BASIC FINANCIAL STATEMENTS

THE COUNTY OF HIDALGO

TEXAS

COUNTY OF HIDALGO, TEXAS

STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 133,137,975	$ 1,426,016	$ 134,563,991
Receivables (net of allowance for uncollectibles)	125,219,109	-	125,219,109
Internal balances	(16,664)	16,664	-
Due from others	737,343	-	737,343
Inventories	321,147	32,297	353,444
Prepaids	183,610	-	183,610
Deferred charges	2,308,944	-	2,308,944
Restricted cash	-	66,902	66,902
Other assets	349,455	-	349,455
Capital assets (net of accumulated depreciation):			
Land	29,440,360	1,001,093	30,441,453
Infrastructure	154,097,559	-	154,097,559
Buildings and renovations	71,103,160	-	71,103,160
Improvements other than buildings	4,216,314	-	4,216,314
Machinery and equipment	16,498,482	7,840	16,506,322
Construction in progress	6,425,021	-	6,425,021
Total capital assets (net of accumulated depreciation)	281,780,896	1,008,933	282,789,829
Total assets	544,021,815	2,550,812	546,572,627
LIABILITIES			
Bank overdraft	5,236,038	-	5,236,038
Accounts payable	15,697,484	31,575	15,729,059
Salaries and benefits payable	2,447,381	2,164	2,449,545
Retainage payable	670,865	-	670,865
Accrued interest payable	2,535,060	-	2,535,060
Notes payable - short-term	8,604	-	8,604
Due to others	2,313	-	2,313
Due to other governments	2,861,218	5,434	2,866,652
Unearned revenue	117,704,117	-	117,704,117
Other current liabilities	488,210	-	488,210
Noncurrent liabilities:			
Due within one year			
Bonds payable	4,880,000	-	4,880,000
Notes payable	1,532,636	-	1,532,636
Compensated absences	288,300	3,888	292,188
Claims and judgments payable	597,299	-	597,299
Due in more than one year			
Bonds payable	122,029,814	-	122,029,814
Notes payable	7,085,821	-	7,085,821
Compensated absences	4,411,708	16,174	4,427,882
Claims and judgments payable	3,641,224	-	3,641,224
Net pension obligation	920,527	-	920,527
Landfill closure/postclosure care costs	-	1,480,771	1,480,771
Total liabilities	293,038,619	1,540,006	294,578,625
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	180,126,758	1,008,933	181,135,691
Restricted For:			
Capital Projects	6,359,576	-	6,359,576
Debt Service	4,041,046	-	4,041,046
Special Revenue	18,371,428	-	18,371,428
Enterprise	-	66,902	66,902
Unrestricted	42,084,388	(65,029)	42,019,359
Total net assets	$ 250,983,196	$ 1,010,806	$ 251,994,002

The accompanying notes are an integral part of this statement.

COUNTY OF HIDALGO, TEXAS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	$ 62,183,106	$ 23,713,514	$ 2,850,767	$ -
Public safety	59,117,815	1,524,423	17,734,579	-
Highways and streets	17,157,777	8,460,613	4,092,149	3,641,301
Sanitation	3,585,628	-	-	-
Drainage flood control	5,647,226	85,500	-	-
Health and welfare	67,255,280	210,355	53,437,338	-
Culture-recreation	2,186,585	65,119	191,028	-
Conservation of natural resources	587,967	-	-	-
Urban and economic development	15,281,411	-	15,172,409	-
Interest on long-term debt	6,345,345	-	-	-
Total governmental activites	239,348,140	34,059,524	93,478,270	3,641,301
Business-type activities:				
Hidalgo County Sanitary Landfill & Resource	40,332	-	-	62,850
Hidalgo County Jail Commissary	776,478	982,757	-	-
Total Business-type Activities	816,810	982,757	-	62,850
Total Primary Government	$ 240,164,949	$ 35,042,281	$ 93,478,270	$ 3,704,151

General Revenues:
- Property taxes
- State mix drink tax
- Bingo tax
- Grants and contributions not restricted to specific programs
- Interest earnings
- Miscellaneous
- Gain on Sale of Capital Assets
  - Total general revenues
  - Change in net assets

Net assets - beginning
Prior period adjustment
Net assets - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
$ (35,618,825)		$ (35,618,825)
(39,858,813)		(39,858,813)
(963,714)		(963,714)
(3,585,628)		(3,585,628)
(5,561,726)		(5,561,726)
(13,607,587)		(13,607,587)
(1,930,438)		(1,930,438)
(587,967)		(587,967)
(109,002)		(109,002)
(6,345,345)		(6,345,345)
(108,169,045)		(108,169,045)
-	$ 22,518	22,518
-	206,279	206,279
-	228,797	228,797
(108,169,045)	228,797	(107,940,248)
106,149,411	-	106,149,411
664,508	-	664,508
324,980	-	324,980
931,421	-	931,421
5,136,247	38,721	5,174,968
1,974,211	-	1,974,211
52,187	-	52,187
115,232,965	38,721	115,271,686
7,063,920	267,518	7,331,438
247,326,814	743,288	248,070,102
(3,407,538)	-	(3,407,538)
$ 250,983,196	$ 1,010,806	$ 251,994,002

COUNTY OF HIDALGO, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	General Fund	Special Revenue Fund: Head Start Program
ASSETS		
Cash and cash equivalent	$ 50,453,065	$ 155,886
Receivables (net of allowance for uncollectibles)		
Taxes	89,938,478	-
Accounts	643,138	880
Other	-	2,279
Due from other funds	90,516	134,877
Due from other governments	246,970	852,015
Due from others	99,001	-
Advances to other funds	49,255	-
Inventories	321,147	-
Prepaids	3,395	-
Other assets	20,000	-
Total assets	$ 141,864,965	$ 1,145,937
LIABILITIES AND FUND BALANCES		
Liabilities:		
Bank overdraft	$ -	$ -
Accounts payable	4,450,132	147,906
Salaries and benefits payable	1,136,277	659,941
Retainage payable	264	-
Notes payable - short-term	-	-
Due to other funds	4,610,598	134,877
Due to other governments	1,692,297	-
Due to others	-	-
Deferred revenues	113,062,768	90,272
Held in escrow	487,106	-
Undistributed receipts	1,089	-
Total liabilities	125,440,531	1,032,996
Fund balances:		
Reserved for:		
Inventory	321,147	-
Prepaid items	3,395	-
Advances to other funds	49,255	-
Contingencies	-	-
Restricted revenues	2,332,463	-
Grant cash match	1,005,221	-
TXDOT cash match	21,382	-
Other committments	150,000	-
Unreserved, reported in:		
General fund	12,541,571	-
Special revenue funds	-	112,941
Debt service funds	-	-
Capital projects funds	-	-
Total fund balances	16,424,434	112,941
Total liabilities and fund balances	$ 141,864,965	$ 1,145,937

The accompanying notes are an integral part of this statement.

Capital Projects Fund Certificates of Obligation Series 2004	Other Governmental Funds	Total Governmental Funds
$ 28,304,538	$ 45,025,801	$ 123,939,290
-	18,561,861	108,500,339
-	86,600	730,618
-	3,317,790	3,320,069
1,058	6,102,801	6,329,252
-	11,569,098	12,668,083
-	638,342	737,343
-	10,200	59,455
-	-	321,147
-	7,657	11,052
-	-	20,000
$ 28,305,596	$ 85,320,150	$ 256,636,648
$ -	$ 5,236,038	$ 5,236,038
2,184,956	8,912,201	15,695,195
-	642,318	2,438,536
187,445	483,156	670,865
-	8,604	8,604
309,614	1,274,164	6,329,253
-	1,168,921	2,861,218
-	2,313	2,313
-	32,623,482	145,776,522
-	15	487,121
-	-	1,089
2,682,015	50,351,212	179,506,754
-	-	321,147
-	2,626	6,021
-	10,200	59,455
-	313,659	313,659
-	21,275	2,353,738
-	125,000	1,130,221
-	304,426	325,808
-	-	150,000
-	-	12,541,571
-	18,683,942	18,796,883
-	3,695,740	3,695,740
25,623,581	11,812,070	37,435,651
25,623,581	34,968,938	77,129,894
$ 28,305,596	$ 85,320,150	$ 256,636,648

THE COUNTY OF HIDALGO

TEXAS

COUNTY OF HIDALGO, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2005

Total fund balances - governmental funds balance sheet			$ 77,129,894
Amounts reported for governmental activities in the statement of net assets ("SNA") 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		29,440,360	
Infrastructure		154,097,559	
Buildings and renovations		71,103,160	
Improvements other than buildings		4,216,314	
Machinery and equipment		16,441,547	
Construction in progress		6,425,021	
			281,723,961
2 Some of the County's taxes collected during the year are not available to pay for the current period's expenditures and, therefore, are reported as deferred revenues in the funds.			28,072,405
3 Governmental funds report the issuance costs for long-term debt as an expenditure. This amount is a deferred charge which is amortized as an expenditure to general government over the life of the debt.			2,308,944
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		(2,253,974)	
Accrued interest on notes		(281,086)	
			(2,535,060)
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 assets. 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 will be amortized as an adjustment of interest expense in the statement of activities over the remaining life of the new debt. For refunding of debt, in prior years, the difference between the carrying and the reacquisition amount is amortized as an adjustment to interest over the remaining life of the new debt.			
Bonds Payable		(125,665,000)	
Notes Payable		(8,618,457)	
Compensated absences		(4,689,818)	
Net pension obigation	(920,527)		
Prepaid pension obligation	172,558		
		(747,969)	
Unamortized Premiums	(4,475,699)		
Unamortized Discounts	111,083		
Deferred amounts on refundings	3,119,802		
		(1,244,814)	
			(140,966,058)
6 The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets. (See Exhibit A-9) Internal service fund net assets are:			5,249,110
Total net assets of governmental activities (Exhibit A-1)			$ 250,983,196

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, 2005

	General Fund	Special Revenue Fund Head Start Program
REVENUES		
Taxes	$ 94,393,328	$ -
Licenses and permits	81,956	-
Intergovernmental	2,856,479	37,569,433
Charges for services	9,574,690	-
Fines and forfeits	267,758	-
Interest	2,342,405	15,323
Contributions from private sources	-	-
Miscellaneous	1,403,477	7,845
Total revenues	110,920,093	37,592,601
EXPENDITURES		
Current:		
General government	43,025,354	-
Public safety	41,677,265	-
Highways and streets	-	-
Sanitation	3,657,460	-
Drainage flood control	-	-
Health and welfare	5,964,107	37,481,930
Culture-recreation	573,166	-
Conservation of natural resources	515,291	-
Urban and economic development	369,525	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Bond issuance costs	-	-
Advance refunding escrow	-	-
Capital outlay:		
General government	-	-
Public safety	-	-
Highways and streets	-	-
Sanitation	-	-
Drainage flood control	-	-
Health and welfare	-	-
Culture-recreation	-	-
Conservation of natural resources	-	-
Urban and economic development	-	-
Total expenditures	95,782,168	37,481,930
Excess (deficiency) of revenues over (under) expenditures	15,137,925	110,671
OTHER FINANCING SOURCES (USES):		
Transfers in	102,449	-
Transfers out	(16,907,038)	-
Premium (discount) on bonds issued	-	-
Payment to refunded bond escrow agent	-	-
Refunding bonds issued	-	-
Long-term notes issued	-	-
Sale of fixed assets	1,882,193	-
Total other financing sources (uses)	(14,922,396)	-
Net change in fund balances	215,529	110,671
Fund balances at beginning of year, as previously reported	16,208,905	2,270
Prior period adjustments	-	-
Fund balances at beginning of year, as restated	16,208,905	2,270
Fund balances at the end of year	$ 16,424,434	$ 112,941

The accompanying notes are an integral part of this statement.

Capital Projects Fund Certificates of Obligation Series 2004	Other Governmental Funds	Total Governmental Funds
$ -	$ 21,377,651	$ 115,770,979
-	3,707,655	3,789,611
-	52,466,927	92,892,839
-	7,306,620	16,881,310
-	4,835,464	5,103,222
950,896	1,898,862	5,207,486
-	5,000	5,000
13,140	1,166,006	2,590,468
964,036	92,764,185	242,240,915
-	6,246,492	49,271,846
-	18,336,594	60,013,859
-	14,487,436	14,487,436
-	-	3,657,460
-	6,170,891	6,170,891
-	23,572,756	67,018,793
-	2,246,591	2,819,757
-	-	515,291
-	15,124,355	15,493,880
-	5,405,235	5,405,235
-	6,257,164	6,257,164
-	723,173	723,173
-	630,262	630,262
1,577,331	576,289	2,153,620
3,656,657	985,269	4,641,926
1,634,431	8,758,857	10,393,288
418,644	50,253	468,897
-	2,331,412	2,331,412
279,769	-	279,769
-	27,992	27,992
72,984	-	72,984
-	850	850
7,639,816	111,931,871	252,835,785
(6,675,780)	(19,167,686)	(10,594,870)
-	36,974,057	37,076,506
(1,158,850)	(19,010,617)	(37,076,505)
-	2,772,877	2,772,877
-	(53,688,129)	(53,688,129)
-	51,640,000	51,640,000
-	2,580,000	2,580,000
-	155,108	2,037,301
(1,158,850)	21,423,296	5,342,050
(7,834,630)	2,255,610	(5,252,820)
33,458,211	32,695,328	82,364,714
-	18,000	18,000
33,458,211	32,713,328	82,382,714
$ 25,623,581	$ 34,968,938	$ 77,129,894

THE COUNTY OF HIDALGO

TEXAS

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, 2005

Net change in fund balances - total governmental funds			$ (5,252,820)
Amounts reported for governmental activities in the statement of activities ("SOA") are 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		21,561,982	
Depreciation		(6,375,190)	15,186,792
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		52,187	
be included as part of the general government function.		(23,914)	28,273
3 Governmental funds typcially report proceeds they receive in connection with the disposal of capital assets as other financing sources. This amount must be removed and replaced by an adjustment to the appropriate capital asset and the accumulated depreciation account. Any gain or loss should be reported as discussed above.			(2,044,821)
4 Donations of capital assets increase net assets in the SOA but not in the funds.			55,000
5 Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.			
Related to prior years		(37,693,973)	
Earned but unavailable		28,072,405	(9,621,568)
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.			
Compensated absences		(207,896)	
Net pension obligation		(11,090)	
Amortization of issuance costs		(164,636)	
Amortization of debt disounts		(9,821)	
Amortization of debt premiums		263,758	
Amortization of deferred charge on refundings		(373,088)	
Accrued interest on bonds and notes		37,280	(465,493)
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 assets, 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 assets.			
Debt issued:			
Bonds	Refunding Bonds, Series 2005	(51,640,000)	
	Premium on Certificate of Obligations	(2,772,877)	
	Issuance costs on Certificate of Obligation, Series 2004	723,173	
	Payments to refunded bonds escrow agent	54,318,391	
Notes		(2,580,000)	(1,951,313)
Repayments:			
Bond principal		4,400,000	
Note principal		1,225,234	5,625,234
8 Internal service fund (See Exhibit A-10) was used by the County to charge the cost of insurance to individual funds. The operating income (loss) of the internal service fund is reported with the governmental activities.			5,504,636
Change in net assets of governmental activties - statement of activities			$ 7,063,920

The accompanying notes are an integral part of this statement.

COUNTY OF HIDALGO, TEXAS

EXHIBIT A-7

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	$ 92,136,155	$ 92,975,155	$ 94,393,328	$ 1,418,173
Licenses and permits	89,000	90,000	81,956	(8,044)
Intergovernmental	1,806,000	2,645,435	2,856,479	211,044
Charges for services	9,007,519	9,172,007	9,574,690	402,683
Fines and forfeits	4,000	274,000	267,758	(6,242)
Interest	1,613,900	2,025,400	2,342,405	317,005
Miscellaneous	700,500	790,324	1,403,477	613,153
Total revenues	105,357,074	107,972,321	110,920,093	2,947,772
EXPENDITURES				
Current:				
General government	45,030,769	44,797,238	43,025,354	1,771,884
Public safety	43,470,618	42,803,924	41,677,265	1,126,659
Sanitation	3,981,544	4,009,377	3,657,460	351,917
Health and welfare	6,078,366	6,344,358	5,964,107	380,251
Culture and recreation	542,250	589,010	573,166	15,844
Conservation of natural resources	560,616	548,065	515,291	32,774
Urban and economic development	260,741	385,147	369,525	15,622
Total expenditures	99,924,903	99,477,119	95,782,168	3,694,951
Excess (deficiency) of revenues over (under) expenditures	5,432,171	8,495,202	15,137,925	6,642,723
OTHER FINANCING SOURCES (USES):				
Transfers in	-	102,449	102,449	-
Transfers out	(11,339,400)	(18,019,411)	(16,907,038)	1,112,373
Sale of fixed assets	-	1,868,391	1,882,193	13,802
Total financing sources (uses)	(11,339,400)	(16,048,571)	(14,922,396)	1,126,175
Net change in fund balances	(5,907,229)	(7,553,369)	215,529	7,768,898
Fund balances at beginning of year, as previously reported	-	-	16,208,905	16,208,905
Prior period adjustment	-	-	-	-
Fund balances at beginning of year, as restated	-	-	16,208,905	16,208,905
Fund balances at the end of year	$ (5,907,229)	$ (7,553,369)	$ 16,424,434	$ 23,977,803

The accompanying notes are an integral part of this statement.

COUNTY OF HIDALGO, TEXAS

EXHIBIT A-8

HEAD START PROGRAM
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 31,192,806	$ 31,568,952	$ 37,569,433	$ 6,000,481
Interest	-	-	15,323	15,323
Miscellaneous	-	-	7,845	7,845
Total revenues	31,192,806	31,568,952	37,592,601	6,023,649
EXPENDITURES				
Current:				
Health and welfare	31,192,806	31,568,952	37,481,930	(5,912,978)
Total expenditures	31,192,806	31,568,952	37,481,930	(5,912,978)
Excess (deficiency) of revenues over (under) expenditures	-	-	110,671	110,671
OTHER FINANCING SOURCES (USES):				
Total financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	110,671	110,671
Fund balances at beginning of year, as previously reported	-	-	2,270	2,270
Prior period adjustment	-	-	-	-
Fund balances at beginning of year, as restated	-	-	2,270	2,270
Fund balances at the end of year	$ -	$ -	$ 112,941	$ 112,941

The accompanying notes are an integral part of this statement.

COUNTY OF HIDALGO, TEXAS

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2005

	Nonmajor Enterprise Funds	Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,426,016	$ 9,198,687
Restricted cash	66,902	-
Due from other funds	16,664	-
Inventories	32,297	-
Total current assets	1,541,879	9,198,687
Noncurrent assets:		
Advances to other funds	-	270,000
Capital assets (net of accumulated depreciation):		
Land	1,001,093	-
Machinery and equipment	7,840	56,941
Total capital assets (net of accumulated depreciation)	1,008,933	56,941
Total noncurrent assets	1,008,933	326,941
Total assets	$ 2,550,812	$ 9,525,628
LIABILITIES		
Current liabilities:		
Accounts payable	$ 31,575	$ 2,290
Salaries and benefits payable	2,164	8,850
Due to other funds	-	16,665
Intergovernmental payables	5,434	-
Compensated absences	3,888	10,190
Claims and judgments payable	-	597,299
Total current liabilities	43,061	635,294
Noncurrent liabilities:		
Compensated absences	16,174	-
Claims and judgments payable	-	3,641,224
Landfill closure/ postclosure care costs	1,480,771	-
Total noncurrent liabilities	1,496,945	3,641,224
Total liabilities	1,540,006	4,276,518
NET ASSETS		
Invested in capital assets, net of related debt	1,008,933	56,941
Restricted	66,902	-
Unrestricted	(65,029)	5,192,169
Total net assets	$ 1,010,806	$ 5,249,110

The accompanying notes are an integral part of this statement.

COUNTY OF HIDALGO, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2005

	Nonmajor Enterprise Funds	Internal Service Funds
Operating revenues:		
Charges for services	$ 981,998	$ 18,488,828
Other operating revenues	759	287,359
Total operating revenues	982,757	18,776,187
Operating expenses:		
Costs of services	542,805	10,691,911
Operating supplies	9,484	-
Administration	215,827	2,780,363
Inmate expense	46,635	-
Depreciation	2,059	10,024
Total operating expenses	816,810	13,482,298
Operating income (loss)	165,947	5,293,889
Nonoperating revenues (expenses):		
Investment earnings	38,721	210,747
Total non-operating revenues (expenses)	38,721	210,747
Income before contributions and transfers	204,668	5,504,636
Contributions	62,850	-
Change in net assets	267,518	5,504,636
Net assets at beginning of year, as previously reported	743,288	(251,506)
Prior period adjustment	-	(4,020)
Net assets at beginning of year, as restated	743,288	(255,526)
Net assets at end of year	$ 1,010,806	$ 5,249,110

The accompanying notes are an integral part of this statement.

THE COUNTY OF HIDALGO

TEXAS

COUNTY OF HIDALGO, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Business-Type Activities Enterprise Funds	Governmental Activites Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customer and users	$ 982,498	$ -
Receipts from interfund service provided	-	18,868,458
Payments to vendors	(526,327)	(2,288,772)
Payments to employees	(237,198)	(479,723)
Payments for interfund services used	-	(10,168,461)
Net cash provided (used) by operating activities	218,973	5,931,501
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advance to other funds	-	(95,000)
Transfer from other funds	-	-
Transfer to other funds	-	-
Net cash provided (used) by noncapital financing activities	-	(95,000)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Purchase of capital assets	-	(2,600)
Net cash provided (used) for capital & related financing activities	-	(2,600)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of investments	-	-
Purchase of investments	-	-
Interest and dividends received	38,721	210,747
Net cash provided (used) by investing activities	38,721	210,747
Net increase (decrease) in cash and cash equivalents	257,694	6,044,648
Cash and cash equivalents, January 1	1,168,322	3,154,039
Cash and cash equivalents, December 31	$ 1,426,016	$ 9,198,687
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 165,947	$ 5,293,889
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	2,060	10,024
(increase) decrease in accounts receivable	-	33,747
(increase) decrease in due from other funds	(16,654)	2,219
(increase) decrease in due from other governments	200	-
(increase) decrease in due from others	-	39,830
(increase) decrease in inventory	10,879	-
Increase (decrease) in salaries & fringe benefits payable	(2,515)	1,860
Increase (decrease) in accounts payable	20,670	(1,797)
Increase (decrease) in accounts payable related to equipment purchases	-	2,600
Increase (decrease) in due to other funds	(2,219)	16,664
Increase (decrease) in due to other governments	716	-
Increase (decrease) in claims and judgements	-	523,523
Increase (decrease) in compensated absences payable	(443)	8,942
Increase (decrease) in closure & postclosure costs	(22,518)	-
(Increase) decrease in closure & postclosure costs due to contributions	62,850	-
Total Adjustments	53,026	637,612
Net Cash Provided (Used) by Operating Activities	$ 218,973	$ 5,931,501

The accompanying notes are an integral part of this statement.

COUNTY OF HIDALGO, TEXAS

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2005

	Pension Trust Funds	Private-purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	$ 1,837	$ 11,136,257	$ 32,024,251
Investments, plus accrued interest	12,447,526	24,868,522	2,631,942
Accounts receivable	8,463	44,149	13,628,366
Other receivables	-	-	2,904
Due from other funds	541	-	34,840
Due from other government	-	-	33,774
Due from others	-	10,550	47,463
Prepaids	-	-	3,330
Capital assets (net of accumulated depreciation)	-	2,798,111	-
Total assets	$ 12,458,367	$ 38,857,589	$ 48,406,870
LIABILITIES			
Accounts payable	$ -	$ 26,499	$ 1,997,978
Salaries and benefits payable	-	-	25,623
Due to other funds	-	-	35,381
Due to other governments	-	-	24,918,633
Due to others	-	94,153	18,954,418
Deposits	-	-	2,145,682
Advance from other funds	-	-	329,155
Total liabilities	-	120,652	48,406,870
NET ASSETS			
Held in trust for others	-	38,736,937	-
Held in trust for pension benefits	12,458,367	-	-
Total net assets	$ 12,458,367	$ 38,736,937	$ -

The accompanying notes are an integral part of this statement.

COUNTY OF HIDALGO, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Pension Trust Funds	Private-purpose Trusts Funds
Additions:		
Contributions:		
Retirement	$ 2,387,554	$ -
Unclaimed property	-	57,849
Bail bond surety collateral	-	521,300
Confiscations	-	2,110,479
Registry	-	213,443,778
Inmate property	-	1,842,502
Section 108 loans	-	35,327
Various boards	-	77,091
Investment earnings:		
Interest	478,698	33,943
Other income	1,152	-
Total additions	2,867,404	218,122,269
Deductions:		
Benefits paid	1,197,832	-
Other	55,325	-
Release of collateral	-	78,351
Forfeitures		3,003,485
Judgements		214,031,670
Release of inmate property	-	1,831,742
Total deductions	1,253,157	218,945,248
Change in Net Assets	1,614,247	(822,979)
Net assets-beginning-as previously reported	10,881,510	39,559,915
Prior period adjustment	(37,390)	
Net assets-beginning-as restated	10,844,120	39,559,915
Net assets-ending	$ 12,458,367	$ 38,736,936

The accompanying notes are an integral part of this statement.

THE COUNTY OF HIDALGO

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