Reports* prior to making a deposit. Both the cashier and the witness must verify that the *Daily Close-out Report* agrees with the deposit slip. After the deposit has been made, the County official or his/her designee must verify that the total amount on the bank-validated deposit and County Treasurer receipt agrees with the total amount on the *Daily Close-out Report*. The County official or his/her designee must sign the *Daily Close-out Report* to document responsibility for reviewing and approving the *Daily Close-Out Report*.

Failure to ensure that collections agree to deposits may increase the risk of loss of County funds.

Recommendation:

Management should ensure that staff understands the importance of completing the *Daily Close-out Reports*. The employees signing the reports should verify that collections agree to deposits. At a minimum, the procedures noted above should be implemented.

Please provide written management response to the observations noted above on the attached Management Response Forms by August 5, 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
Hidalgo County Auditor

Enclosure: Management Response Forms

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



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

AUDITEE:	Law Library	AUDIT NO.:	
AUDIT:	MFR for January 2026 through June 2026	MANAGEMENT RESPONSE DUE:	August 5, 2026
FINDING No.:	1	RECOMMENDATION:	1

Management should ensure that fees are collected in accordance with the approved fee schedule and that receipts are issued accurately. The amount collected should match the fee associated with the number of copies provided.

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:	Law Library	AUDIT NO.:	
AUDIT:	MFR for January 2026 through June 2026	MANAGEMENT RESPONSE DUE:	August 5, 2026
FINDING No.:	2	RECOMMENDATION:	2

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.

Management Response (Choose One):

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

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

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

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

Specify Target Date of Remedial Action (if any):

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

AUDITEE:	Law Library	AUDIT NO.:	
AUDIT:	MFR for January 2026 through June 2026	MANAGEMENT RESPONSE DUE:	August 5, 2026
FINDING No.:	3	RECOMMENDATION:	3

Management should ensure that staff understands the importance of completing the *Daily Close-out Reports*. The employees signing the reports should verify that collections agree to deposits. 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

July 22, 2026

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

Re: Cash Count Report No. 2026-70 and 2026-71

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Bond "B" Trust and "D" account on July 1, 2026, as required by Local Government Code §115.0035. The objective of the cash counts was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash counts.

Executive Summary:

Based on the review, we concluded that cash on hand reconciled to the total receipts issued up to the time of the cash count; however, we noted that the system of internal controls for the collection and safeguarding of receipts requires improvement. More specifically, we noted that a mail log is not prepared for all mail-in payments.

Scope:

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

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

Conclusion:

Cash on hand at the time of the cash counts for the "B" account totaled \$650.00. No collections had been received for the "D" account. Based on the cash counts, we concluded that total cash on hand reconciled to the total receipts issued for the day up to the time of the cash counts; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement, as noted in the following observation.

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

HIDALGO COUNTY DISTRICT JUDGES

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.

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

Observation No. 1:

We noted that a mail log is not consistently prepared for all mail-in payments received.

The Auditor's Office requires all mail-in payments to be documented on a daily mail log. At a minimum, the mail log should include the date received, payer name, remittance amount, form of payment (e.g., cash or check), and, when applicable, the check number.

A mail log should be completed each business day. If no mail-in payments are received, a mail log should still be prepared with the word "None" clearly indicated. All mail logs must be submitted to the County Auditor's Office with the monthly report. The employee responsible for preparing the mail log must sign and date it to acknowledge responsibility for documenting and verifying the mail-in payments received.

After a receipt is issued, the cashier should record the receipt date and receipt number on the mail log. An employee independent of the cashier should verify that an official County receipt was issued for each mail-in payment and document the review by signing and dating the mail log.

If a stamped, self-addressed envelope is provided by the payer, the customer copy of the receipt should be mailed to the payer. Otherwise, the customer copy should be properly retained in accordance with County recordkeeping procedures.

Failure to maintain a complete and accurate mail log for all mail-in payments increases the risk of loss, misappropriation, or improper handling of County funds and reduces management's ability to ensure that all payments received are properly recorded and deposited.

Recommendation:

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

Please provide written management responses to the observation noted above by August 6, 2026. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count, please contact 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 Form

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Office
Mr. Norberto Leal, Division Chief, Hidalgo County Sheriff's Office



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

AUDITEE:	Sheriff's Office Bond "B" Trust account and "D" account	AUDIT NO.:	2026-70 & 2026-71
AUDIT:	Cash Count Report	MANAGEMENT RESPONSE DUE:	August 6, 2026
FINDING No.:	1	RECOMMENDATION:	1

Management should ensure that a mail log is prepared for all mail-in payments. 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

July 21, 2026

Erika Reyna, Director
Department of Human Resources
505 S. McColl Rd., Suite A
Edinburg, Texas 78539

Re: Cash Count Report No. 2026-75

Dear Ms. Reyna:

We conducted a surprise cash count of the cash held at the Department of Human Resources Employee Benefits Division on June 30, 2026, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Executive Summary:

There were no collections at the time of the cash count; however, we noted that the internal control system for collecting and safeguarding cash requires improvement. More specifically, we noted that checks were not restrictively endorsed immediately upon receipt.

Scope:

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

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

Conclusion:

There were no collections at the time of the cash count; however, the system of internal controls for the collection and safeguarding of cash requires improvement, as noted in the observation below.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

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

Observation No. 1:

We noted that checks were not restrictively endorsed immediately upon receipt. According to staff, the Treasurer's Office instructed them to discontinue using the restrictive endorsement stamps because the stamps referenced a bank account number that is no longer valid. Staff indicated that no replacement endorsement stamps were provided, and no additional guidance or follow-up occurred after the original stamps were discontinued.

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

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

Recommendation:

Management should coordinate with the Treasurer's Office to obtain an updated restrictive endorsement stamp and ensure that all checks are restrictively endorsed immediately upon receipt.

Please provide a management response to the observation noted above on the attached Management Response Form by August 15, 2026. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

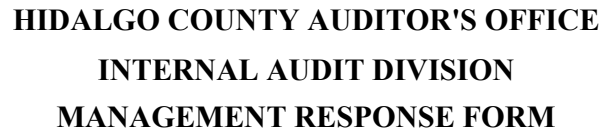
If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Jorge Ortiz, Internal Auditor II, at 318-2511 ext. 4608, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First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

Respectfully,



Letty Chavez
County Auditor

cc: Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Iris Castillo, Division Manager III, Employee Benefits



Management should coordinate with the Treasurer's Office to obtain an updated restrictive endorsement stamp and ensure that all checks are restrictively endorsed immediately upon receipt.

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

August 5, 2026

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

Re: June 2026 DTA Payment Request Report No. 2026-38

Dear Mr. Villarreal:

We completed a limited scope review of the June 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 proceed to process the June 2026 DTA payment request of \$147,440.70 to LGBS.

The scope of the review was limited to a review of the DTA fees collected by your office on behalf of the following entities: Hidalgo County (GHD), Road District 2 (RD2), Road District 5 (RD5), Road District 7 (RD7), Road District 12 (RD12), Road District 14 (RD14), Road District 15 (RD15), State of Texas (TEX); and the payment request prepared by your office for the month ended June 30, 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 and penalty and interest collections for the month of June 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 to the amount transferred to the Hidalgo County Treasurer's Office.

Based on the review, the following was noted:

- The payment request was signed and included a certification by the Hidalgo County Tax Assessor/Collector that the "payment represents 15% of the delinquent taxes and penalty and interest collections for the month of June 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 115 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 (111 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 June 2026 agreed to the amount transferred to the Hidalgo County Treasurer's Office.

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

Respectfully,



Letty Chavez
County Auditor

Enclosure: Exhibit A

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

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.

Exhibit A

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2024	A180000062000905	114.43	26.51	140.94	20.42
2	1	2024	L140000002004600	43.14	10.00	53.14	7.70
3	1	2024	M171000000004300	0.18	0.05	0.23	0.03
4	1	2023	S180000002000400	486.42	137.01	623.43	86.83
5	1	2023	T602800000000500	425.99	104.72	530.71	73.48
6	1	2023	E030000005000300	78.03	26.07	104.10	14.98
7	1	2023	S592000000004300	75.72	23.54	99.26	14.09
8	1	2023	T210000239001112	65.51	19.71	85.22	12.09
9	1	2022	S180000002000400	486.42	195.38	681.80	95.58
10	1	2022	P100000000012200	198.25	76.16	274.41	38.06
11	1	2022	B156007000002600	169.62	65.16	234.78	32.57
12	1	2022	E170001000011000	61.87	21.96	83.83	11.42
13	1	2022	K240000000008032	49.45	22.74	72.19	10.46
14	1	2022	S170002062001900	35.34	15.43	50.77	7.26
15	1	2022	D680000034001700	28.56	12.31	40.87	5.83
16	1	2022	F462000000002600	20.55	8.98	29.53	4.22
17	1	2022	W738203000000600	18.36	5.96	24.32	3.30
18	1	2022	L284503000001400	16.61	6.19	22.80	3.14
19	1	2022	M675000002001800	3.09	0.98	4.07	0.55
20	1	2022	H305500003000600	-28.55	-12.85	-41.40	-6.00
21	1	2021	S180000002000400	470.90	245.66	716.56	101.01
22	1	2021	E458000000001600	90.78	35.70	126.48	16.48
23	1	2021	L284503000001400	68.87	33.92	102.79	14.26
24	1	2021	C497097GPF171608	5.97	3.32	9.29	1.33
25	1	2020	N860000001003200	33.37	19.07	52.44	7.15
26	1	2019	L284000000000900	36.64	24.06	60.70	8.19
27	1	2019	L319000005001700	36.75	21.78	58.53	7.61
28	1	2018	G590001003002900	88.56	64.14	152.70	20.20
29	1	2018	C770000003000200	60.04	49.08	109.12	15.13
30	1	2018	G062600000000100	5.66	2.98	8.64	1.00
31	1	2018	J570098005000205	4.86	2.69	7.55	0.89
32	1	2017	C770000003000200	108.59	101.80	210.39	29.32
33	1	2017	J570098005000205	12.06	8.14	20.20	2.44
34	1	2017	B444303000003800	9.12	8.16	17.28	2.36
35	1	2016	T181701002000600	73.84	81.53	155.37	22.15
36	1	2016	S016000000003500	71.00	46.92	117.92	13.21
37	1	2015	S295000000052301	3.13	2.70	5.83	0.71
38	1	2014	C630000012000700	35.05	43.85	78.90	10.94
39	1	2014	M511002000008000	17.15	14.26	31.41	3.29
40	1	2014	L020000000000900	10.07	11.89	21.96	2.96
41	1	2014	S295000000052301	4.46	4.37	8.83	1.10
42	1	2014	B158504000007600	0.49	0.41	0.90	0.09
43	1	2013	L165001001000200	20.84	19.33	40.17	4.15
44	1	2013	B158504000007600	0.38	0.36	0.74	0.08
45	1	2012	D460000118000700	16.05	20.01	36.06	4.57

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
46	1	2011	P640000023000500	40.20	64.50	104.70	14.65
47	1	2011	D320000060000202	43.48	48.91	92.39	9.39
48	1	2011	R195001000000800	19.44	21.27	40.71	3.93
49	1	2011	B190005000003100	18.74	20.77	39.51	3.91
50	1	2011	H120000095001700	9.68	10.22	19.90	1.79
51	1	2011	H120000095001700	9.69	10.22	19.91	1.79
52	1	2010	W010000030000309	96.57	111.21	207.78	18.54
53	1	2010	T525000019005000	30.79	42.51	73.30	9.05
54	1	2010	C295002000006700	16.29	27.60	43.89	6.10
55	1	2010	A210000031000100	8.92	15.18	24.10	3.36
56	1	2009	J570000001000403	64.85	85.07	149.92	14.79
57	1	2009	J570000001000403	64.85	85.06	149.91	14.79
58	1	2008	E755000000000300	31.29	40.33	71.62	5.68
59	1	2008	S245000000001200	21.17	29.12	50.29	4.67
60	1	2008	S245000000001200	12.71	17.47	30.18	2.80
61	1	2006	K240000000008105	89.12	163.85	252.97	31.82
62	1	2006	M374902000012700	51.94	90.10	142.04	16.12
63	1	2006	1004100010000006	39.91	61.27	101.18	8.80
64	1	2006	1004100010000006	27.15	41.67	68.82	5.99
65	1	2006	W230000052000300	18.88	32.18	51.06	5.61
66	1	2006	E431000000000200	6.34	10.24	16.58	1.63
67	1	2005	C096002000001700	86.15	176.17	262.32	34.51
68	1	2005	W220000006000600	62.79	106.22	169.01	16.02
69	1	2005	E431000000000200	39.62	68.76	108.38	10.88
70	1	2005	O776001000003400	28.74	48.51	77.25	7.28
71	1	2005	M374902000012700	13.47	24.98	38.45	4.43
72	1	2005	E330000123000100	14.67	23.69	38.36	3.23
73	1	2005	B460001004000101	12.93	19.73	32.66	2.33
74	1	2005	E431000000000200	1.80	3.12	4.92	0.49
75	1	2004	1004100010000006	164.50	291.99	456.49	42.20
76	1	2004	S445000001002300	44.98	74.44	119.42	9.11
77	1	2004	S725002008000200	6.61	12.16	18.77	1.89
78	1	2004	E330000123000100	6.06	10.52	16.58	1.45
79	1	2004	B505000015000600	7.53	12.15	19.68	1.39
80	1	2004	C750006000012100	6.59	10.55	17.14	1.18
81	1	2004	E330000123000100	0.92	1.59	2.51	0.22
82	1	2003	R021501000002800	30.84	56.90	87.74	7.77
83	1	2003	M355000073002600	13.77	29.16	42.93	5.16
84	1	2003	L205000051000500	25.07	42.48	67.55	4.62
85	1	2002	L185002000001100	12.34	24.38	36.72	3.39
86	1	2000	L319500000005800	18.10	45.94	64.04	8.25
87	1	2000	H347500147000007	18.82	45.14	63.96	7.43
88	1	2000	L319500000005800	4.90	12.42	17.32	2.24
89	1	2000	C773000000000100	0.79	2.24	3.03	0.43
90	1	1999	L319500000005800	11.70	31.05	42.75	5.55
91	1	1998	N135000000006300	0.11	0.26	0.37	0.04
92	1	1997	L670000017000500	98.21	248.99	347.20	34.04

No.	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
93	1	1997	C470000003001400	23.30	58.99	82.29	8.08
94	1	1997	F345000156001200	9.88	23.19	33.07	2.58
95	1	1997	S1440000000005100	5.62	14.51	20.13	2.06
96	1	1996	S415002008000400	90.55	229.54	320.09	28.11
97	1	1996	S415002008000400	14.87	37.73	52.60	4.62
98	1	1996	A080098000111600	2.55	7.97	10.52	1.43
99	1	1995	S415002008000400	101.90	270.55	372.45	33.47
100	1	1995	S415002008000400	24.01	63.74	87.75	7.89
101	1	1989	P640000006000100	-6.04	-24.96	-31.00	-4.43
102	1	1988	P640000006000100	-8.67	-36.91	-45.58	-6.53
103	1	1987	W380000597000000	0.71	2.89	3.60	0.47
104	12	1997	A268000000003300	0.11	0.39	0.50	0.08
105	12	1996	S415002008000400	4.87	12.34	17.21	1.51
106	12	1996	S415002008000400	0.79	2.03	2.82	0.25
107	12	1995	S415002008000400	5.70	15.15	20.85	1.88
108	12	1995	S415002008000400	1.35	3.58	4.93	0.44
109	1	2000	T527002000004100	7.45	17.22	24.67	2.64
110	1	2023	E456000000004800	20.18	6.86	27.04	3.91
111	1	2022	H268002000002500	62.39	21.42	83.81	11.32
112	1	2024	S325500000006900	0.45	0.12	0.57	0.08
113	1	2024	L130000000015123	0.13	0.04	0.17	0.02
114	1	2020	A210000061001600	0.32	0.25	0.57	0.08
115	1	2025	M3550990000000W4	0.18	0.04	0.22	0.04