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 activities for which a fee is charged to external users for goods or services.

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

COUNTY OF HIDALGO, TEXAS
Proprietary Fund
December 31, 2005

Enterprise Funds

Landfill Services

This fund is used to account for the closure and post-closure care costs of the County's two landfill sites in Precinct No. 3 (MSW 1727) and Precinct No. 4 (MSW 1593A).

Jail Commissary

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

Internal Service Fund

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.

Health Benefits Self-Insurance Fund

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' dependants.

THE COUNTY OF HIDALGO

TEXAS

COUNTY OF HIDALGO, TEXAS

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2005

	Landfill Services	Jail Commissary	Total Nonmajor Enterprise Funds (See Exhibit A-9)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 753,153	$ 672,863	$ 1,426,016
Restricted cash	66,902	-	66,902
Due from other funds	-	16,664	16,664
Inventories	-	32,297	32,297
Total current assets	820,055	721,824	1,541,879
Noncurrent assets:			
Capital assets (net of accumulated depreciation):			
Land	1,001,093	-	1,001,093
Machinery and equipment	-	7,840	7,840
Total capital assets (net of accumulated depreciation)	1,001,093	7,840	1,008,933
Total noncurrent assets	1,001,093	7,840	1,008,933
Total assets	$ 1,821,148	$ 729,664	$ 2,550,812
LIABILITIES			
Current liabilities:			
Accounts payable	$ 1,388	$ 30,187	$ 31,575
Salaries and benefits payable	-	2,164	2,164
Intergovernmental payables	-	5,434	5,434
Compensated absences	-	3,888	3,888
Total current liabilities	1,388	41,673	43,061
Noncurrent liabilities:			
Compensated absences	-	16,174	16,174
Landfill closure/ postclosure care costs	1,480,771	-	1,480,771
Total noncurrent liabilities	1,480,771	16,174	1,496,945
Total liabilities	1,482,159	57,847	1,540,006
NET ASSETS			
Invested in capital assets, net of related debt	1,001,093	7,840	1,008,933
Restricted	66,902	-	66,902
Unrestricted	(729,006)	663,977	(65,029)
Total net assets	$ 338,989	$ 671,817	$ 1,010,806

COUNTY OF HIDALGO, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Landfill Services	Jail Commissary	Total Nonmajor Enterprise Funds (See Exhibit A-10)
Operating revenues:			
Charges for services	$ -	$ 981,998	$ 981,998
Other operating revenues	-	759	759
Total operating revenues	-	982,757	982,757
Operating expenses:			
Costs of services	40,332	502,473	542,805
Operating supplies	-	9,484	9,484
Administration	-	215,827	215,827
Inmate expense	-	46,635	46,635
Depreciation	-	2,059	2,059
Total operating expenses	40,332	776,478	816,810
Operating income (loss)	(40,332)	206,279	165,947
Nonoperating revenues (expenses):			
Investment earnings	22,664	16,057	38,721
Total non-operating revenues (expenses)	22,664	16,057	38,721
Income before contributions and transfers	45,182	222,336	204,668
Contributions	62,850	-	62,850
Change in net assets	45,182	222,336	267,518
Net assets at beginning of year	293,807	449,481	743,288
Net assets at end of year	$ 338,989	$ 671,817	$ 1,010,806

THE COUNTY OF HIDALGO

TEXAS

COUNTY OF HIDALGO, TEXAS

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Landfill Services	Jail Commissary	Total Nonmajor Enterprise Funds (See Exhibit A-11)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ -	$ 982,498	$ 982,498
Payments to vendors	-	(526,327)	(526,327)
Payments to employees	-	(237,198)	(237,198)
Net cash provided (used) by operating activities	-	218,973	218,973
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITES			
Transfer from other funds	-	-	-
Transfer to other funds	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	-
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Purchase of capital assets	-	-	-
Net cash provided (used) by capital & related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturities of investments	-	-	-
Purchase of investments	-	-	-
Interest and dividends received	22,664	16,057	38,721
Net cash provided (used) by investing activities	22,664	16,057	38,721
Net increase (decrease) in cash and cash equivalents	22,664	235,030	257,695
Cash and cash equivalents, January 1	730,489	437,833	1,168,322
Cash and cash equivalents, December 31	$ 753,153	$ 672,863	$ 1,426,016
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (40,332)	$ 206,279	$ 165,947
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	2,060	2,060
(Increase) decrease in due from other funds	-	(16,654)	(16,654)
(Increase) decrease in due from other governments	-	200	200
(Increase) decrease in inventory		10,879	10,879
Increase (decrease) in salaries & fringe benefits payable	-	(2,515)	(2,515)
Increase (decrease) in accounts payable	-	20,670	20,670
Increase (decrease) in due to other governments	-	716	716
Increase (decrease) in due to other funds	-	(2,219)	(2,219)
Increase (decrease) in compensated absences payable	-	(443)	(443)
Increase (decrease) in closure & postclosure costs	(22,518)	-	(22,518)
(Increase) decrease in closure & postclosure costs due to contributions	62,850	-	62,850
Total adjustments	40,332	12,694	53,026
Net cash provided (used) by operating activities	$ -	$ 218,973	$ 218,973

COUNTY OF HIDALGO, TEXAS

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2005

	Self-Funded Health Benefits	Self-Funded Workers' Compensation	Total Internal Service Funds (See Exhibit A-9)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,440,629	$ 6,758,058	$ 9,198,687
Total current assets	2,440,629	6,758,058	9,198,687
Noncurrent assets:			
Advances to other funds	-	270,000	270,000
Capital assets (net of accumulated depreciation):			
Machinery and equipment	-	56,941	56,941
Total capital assets (net of accumulated depreciation)	-	56,941	56,941
Total noncurrent assets	-	326,941	326,941
Total assets	$ 2,440,629	$ 7,084,999	$ 9,525,628
LIABILITIES			
Current liabilities:			
Accounts payable	$ 167	$ 2,123	$ 2,290
Salaries and benefits payable	1,457	7,393	8,850
Due to other funds	6,584	10,081	16,665
Compensated absences	1,764	8,426	10,190
Claims and judgments payable	-	597,299	597,299
Total current liabilities	9,972	625,322	635,294
Noncurrent liabilities:			
Claims and judgments payable	-	3,641,224	3,641,224
Total noncurrent liabilities	-	3,641,224	3,641,224
Total liabilities	9,972	4,266,546	4,276,518
NET ASSETS			
Invested in capital assets, net of related debt	-	56,941	56,941
Unrestricted	2,430,657	2,761,512	5,192,169
Total net assets	$ 2,430,657	$ 2,818,453	$ 5,249,110

COUNTY OF HIDALGO, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Self-Funded Health Benefits	Self-Funded Workers' Compensation	Total Internal Service Funds (See Exhibit A-10)
Operating revenues:			
Charges for services	$ 13,184,717	$ 5,304,111	$ 18,488,828
Other operating revenues	-	287,359	287,359
Total operating revenues	13,184,717	5,591,470	18,776,187
Operating expenses:			
Costs of services	8,867,037	1,824,874	10,691,911
Administration	1,954,554	825,809	2,780,363
Depreciation	-	10,024	10,024
Total operating expenses	10,821,591	2,660,707	13,482,298
Operating income (loss)	2,363,126	2,930,763	5,293,889
Nonoperating revenues (expenses):			
Investment earnings	67,531	143,216	210,747
Total non-operating revenues (expenses)	67,531	143,216	210,747
Income before contributions and transfers	2,430,657	3,073,979	5,504,636
Change in net assets	2,430,657	3,073,979	5,504,636
Net assets at beginning of year, as previously reported	-	(251,506)	(251,506)
Prior period adjustment	-	(4,020)	(4,020)
Net assets at beginning of year, as restated	-	(255,526)	(255,526)
Net assets at end of year	$ 2,430,657	$ 2,818,453	$ 5,249,110

THE COUNTY OF HIDALGO

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COUNTY OF HIDALGO, TEXAS

COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Self-Funded Health Beneftis	Self-Funded Workers' Compensation	Total Internal Service Funds (See Exhibit A-11)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund sevices provided	$ 13,191,373	$ 5,677,085	$ 18,868,458
Payments to vendors	(1,875,593)	(413,179)	(2,288,772)
Payments to employees	(75,572)	(404,151)	(479,723)
Payments for interfund sevices used	(8,867,110)	(1,301,351)	(10,168,461)
Net cash provided (used) by operating activities	2,373,098	3,558,403	5,931,501
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITES			
Advances to other funds	-	(95,000)	(95,000)
Net cash provided (used) by noncapital financing activities	-	(95,000)	(95,000)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Purchase of capital assets	-	(2,600)	(2,600)
Net cash provided (used) by capital & related financing activities	-	(2,600)	(2,600)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturities of investments	-	-	-
Purchase of investments	-	-	-
Interest and dividends received	67,531	143,216	210,747
Net cash provided (used) by investing activities	67,531	143,216	210,747
Net increase (decrease) in cash and cash equivalents	2,440,629	3,604,019	6,044,648
Cash and cash equivalents, January 1	-	3,154,039	3,154,039
Cash and cash equivalents, December 31	$ 2,440,629	$ 6,758,058	$ 9,198,687
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ 2,363,126	$ 2,930,763	$ 5,293,889
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	-	10,024	10,024
(Increase) decrease in accounts receivable	-	33,747	33,747
(Increase) decrease in due from other funds	-	2,219	2,219
(Increase) decrease in due from others	-	39,830	39,830
Increase (decrease) in salaries and fringe benefits payable	1,458	402	1,860
Increase (decrease) in accounts payable	167	(1,964)	(1,797)
Increase (decrease) in accounts payable related to equipment purchases	-	2,600	2,600
Increase (decrease) in due to other funds	6,583	10,081	16,664
Increase (decrease) in claims and judgements	-	523,523	523,523
Increase (decrease) in compensated absences payable	1,764	7,178	8,942
Total adjustments	9,972	627,640	637,612
Net cash provided (used) by operating activities	$ 2,373,098	$ 3,558,403	$ 5,931,501

THE COUNTY OF HIDALGO

TEXAS