

# **BASIC FINANCIAL STATEMENTS**



**COUNTY OF HIDALGO, TEXAS**

STATEMENT OF NET POSITION

DECEMBER 31, 2013

EXHIBIT A-1

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 183,288,773	\$ 3,487,701	\$ 186,776,474
Certificates of deposit	100,000,000	-	100,000,000
Receivables (net of allowance for uncollectibles)	150,737,685	-	150,737,685
Internal balances	6,314	(6,314)	-
Due from others	701,185	-	701,185
Inventories	758,514	28,128	786,642
Prepays	2,798,982	-	2,798,982
Restricted cash	-	66,902	66,902
Other assets	7,650,233	-	7,650,233
Capital assets not being depreciated:			
Land and easements	58,794,250	1,001,093	59,795,343
Construction in progress	31,195,019	-	31,195,019
Capital assets net of accumulated depreciation:			
Infrastructure	185,312,259	-	185,312,259
Buildings and renovations	99,897,973	-	99,897,973
Improvements other than buildings	11,230,628	-	11,230,628
Machinery and equipment	40,142,590	2,282	40,144,872
Total capital assets (net of accumulated depreciation)	<u>426,572,719</u>	<u>1,003,375</u>	<u>427,576,094</u>
<b>Total assets</b>	<u>872,514,405</u>	<u>4,579,793</u>	<u>877,094,198</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred charges on refunding	377,581	-	377,581
<b>Total deferred outflows of resources</b>	<u>377,581</u>	<u>-</u>	<u>377,581</u>
<b>LIABILITIES</b>			
Accounts payable	17,704,191	18,271	17,722,462
Salaries and benefits payable	7,195,496	16,942	7,212,438
Retainage payable	358,699	-	358,699
Accrued interest payable	6,085,111	-	6,085,111
Notes payable - short-term	194,752	-	194,752
Due to others	4,779	-	4,779
Due to other governments	2,869,693	2,912	2,872,605
Unearned revenue	133,942,428	-	133,942,428
Other current liabilities	992,530	-	992,530
Noncurrent liabilities:			
Due within one year			
Bonds payable	19,769,304	-	19,769,304
Notes payable	257,317	-	257,317
Compensated absences	486,127	549	486,676
Claims and judgments payable	2,159,021	-	2,159,021
Capital leases	948,208	-	948,208
Landfill closure/postclosure care costs	-	35,386	35,386
Due in more than one year			
Bonds payable	317,025,982	-	317,025,982
Notes payable	1,757,707	-	1,757,707
Compensated absences	8,435,916	12,405	8,448,321
Claims and judgments payable	1,582,979	-	1,582,979
Capital leases	6,729,503	-	6,729,503
Net pension obligation	987,151	-	987,151
Other post employment benefits	7,607,475	-	7,607,475
Landfill closure/postclosure care costs	-	1,604,544	1,604,544
<b>Total liabilities</b>	<u>537,094,369</u>	<u>1,691,009</u>	<u>538,785,378</u>
<b>NET POSITION</b>			
Net investment in capital assets	148,499,402	1,003,375	149,502,777
Restricted For:			
Legislative	21,687,062	-	21,687,062
Grants	8,650,732	-	8,650,732
Debt service	14,260,869	-	14,260,869
Capital projects	28,064,398	-	28,064,398
Bond covenant	-	66,902	66,902
Unrestricted	114,635,154	1,818,506	116,453,660
<b>Total net position</b>	<u>\$ 335,797,616</u>	<u>\$ 2,888,783</u>	<u>\$ 338,686,399</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF HIDALGO, TEXAS**  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 112,827,372	\$ 56,453,021	\$ 3,289,315	\$ -
Public safety	99,428,539	7,968,233	16,064,696	-
Highways and streets	35,538,330	429,606	9,325,074	2,425,071
Sanitation	5,768,425	-	-	-
Drainage flood control	18,402,498	37,250	-	-
Health and welfare	85,762,647	926,460	71,667,224	-
Culture-recreation	4,212,908	-	7,500	-
Conservation of natural resources	950,619	-	11,454	-
Urban and economic development	13,464,903	-	12,872,788	-
Interest on long-term debt	10,017,010	-	234,453	-
<b>Total governmental activities</b>	<u>386,373,251</u>	<u>65,814,570</u>	<u>113,472,504</u>	<u>2,425,071</u>
<b>Business-type Activities:</b>				
Hidalgo County Sanitary Landfill & Resource	24,777	-	-	-
Hidalgo County Jail Commissary	995,192	1,335,583	-	-
<b>Total Business-type Activities</b>	<u>1,019,969</u>	<u>1,335,583</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 387,393,220</u>	<u>\$ 67,150,153</u>	<u>\$ 113,472,504</u>	<u>\$ 2,425,071</u>

**General Revenues:**

- Property taxes
- Grants and contributions not restricted to specific programs
- Interest earnings
- Miscellaneous
- Gain on sale of capital assets
- Total general revenues and transfers
- Change in net position

**Net position - beginning**

Prior period adjustment

**Net position - ending**

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (53,085,036)		\$ (53,085,036)
(75,395,610)		(75,395,610)
(23,358,579)		(23,358,579)
(5,768,425)		(5,768,425)
(18,365,248)		(18,365,248)
(13,168,963)		(13,168,963)
(4,205,408)		(4,205,408)
(939,165)		(939,165)
(592,115)		(592,115)
(9,782,557)		(9,782,557)
<u>(204,661,106)</u>		<u>(204,661,106)</u>
-	\$ (24,777)	(24,777)
-	340,391	340,391
-	315,614	315,614
<u>(204,661,106)</u>	<u>315,614</u>	<u>(204,345,492)</u>
188,630,519	-	188,630,519
11,497,279	-	11,497,279
589,637	189	589,826
1,991,573	-	1,991,573
442,877	11	442,888
<u>203,151,885</u>	<u>200</u>	<u>203,152,085</u>
(1,509,221)	315,814	(1,193,407)
341,291,071	2,572,969	343,864,040
(3,984,233)	-	(3,984,233)
<u>\$ 335,797,617</u>	<u>\$ 2,888,783</u>	<u>\$ 338,686,400</u>

**COUNTY OF HIDALGO, TEXAS**  
BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2013

	General Fund	Head Start Program
<b>ASSETS</b>		
Cash and cash equivalents	\$ 64,188,119	\$ 316,698
Certificates of deposit	65,000,000	-
Receivables (net of allowance for uncollectibles)		
Taxes	96,550,136	-
Accounts	476,011	863,141
Loans	441,293	-
Interest	166,613	-
Due from other funds	218,120	-
Due from other governments	2,700,173	-
Due from others	60,570	-
Inventories	758,514	-
Prepays	2,592,665	-
Other assets	-	-
<b>Total assets</b>	<u>\$ 233,152,214</u>	<u>\$ 1,179,839</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 6,260,086	\$ 343,529
Salaries and benefits payable	4,462,437	505,495
Retainage payable	4,560	-
Notes payable - short-term	-	-
Due to other funds	10,279,563	-
Due to other governments	1,831,119	-
Due to others	915	-
Unearned revenues	97,382,920	-
Held in escrow	978,198	-
Undistributed receipts	13,701	-
<b>Total liabilities</b>	<u>121,213,499</u>	<u>849,024</u>
Deferred inflows of resources:		
Unavailable revenue-property taxes	58,826,753	-
Unavailable revenue-other	3,080,218	-
<b>Total deferred inflows of resources</b>	<u>61,906,971</u>	<u>-</u>
Fund balances:		
Nonspendable	3,647,152	-
Restricted	3,379,877	330,815
Committed	-	-
Assigned	21,725,479	-
Unassigned	21,279,236	-
<b>Total fund balances</b>	<u>50,031,744</u>	<u>330,815</u>
<b>Total liabilities, deferred inflows,     and fund balances</b>	<u>\$ 233,152,214</u>	<u>\$ 1,179,839</u>

The accompanying notes are an integral part of this statement.

Capital Projects Drainage District No. 1	Other Governmental Funds	Total Governmental Funds
\$ 47,317,544 30,000,000	\$ 69,322,492 5,000,000	\$ 181,144,853 100,000,000
-	30,114,078	126,664,214
-	48,137	1,387,289
-	10,400	451,693
-	13,576	180,189
-	24,914,111	25,132,231
-	19,200,315	21,900,488
-	379,781	440,351
-	-	758,514
-	27,883	2,620,548
-	7,650,233	7,650,233
<u>\$ 77,317,544</u>	<u>\$ 156,681,006</u>	<u>\$ 468,330,603</u>
\$ 2,109,403	\$ 7,481,973	\$ 16,194,991
-	2,201,948	7,169,880
27,637	326,502	358,699
-	194,752	194,752
1,599,492	13,252,458	25,131,513
-	1,038,574	2,869,693
-	3,864	4,779
-	36,496,864	133,879,784
-	631	978,829
-	-	13,701
<u>3,736,532</u>	<u>60,997,566</u>	<u>186,796,621</u>
-	18,440,707	77,267,460
-	9,651,044	12,731,262
<u>-</u>	<u>28,091,751</u>	<u>89,998,722</u>
-	38,283	3,685,435
-	39,675,366	43,386,058
-	6,848,513	6,848,513
73,581,012	22,744,415	118,050,906
-	(1,714,888)	19,564,348
<u>73,581,012</u>	<u>67,591,689</u>	<u>191,535,260</u>
<u>\$ 77,317,544</u>	<u>\$ 156,681,006</u>	<u>\$ 468,330,603</u>



**COUNTY OF HIDALGO, TEXAS**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2013

Total fund balances - governmental funds balance sheet			\$191,535,260
Amounts reported for governmental activities in the statement of net position (SNP) are different because:			
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:			
Land		58,794,250	
Infrastructure		185,312,259	
Buildings and renovations		99,897,973	
Improvements other than buildings		11,230,628	
Machinery and equipment		40,089,958	
Construction in progress		31,195,019	426,520,087
2 Deferred outflows of resources represent a consumption of net position that applies to future periods, therefore, they are not recognized as an outflow until then. For refunding debt the amount is amortized over the shorter of the life of refunded or refunding debt.			
			377,581
3 Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenues in the funds.			
	Property taxes	77,267,461	
	Other	12,731,261	89,998,722
4 Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.			
Accrued interest on bonds		(6,037,313)	
Accrued interest on notes		(47,798)	(6,085,111)
5 Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities both current and long-term are reported in the statement of net position. The County has issued bonds with premiums and discounts. The amounts were received in the governmental funds and increased fund balance. The premium or discounts will be amortized as an adjustment to interest expense in the statement of activities over the remaining life of the debt.			
Bonds payable		(325,920,000)	
Notes payable		(2,015,024)	
Capital leases payable		(7,663,586)	
Compensated absences		(8,889,669)	
Post employment benefits	(7,607,475)		
Prepaid post employment benefits	3,151	(7,604,324)	
Net pension obligation	(987,151)		
Prepaid pension obligation	175,283		
		(811,868)	
Unamortized premiums	(10,939,122)		
Unamortized discounts	63,837		
		(10,875,285)	(363,779,757)
6 The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position. (See Exhibit A-10) Internal service fund net position is:			
			(2,769,165)
Total net position of governmental activities (Exhibit A-1)			<u>\$335,797,617</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF HIDALGO, TEXAS**  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Head Start Program
<b>REVENUES</b>		
Taxes	\$ 142,858,126	\$ -
Licenses and permits	120,821	-
Intergovernmental	14,212,149	32,977,672
Charges for services	15,419,015	-
Fines and forfeits	466,744	-
Interest	413,957	-
Miscellaneous	839,659	-
<b>Total revenues</b>	<u>174,330,471</u>	<u>32,977,672</u>
<b>EXPENDITURES</b>		
Current:		
General government	70,429,284	-
Public safety	73,120,450	-
Highways and streets	-	-
Sanitation	5,412,808	-
Drainage flood control	-	-
Health and welfare	19,740,758	32,901,719
Culture-recreation	3,564,655	-
Conservation of natural resources	923,938	-
Urban and economic development	496,669	-
Debt service:		
Principal	249,101	-
Interest and fiscal charges	10,511	-
Bond issuance costs	-	-
Capital outlay:		
General government	-	-
Public safety	-	-
Highways and streets	-	-
Drainage flood control	-	-
Culture-recreation	-	-
Intergovernmental:		
General government	-	-
Public safety	-	-
<b>Total expenditures</b>	<u>173,948,174</u>	<u>32,901,719</u>
Excess (deficiency) of revenues over (under) expenditures	382,297	75,953
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	346	-
Transfers out	(8,852,186)	-
Premium on bonds issued	-	-
Bonds issued	-	-
Capital leases	6,964,955	-
Sale of capital assets	1,284,701	-
<b>Total other financing sources (uses)</b>	<u>(602,184)</u>	<u>-</u>
Net change in fund balances	(219,887)	75,953
<b>Fund balances at beginning of year, as previously reported</b>	50,251,631	254,862
Prior period adjustments	-	-
<b>Fund balances at beginning of year, as restated</b>	50,251,631	254,862
<b>Fund balances at the end of year</b>	<u>\$ 50,031,744</u>	<u>\$ 330,815</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

Capital Projects Drainage District No. 1	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 39,279,098	\$ 182,137,224
-	5,592,090	5,712,911
-	56,911,828	104,101,649
-	9,695,766	25,114,781
-	16,701,238	17,167,982
82,853	94,481	591,291
-	1,320,088	2,159,747
<u>82,853</u>	<u>129,594,589</u>	<u>336,985,585</u>
-	6,067,764	76,497,048
-	23,915,968	97,036,418
-	21,715,045	21,715,045
-	-	5,412,808
-	12,432,685	12,432,685
-	31,514,249	84,156,726
-	10,000	3,574,655
-	11,454	935,392
-	12,872,788	13,369,457
-	16,332,151	16,581,252
-	12,288,266	12,298,777
545,831	-	545,831
-	2,422,595	2,422,595
-	1,114,959	1,114,959
-	12,857,667	12,857,667
18,424,251	-	18,424,251
-	314,686	314,686
-	57,172	57,172
-	610,009	610,009
<u>18,970,082</u>	<u>154,537,458</u>	<u>380,357,433</u>
(18,887,229)	(24,942,869)	(43,371,848)
-	12,132,144	12,132,490
-	(3,280,307)	(12,132,493)
7,415,831	-	7,415,831
77,130,000	-	77,130,000
-	78,725	7,043,680
446,417	13,250,370	14,981,488
<u>84,992,248</u>	<u>22,180,932</u>	<u>106,570,996</u>
66,105,019	(2,761,937)	63,199,148
7,475,993	70,365,298	128,347,784
-	(11,672)	(11,672)
7,475,993	70,353,626	128,336,112
<u>\$ 73,581,012</u>	<u>\$ 67,591,689</u>	<u>\$ 191,535,260</u>



**COUNTY OF HIDALGO, TEXAS**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

Net change in fund balances - total governmental funds \$63,199,148

The change in net position reported for governmental activities in the statement of activities (SOA) is different because:

1	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
	Capital outlay	41,837,369	
	Depreciation	(28,220,331)	13,617,038
2	Sales and other dispositions of capital assets are reported in the governmental funds as other financing sources. The gain or loss on the sale of capital assets should be reported in the statement of activities. A gain is reported as general revenue and a loss should be included as part of the general government function.	442,877	
		(174,798)	268,079
3	Governmental funds typically report proceeds they receive in connection with the disposal of capital assets as other financing sources. This amount must be removed by an adjustment to the appropriate capital asset and the accumulated depreciation account. Any gain or loss should be reported as discussed above.		(14,981,488)
4	Donations of capital assets increase net assets in the SOA but not in the funds.		315,355
5	Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the current year.		
	Related to prior years	(70,774,165)	
	Earned but unavailable	89,998,722	19,224,557
6	Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes:		
	Compensated absences	(670,354)	
	Net pension obligation	(11,335)	
	Amortization of debt discounts	(5,803)	
	Amortization of debt premiums	1,352,706	
	Amortization of deferred charge on refunding	(614,544)	
	Accrued interest on bonds and notes	(1,610,414)	
	Post employment benefits	(955,072)	(2,514,816)
7	Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, the issuance of debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.		
	Debt issued:		
	Bonds		
	Unlimited Tax Improvement Bonds, Series 2013	(77,130,000)	
	Premium on Series 2013	(7,415,831)	(84,545,831)
	Capital leases		(7,043,680)
	Repayments:		
	Bond principal	15,790,000	
	Note principal	510,961	
	Capital leases	445,366	16,746,327
8	Internal service fund (See Exhibit A-11) was used by the County to charge the cost of insurance and workers' compensation to individual funds. The operating income (loss) of the internal service fund is reported with the governmental activities.		(5,793,909)

Change in net position of governmental activities - statement of activities \$ (1,509,221)

The accompanying notes are an integral part of this statement.

**COUNTY OF HIDALGO, TEXAS**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013

**EXHIBIT A-7**

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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 141,499,356	\$ 141,499,356	\$ 142,858,126	\$ 1,358,769
Licenses and permits	100,000	100,000	120,821	20,821
Intergovernmental	5,985,000	6,080,000	14,212,149	8,132,149
Charges for services	12,265,226	12,418,626	15,419,015	3,000,389
Fines and forfeits	301,500	319,004	466,744	147,740
Interest	305,000	305,000	413,957	108,957
Miscellaneous	893,000	916,312	839,659	(76,653)
<b>Total revenues</b>	<u>161,349,082</u>	<u>161,638,297</u>	<u>174,330,471</u>	<u>12,692,173</u>
<b>EXPENDITURES</b>				
Current:				
General government				
92nd District Court	396,471	385,261	373,395	11,866
93rd District Court	396,471	371,572	357,807	13,765
139th District Court	396,471	391,064	382,702	8,362
206th District Court	396,471	371,753	358,961	12,792
275th District Court	396,471	361,958	352,961	8,997
332nd District Court	396,471	382,190	371,663	10,527
370th District Court	396,471	397,442	393,233	4,209
389th District Court	396,471	377,692	364,498	13,194
398th District Court	813,768	817,056	798,749	18,307
430th District Court	396,471	469,764	458,451	11,313
449th District Court	396,471	340,607	322,469	18,138
County Court-at-Law 1	510,254	528,561	521,630	6,931
County Court-at-Law 2	510,254	517,801	503,221	14,580
County Court-at-Law 3	615,045	611,535	603,728	7,807
County Court-at-Law 4	510,254	515,819	509,567	6,252
County Court-at-Law 5	510,254	493,075	482,123	10,952
County Court-at-Law 6	510,254	505,506	489,396	16,110
County Court-at-Law 7	510,254	494,131	478,077	16,054
County Court-at-Law 8	510,254	499,202	491,517	7,685
Master Court 1	120,971	124,032	122,617	1,415
Master Court 2	125,310	124,372	123,156	1,216
Court of Civil Appeals	3,738	3,381	2,964	417
Auxiliary Court	290,283	370,091	367,415	2,676
Child Protective Court	350	109,192	108,055	1,137
Justice of the Peace, Pct 1, PI 1	333,446	330,202	328,019	2,183
Justice of the Peace, Pct 1, PI 2	334,841	319,346	318,334	1,012
Justice of the Peace, Pct 2, PI 1	292,803	292,956	289,017	3,939
Justice of the Peace, Pct 2, PI 2	308,677	292,670	277,374	15,296
Justice of the Peace, Pct 3, PI 1	320,245	317,939	315,713	2,226
Justice of the Peace, Pct 3, PI 2	371,009	377,799	376,718	1,081
Justice of the Peace, Pct 4, PI 1	380,272	366,209	364,013	2,196
Justice of the Peace, Pct 4, PI 2	682,216	488,545	476,706	11,839
Justice of the Peace, Pct 5, PI 1	281,076	292,542	290,335	2,207
Criminal District Attorney	7,304,959	7,433,130	7,332,370	100,760
Public Defender	831,720	880,023	876,120	3,903
District Clerk	3,210,941	3,227,686	3,221,283	6,403
County Judge	1,394,168	1,346,639	1,331,466	15,173
Budget and Management	16,885,969	10,015,413	9,754,389	261,024
Executive Office	5,700,091	6,033,859	5,902,859	131,000
Elections	1,809,197	1,867,945	1,827,651	40,294

The accompanying notes are an integral part of this statement.

**COUNTY OF HIDALGO, TEXAS**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013

**EXHIBIT A-7**

Page 2 of 3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Tax-Assessor Collector	6,490,213	6,830,945	6,620,361	210,584
County Treasurer	832,955	873,260	868,982	4,278
Purchasing	1,707,670	1,574,343	1,561,455	12,888
County Auditor	2,799,832	2,815,168	2,663,472	151,696
County Clerk	3,675,581	4,240,605	4,052,433	188,172
Human Resources/Civil Service	690,597	730,602	717,129	13,473
Information Technology	2,346,260	2,740,485	2,624,645	115,840
Planning	1,059,355	1,067,369	1,062,422	4,947
General Government Buildings	5,470,072	6,092,364	5,988,776	103,588
Appraisal Fees	1,600,000	1,649,000	1,648,887	113
Total general government	76,620,118	72,060,101	70,429,284	1,630,817
<b>Public safety</b>				
Criminal District Attorney	719,381	883,795	819,975	63,820
County Judge	383,304	365,780	358,942	6,838
Budget and Management	55,000	80,417	75,500	4,917
Commissioner, Pct 3	26,379	-	-	-
Executive Office	317,779	274,662	234,459	40,203
Sheriff	48,291,968	60,494,483	55,024,798	5,469,685
Constable, Pct 1	1,075,270	1,132,011	1,116,277	15,734
Constable, Pct 2	745,067	885,035	870,250	14,785
Constable, Pct 3	1,187,041	1,233,763	1,224,906	8,857
Constable, Pct 4	1,169,200	1,270,986	1,263,278	7,708
Constable, Pct 5	-	1,053	1,053	-
Fire Marshal	1,959,467	1,625,697	1,591,040	34,657
Adult Probation	346,446	517,258	494,117	23,141
Juvenile Probation	9,334,269	10,062,326	10,045,855	16,471
Total public safety	65,610,571	78,827,266	73,120,450	5,706,816
<b>Sanitation</b>				
Commissioner, Pct 1	1,114,743	1,680,921	1,626,802	54,119
Commissioner, Pct 2	956,673	920,868	801,855	119,013
Commissioner, Pct 3	2,066,927	2,059,937	1,912,767	147,170
Commissioner, Pct 4	832,894	1,085,130	1,071,384	13,746
Total sanitation	4,971,237	5,746,856	5,412,808	334,048
<b>Health and welfare</b>				
Budget and Management	50,000	-	-	-
Executive Office	822,638	985,074	968,370	16,704
Human Services	9,498,437	12,359,231	12,328,886	30,345
Health Department	6,536,074	6,245,616	6,127,637	117,979
WIC	2,000	6,105	5,991	114
Child Welfare	122,272	84,580	76,397	8,183
Veterans Service	261,789	235,509	233,477	2,032
Total health and welfare	17,293,210	19,916,115	19,740,758	175,357
<b>Culture and recreation</b>				
Commissioner, Pct 1	873,834	835,250	812,451	22,799
Commissioner, Pct 2	1,036,621	769,824	709,238	60,586
Commissioner, Pct 3	768,009	702,031	652,436	49,595
Commissioner, Pct 4	687,650	739,063	610,832	128,231
Executive Office	784,027	783,687	779,698	3,989
Total culture and recreation	4,150,141	3,829,855	3,564,655	265,200

The accompanying notes are an integral part of this statement.

**COUNTY OF HIDALGO, TEXAS**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013

**EXHIBIT A-7**

Page 3 of 3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Conservation of natural resources				
Executive Office	527,855	511,775	511,612	163
Texas Cooperative Extension	451,995	422,948	412,326	10,622
Total conservation of natural resources	<u>979,850</u>	<u>934,723</u>	<u>923,938</u>	<u>10,785</u>
Urban and economic development				
Commissioner, Pct 1	85,032	96,905	95,813	1,092
Commissioner, Pct 2	294,414	300,488	292,917	7,571
Commissioner, Pct 4	52,407	48,382	47,614	768
Urban County	-	60,404	60,325	79
Total urban and economic development	<u>431,853</u>	<u>506,179</u>	<u>496,669</u>	<u>9,510</u>
Debt service:				
Principal	-	249,101	249,101	-
Interest and fiscal charges	-	10,511	10,511	-
<b>Total expenditures</b>	<u>170,056,980</u>	<u>182,080,703</u>	<u>173,948,174</u>	<u>8,132,529</u>
Excess (deficiency) of revenues over (under) expenditures	(8,707,898)	(20,442,406)	382,297	20,824,703
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	346	346	-
Transfers out	(8,899,998)	(10,522,390)	(8,852,186)	(1,670,204)
Capital leases	-	6,964,955	6,964,955	-
Sale of capital assets	-	1,085,206	1,284,701	199,495
<b>Total financing sources (uses)</b>	<u>(8,899,998)</u>	<u>(2,471,883)</u>	<u>(602,184)</u>	<u>1,869,699</u>
Net change in fund balances	(17,607,896)	(22,914,289)	(219,887)	22,694,402
<b>Fund balances at beginning of year, as previously reported</b>	-	-	50,251,631	50,251,631
Prior period adjustment	-	-	-	-
<b>Fund balances at beginning of year, as restated</b>	-	-	50,251,631	50,251,631
<b>Fund balances at the end of year</b>	<u>\$ (17,607,896)</u>	<u>\$ (22,914,289)</u>	<u>\$ 50,031,744</u>	<u>\$ 72,946,033</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF HIDALGO, TEXAS**

EXHIBIT A-8

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 HEAD START PROGRAM  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 36,080,984	\$ 36,080,984	\$ 32,977,672	\$ (3,103,312)
<b>Total revenues</b>	<u>36,080,984</u>	<u>36,080,984</u>	<u>32,977,672</u>	<u>(3,103,312)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare				
Appraisal Fees	36,080,984	36,080,984	32,901,719	3,179,265
Total health and welfare	<u>36,080,984</u>	<u>36,080,984</u>	<u>32,901,719</u>	<u>3,179,265</u>
<b>Total expenditures</b>	<u>36,080,984</u>	<u>36,080,984</u>	<u>32,901,719</u>	<u>3,179,265</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	75,953	75,953
<b>OTHER FINANCING SOURCES (USES):</b>				
<b>Total financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	75,953	75,953
<b>Fund balances at beginning of year, as previously reported</b>	-	-	254,862	254,862
Prior period adjustment	-	-	-	-
<b>Fund balances at beginning of year, as restated</b>	-	-	254,862	254,862
<b>Fund balances at the end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 330,815</u>	<u>\$ 330,815</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF HIDALGO, TEXAS**

## STATEMENT OF NET POSITION

## PROPRIETARY FUNDS

DECEMBER 31, 2013

	Nonmajor Enterprise Funds	Internal Service Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,487,701	\$ 2,143,920
Restricted cash	66,902	-
Receivables (net of allowance for uncollectibles)		
Accounts	-	3,812
Due from other funds	16,036	2,504,987
Due from others	-	260,834
Inventories	28,128	-
Total current assets	<u>3,598,767</u>	<u>4,913,553</u>
Noncurrent assets:		
Loans	-	150,000
Capital assets (net of accumulated depreciation)		
Land	1,001,093	-
Machinery and equipment	2,282	52,633
Total capital assets (net of accumulated depreciation)	<u>1,003,375</u>	<u>52,633</u>
Total noncurrent assets	<u>1,003,375</u>	<u>52,633</u>
<b>Total assets</b>	<u>4,602,143</u>	<u>5,116,186</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 18,271	\$ 1,509,201
Salaries and benefits payable	16,942	25,628
Due to other funds	22,350	2,499,382
Due to other governments	2,912	-
Unearned revenues	-	62,644
Compensated absences	549	1,372
Claims and judgments payable	-	2,159,021
Capital leases	-	5,141
Landfill closure/ post-closure care costs	35,386	-
Total current liabilities	<u>96,410</u>	<u>6,262,389</u>
Noncurrent liabilities:		
Compensated absences	12,405	31,000
Claims and judgments payable	-	1,582,979
Capital leases	-	8,983
Landfill closure/ post-closure care costs	1,604,544	-
Total noncurrent liabilities	<u>1,616,949</u>	<u>1,622,962</u>
<b>Total liabilities</b>	<u>1,713,359</u>	<u>7,885,351</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,003,375	38,509
Restricted - bond covenant	66,902	-
Unrestricted	1,818,506	(2,807,674)
<b>Total net position</b>	<u>\$ 2,888,783</u>	<u>\$ (2,769,165)</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF HIDALGO, TEXAS**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Nonmajor Enterprise Funds	Internal Service Funds
<b>Operating revenues:</b>		
Charges for services	\$ 1,334,998	\$ 19,217,233
Other operating revenues	585	2,900,238
<b>Total operating revenues</b>	<u>1,335,583</u>	<u>22,117,471</u>
<b>Operating expenses:</b>		
Costs of services	506,099	24,086,333
Operating supplies	13,997	-
Administration	436,751	3,823,339
Inmate expense	63,122	-
Depreciation	-	5,964
<b>Total operating expenses</b>	<u>1,019,969</u>	<u>27,915,636</u>
<b>Operating income (loss)</b>	315,614	(5,798,165)
<b>Non-operating revenues (expenses):</b>		
Investment earnings	189	4,423
Interest expense	-	(175)
Sale of capital assets	11	8
<b>Total non-operating revenues (expenses)</b>	<u>200</u>	<u>4,256</u>
<b>Income (loss) before contributions</b>	315,814	(5,793,909)
<b>Change in net position</b>	315,814	(5,793,909)
<b>Net position at beginning of year</b>	2,572,969	3,024,744
<b>Net position at end of year</b>	<u>\$ 2,888,783</u>	<u>\$ (2,769,165)</u>

The accompanying notes are an integral part of this statement.



**COUNTY OF HIDALGO, TEXAS**  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Business Type Activities <u>Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 1,335,834	\$ -
Receipts from interfund services provided	-	22,176,317
Payments to vendors	(526,792)	(3,110,092)
Payments to employees	(416,679)	(595,314)
Payments for interfund services used	-	(23,939,333)
Net cash provided (used) by operating activities	<u>392,363</u>	<u>(5,468,422)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of capital assets	11	8
Interest paid on capital debt	-	(175)
Purchase of capital assets	-	(15,094)
Net cash provided (used) by capital and related financing activities	<u>11</u>	<u>(15,261)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends received	189	4,423
Net cash provided (used) by investing activities	<u>189</u>	<u>4,423</u>
Net increase (decrease) in cash and cash equivalents	392,563	(5,479,260)
Cash and cash equivalents, January 1	3,162,040	7,623,180
Cash and cash equivalents, December 31	<u>\$ 3,554,603</u>	<u>\$ 2,143,920</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 315,614	\$ (5,798,165)
<b>Adjustments not affecting cash:</b>		
Landfill closure & post-closure costs	24,777	-
<b>Adjustments to reconcile operating income (loss) to net to cash provided (used) by operating activities</b>		
Depreciation expense	-	5,964
(Increase) decrease in accounts receivable	-	272,765
(Increase) decrease in due from other funds	2,394	(2,496,223)
(Increase) decrease in due from other governments	-	(260,833)
(Increase) decrease in inventory	14,033	-
Increase (decrease) in salaries and fringe benefits payable	954	2,935
Increase (decrease) in accounts payable	16,882	95,568
Increase (decrease) in accounts payable related to purchase of equipment	-	11,152
Increase (decrease) in due to other governments	734	-
Increase (decrease) in due to other funds	13,588	2,480,915
Increase (decrease) in unearned revenue	-	62,644
Increase (decrease) in claims and judgments	-	147,000
Increase (decrease) in compensated absences payable	3,387	7,856
Total adjustments	<u>76,749</u>	<u>329,743</u>
Net cash provided (used) by operating activities	<u>\$ 392,363</u>	<u>\$ (5,468,422)</u>
<b>Noncash operating activities:</b>		
Closure & post-closure costs for inflation adjustment see Exhibit C-74	\$ 24,777	
<b>Noncash capital and financing activities:</b>		
Capital contribution to the landfill for expenditures incurred for the landfill cap and monitoring services	-	
Total noncash change in landfill closure and post-closure costs	<u>\$ 24,777</u>	

The accompanying notes are an integral part of this statement.

**COUNTY OF HIDALGO, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2013**

	Pension Trust Funds	Private-purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 863	\$ 19,272,950	\$ 119,934,045
Certificates of deposit	-	20,839,872	70,000
Investments at fair value			
Mutual funds	22,013,133	-	-
Participant loans	1,515,080	-	-
Accounts receivable	6,018	20,605	17,361,635
Other receivables	-	-	2,904
Due from other governments	-	-	70,225
Due from others	-	51	79,965
Capital assets (net of accumulated depreciation)	-	4,380,371	-
<b>Total assets</b>	<u>\$ 23,535,094</u>	<u>\$ 44,513,849</u>	<u>\$ 137,518,774</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 2,073,578
Salaries and benefits payable	-	-	70,444
Due to other governments	-	-	103,976,278
Due to others	-	76,549	31,290,705
Deposits	-	-	107,767
Held in escrow	-	-	2
<b>Total liabilities</b>	<u>-</u>	<u>76,549</u>	<u>137,518,774</u>
<b>NET POSITION</b>			
Held in trust for others	-	44,437,300	-
Held in trust for pension benefits	23,535,094	-	-
<b>Total net position</b>	<u>\$ 23,535,094</u>	<u>\$ 44,437,300</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF HIDALGO, TEXAS**

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Pension Trust Funds	Private-Purpose Trust Funds
	<u>                    </u>	<u>                    </u>
<b>ADDITIONS</b>		
Contributions:		
Retirement contributions	\$ 2,476,157	\$ -
Unclaimed property	-	4,123
Bail bond surety collateral	-	2,257,598
Confiscations	-	11,382,913
Registry	-	114,990,286
Inmate property	-	2,614,336
Various boards	-	28,213
Section 108 loans	-	33,062
Investment earnings:	-	-
Unrealized gain	1,148,329	-
Other income	82,285	-
Total additions	<u>3,706,771</u>	<u>131,310,531</u>
<b>DEDUCTIONS</b>		
Benefits paid	2,477,584	-
Other	5,714	-
Release collateral	-	1,919,588
Forfeitures	-	7,164,687
Judgments	-	114,105,999
Release of inmate property	-	2,618,473
Section 108 loans	-	12,437
Various boards	-	8,209
Total deductions	<u>2,483,298</u>	<u>125,829,393</u>
<b>Change in net position</b>	1,223,473	5,481,138
<b>Net position at beginning of the year as previously reported</b>	23,211,628	38,956,162
<b>Prior period adjustments</b>	<u>(7)</u>	<u>-</u>
<b>Net position at beginning of the year as restated</b>	23,311,621	38,956,162
<b>Net position at the end of the year</b>	<u>\$ 23,535,094</u>	<u>\$ 44,437,300</u>

The accompanying notes are an integral part of this statement.

