

PROPRIETARY FUNDS

Proprietary funds are used to account for a government's business-type activities. There are two different types of proprietary funds: enterprise funds and internal service funds.

Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services.

Internal service funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

COUNTY OF HIDALGO, TEXAS
Proprietary Funds
December 31, 2013

Enterprise Funds

Sanitary Landfill

This fund is used to account for the closure and post-closure care costs of the County's landfill site in Precinct No. 3 (MSW 1727), Precinct No. 3 landfill tire storage facility (6200744), and the landfill site in Precinct No. 4 (MSW 1593A).

Jail Commissary

This fund is used to account for services provided to the jail inmate population.

Internal Service Funds

Self Funded Health Benefits

This fund is used to account for employee and employer contributions set aside to cover medical claims sustained by insured County employees and County employees' dependents.

Self Funded Workers' Compensation

This fund is used to account for employer contributions set aside to cover claims resulting from on the job injuries sustained by County employees.



COUNTY OF HIDALGO, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2013

	Landfill Services	Jail Commissary	Total Nonmajor Enterprise Funds (See Exhibit A-10)
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 853,293	\$ 2,634,408	\$ 3,487,701
Restricted cash	66,902	-	66,902
Receivables (net of allowance for uncollectibles)			
Due from other funds	-	16,036	16,036
Inventories	-	28,128	28,128
Total current assets	<u>920,195</u>	<u>2,678,572</u>	<u>3,598,767</u>
Noncurrent assets:			
Capital assets (net of accumulated depreciation)			
Land	1,001,093	-	1,001,093
Machinery and equipment	-	2,282	2,282
Total capital assets (net of accumulated depreciation)	<u>1,001,093</u>	<u>2,282</u>	<u>1,003,375</u>
Total noncurrent assets	<u>1,001,093</u>	<u>2,282</u>	<u>1,003,375</u>
Total assets	<u>1,921,288</u>	<u>2,680,854</u>	<u>4,602,142</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,388	\$ 16,883	\$ 18,271
Salaries and benefits payable	-	16,942	16,942
Due to other funds	-	22,350	22,350
Due to other governments	-	2,912	2,912
Compensated absences	-	549	549
Landfill closure/ postclosure care costs	35,386	-	35,386
Total current liabilities	<u>36,774</u>	<u>59,636</u>	<u>96,410</u>
Noncurrent liabilities:			
Compensated absences	-	12,405	12,405
Landfill closure/ postclosure care costs	1,604,544	-	1,604,544
Total noncurrent liabilities	<u>1,604,544</u>	<u>12,405</u>	<u>1,616,949</u>
Total liabilities	<u>1,641,318</u>	<u>72,041</u>	<u>1,713,359</u>
NET POSITION			
Net investment in capital assets	1,001,093	2,282	1,003,375
Restricted - bond covenant	66,902	-	66,902
Unrestricted	(788,025)	2,606,531	1,818,506
Total net position	<u>\$ 279,970</u>	<u>\$ 2,608,813</u>	<u>\$ 2,888,783</u>

COUNTY OF HIDALGO, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Landfill Services	Jail Commissary	Total Nonmajor Enterprise Funds (See Exhibit A-11)
Operating revenues:			
Charges for services	\$ -	\$ 1,334,998	\$ 1,334,998
Other operating revenues	-	585	585
Total operating revenues	<u>-</u>	<u>1,335,583</u>	<u>1,335,583</u>
Operating expenses:			
Costs of services	24,777	481,322	506,099
Operating supplies	-	13,997	13,997
Administration	-	436,751	436,751
Inmate expense	-	63,122	63,122
Total operating expenses	<u>24,777</u>	<u>995,192</u>	<u>1,019,969</u>
Operating income (loss)	(24,777)	340,391	315,614
Non-operating revenues (expenses):			
Investment earnings	189	-	189
Sale of capital assets	-	11	11
Total non-operating revenues (expenses)	<u>189</u>	<u>11</u>	<u>200</u>
Income (loss) before contributions	(24,588)	340,402	315,814
Change in net position	(24,588)	340,402	315,814
Net position at beginning of year, as previously reported	304,558	2,268,411	2,572,969
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Net position at beginning of year, as restated	304,558	2,268,411	2,572,969
Net position at end of year	<u>\$ 279,970</u>	<u>\$ 2,608,813</u>	<u>\$ 2,888,783</u>



COUNTY OF HIDALGO, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Landfill Services	Jail Commissary	Total Nonmajor Enterprise Funds (See Exhibit A-12)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ -	\$ 1,335,834	\$ 1,335,834
Payments to vendors	-	(526,792)	(526,792)
Payments to employees	-	(416,679)	(416,679)
Net cash provided (used) by operating activities	<u>-</u>	<u>392,363</u>	<u>392,363</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	-	11	11
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>11</u>	<u>11</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	189	-	189
Net cash provided (used) by investing activities	<u>189</u>	<u>-</u>	<u>189</u>
Net increase (decrease) in cash and cash equivalents	189	392,374	392,563
Cash and cash equivalents, January 1	920,006	2,242,034	3,162,040
Cash and cash equivalents, December 31	<u>\$ 920,195</u>	<u>\$ 2,634,408</u>	<u>\$ 3,554,603</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (24,777)	\$ 340,391	\$ 315,614
Adjustments not affecting cash:			
Landfill closure & post-closure costs	24,777	-	24,777
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Increase) decrease in due from other funds	-	2,394	2,394
(Increase) decrease in inventory	-	14,033	14,033
Increase (decrease) in salaries and fringe benefits payable	-	954	954
Increase (decrease) in accounts payable	-	16,882	16,882
Increase (decrease) in due to other governments	-	734	734
Increase (decrease) in due to other funds	-	13,588	13,588
Increase (decrease) in compensated absences payable	-	3,387	3,387
Total adjustments	<u>24,777</u>	<u>51,972</u>	<u>76,749</u>
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 392,363</u>	<u>\$ 392,363</u>
Noncash operating activities:			
Closure & post-closure costs for inflation adjustment see Exhibit A-12	\$ 24,777	\$ -	\$ 24,777
Total noncash change in landfill closure & post-closure costs	<u>\$ 24,777</u>	<u>\$ -</u>	<u>\$ 24,777</u>

COUNTY OF HIDALGO, TEXAS
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2013

	Self-Funded Health Benefits	Self-Funded Workers' Compensation	Total Internal Service Funds (See Exhibit A-10)
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 2,143,920	\$ 2,143,920
Receivables (net of allowance for uncollectibles)			
Accounts	1,890	1,922	3,812
Due from other funds	22,181	2,482,806	2,504,987
Due from others	260,834	-	260,834
Total current assets	<u>284,905</u>	<u>4,628,648</u>	<u>4,913,553</u>
Noncurrent assets:			
Loans	-	150,000	150,000
Capital assets (net of accumulated depreciation)			
Machinery and equipment	3,673	48,960	52,633
Total capital assets (net of accumulated depreciation)	<u>3,673</u>	<u>48,960</u>	<u>52,633</u>
Total noncurrent assets	<u>3,673</u>	<u>48,960</u>	<u>52,633</u>
Total assets	<u>288,578</u>	<u>4,827,608</u>	<u>5,116,186</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,505,171	\$ 4,030	\$ 1,509,201
Salaries and benefits payable	14,448	11,180	25,628
Due to other funds	2,483,061	16,321	2,499,382
Unearned revenues	61,772	872	62,644
Compensated absences	1,038	334	1,372
Claims and judgments payable	1,755,000	404,021	2,159,021
Capital leases	232	4,909	5,141
Total current liabilities	<u>5,820,722</u>	<u>441,667</u>	<u>6,262,389</u>
Noncurrent liabilities:			
Compensated absences	23,458	7,542	31,000
Claims and judgments payable	-	1,582,979	1,582,979
Capital leases	-	8,983	8,983
Total noncurrent liabilities	<u>23,458</u>	<u>1,599,504</u>	<u>1,622,962</u>
Total liabilities	<u>5,844,180</u>	<u>2,041,171</u>	<u>7,885,351</u>
NET POSITION			
Net investment in capital assets	3,441	35,068	38,509
Unrestricted	(5,559,043)	2,751,369	(2,807,674)
Total net position	<u>\$ (5,555,602)</u>	<u>\$ 2,786,437</u>	<u>\$ (2,769,165)</u>

COUNTY OF HIDALGO, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Self-Funded Health Benefits	Self-Funded Workers' Compensation	Total Internal Service Funds (See Exhibit A-11)
Operating revenues:			
Charges for services	\$ 18,672,927	\$ 544,306	\$ 19,217,233
Other operating revenues	2,836,159	64,079	2,900,238
Total operating revenues	<u>21,509,086</u>	<u>608,385</u>	<u>22,117,471</u>
Operating expenses:			
Costs of services	22,731,640	1,354,693	24,086,333
Administration	3,183,276	640,063	3,823,339
Depreciation	1,438	4,526	5,964
Total operating expenses	<u>25,916,354</u>	<u>1,999,282</u>	<u>27,915,636</u>
Operating income (loss)	(4,407,268)	(1,390,897)	(5,798,165)
Non-operating revenues (expenses):			
Investment earnings	-	4,423	4,423
Interest expense	(56)	(119)	(175)
Sale of capital assets	-	8	8
Total non-operating revenues (expenses)	<u>(56)</u>	<u>4,312</u>	<u>4,256</u>
Income (loss) before contributions	(4,407,324)	(1,386,585)	(5,793,909)
Change in net position	(4,407,324)	(1,386,585)	(5,793,909)
Net position at beginning of year, as previously reported	(1,148,278)	4,173,022	3,024,744
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Net position at beginning of year, as restated	(1,148,278)	4,173,022	3,024,744
Net position at end of year	<u>\$ (5,555,602)</u>	<u>\$ 2,786,437</u>	<u>\$ (2,769,165)</u>



COUNTY OF HIDALGO, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Self-Funded Health Benefits	Self-Funded Workers' Compensation	Total Internal Service Funds (See Exhibit A-12)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 21,570,232	\$ 606,085	\$ 22,176,317
Payments to vendors	(265,582)	(2,844,510)	(3,110,092)
Payments to employees	(337,121)	(258,193)	(595,314)
Payments for interfund services used	(22,600,640)	(1,338,693)	(23,939,333)
Net cash provided (used) by operating activities	<u>(1,633,111)</u>	<u>(3,835,311)</u>	<u>(5,468,422)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	-	8	8
Interest paid on capital debt	(56)	(119)	(175)
Purchase of capital assets	-	(15,094)	(15,094)
Net cash provided (used) by capital and related financing activities	<u>(56)</u>	<u>(15,205)</u>	<u>(15,261)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	-	4,423	4,423
Net cash provided (used) by investing activities	<u>-</u>	<u>4,423</u>	<u>4,423</u>
Net increase (decrease) in cash and cash equivalents	(1,633,167)	(3,846,093)	(5,479,260)
Cash and cash equivalents, January 1	1,633,167	5,990,013	7,623,180
Cash and cash equivalents, December 31	<u>\$ -</u>	<u>\$ 2,143,920</u>	<u>\$ 2,143,920</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (4,407,268)	\$ (1,390,897)	\$ (5,798,165)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	1,438	4,526	5,964
(Increase) decrease in accounts receivable	273,625	(860)	272,765
(Increase) decrease in due from other funds	(13,418)	(2,482,805)	(2,496,223)
(Increase) decrease in due from other governments	(260,833)	-	(260,833)
Increase (decrease) in salaries and fringe benefits payable	1,663	1,272	2,935
Increase (decrease) in accounts payable	92,981	2,587	95,568
Increase (decrease) in accounts payable related to equip purchase	(2,741)	13,893	11,152
Increase (decrease) in due to other funds	2,483,000	(2,085)	2,480,915
Increase (decrease) in unearned revenue	61,772	872	62,644
Increase (decrease) in claims and judgments	131,000	16,000	147,000
Increase (decrease) in compensated absences payable	5,670	2,186	7,856
Total adjustments	<u>2,774,157</u>	<u>(2,444,414)</u>	<u>329,743</u>
Net cash provided (used) by operating activities	<u>\$ (1,633,111)</u>	<u>\$ (3,835,311)</u>	<u>\$ (5,468,422)</u>

