
STARR COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2024

ADRIAN WEBB, CPA

CERTIFIED PUBLIC ACCOUNTANT

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STARR COUNTY, TEXAS
Audited Annual Financial Report
For Year Ended September 30, 2024

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INTRODUCTORY SECTION

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STARR COUNTY, TEXAS

PRINCIPAL OFFICIALS

For the Year Ended September 30, 2024

COUNTY JUDGE

Eloy Vera

COUNTY COMMISSIONERS

Jose Francisco Perez, Jr.

Precinct No. 1

Raul Pena, III

Precinct No. 2

Eloy Garza

Precinct No. 3

Hernan R. Garza, III

Precinct No. 4

OTHER OFFICIALS

Leticia P. Alaniz

County Auditor

Rene Fuentes

Sheriff

Rene P. Montalvo

County Attorney

Romeo Gonzalez

Treasurer

Ma. Ameida Salinas

Tax Assessor

Gocha Allen Ramirez

District Attorney

Orlando Velasquez

District Clerk

Humberto Gonzalez Jr.

County Clerk

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FINANCIAL SECTION

ADRIAN WEBB, CPA

**Certified Public Accountant
Edinburg, Texas**

Independent Auditor's Report

To the Honorable Judge and Commissioners
Starr County, Texas
Rio Grande City, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Starr County, Texas (the County) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Starr County, Texas's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Starr County, Texas as of September 30, 2024, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Starr County, Texas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison, the schedule of Starr County, Texas's proportionate share of the net pension liability, and schedule of Starr County, Texas's pension contributions identified as Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State of Texas Uniform Grant Management Standards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Starr County, Texas's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Adrian Webb, CPA

Adrian Webb
Certified Public Accountant
Edinburg, Texas
June 13, 2025

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MANAGEMENT'S DISCUSSION & ANALYSIS SECTION

**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2024**

This section of the Starr County, Texas' annual financial report presents our discussion and analysis as a narrative overview of the County's financial performance during the fiscal year ended September 30, 2024. Please read it in conjunction with the County's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's total net position increased by \$4,407,603. Net position from governmental activities increased \$4,325,472, while net position from business-type activities increased by \$82,131.
- The General Fund ended the current fiscal year with a fund balance of \$9,653,845, which was a \$1,414,113 increase from the prior year's fund balance of \$8,239,732.
- In comparing the General Fund's final budget to actual, total revenues were \$31,910 more than the final budget, and expenditures were \$1,486,623 less than final budget. This resulted in a total budget to actual variance of \$1,518,533 prior to including other financing sources (uses), which resulted in a positive variance of \$1,437,533 over budgeted amounts.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three components – *management discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are government-wide financial statements that provide readers with a broad overview of County finances, in a manner similar to private-sector business.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the County's operations in more detail than the governmentwide statements.
- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the gas operating system, the international bridge, and the transfer station.
- Fiduciary fund statements provide information about the financial relationships in which the County's acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the government's assets and liabilities. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net position and how they have changed. Net position (the difference between the County's assets and liabilities) is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional non-financial factors such as changes in the County's tax base.

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general administration, judicial, legal, financial administration, public facilities, public safety, health and welfare, culture and recreation, conservation agriculture and highways and streets. Taxes, charges for services, and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds* – not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law.
- The Commissioners' Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain grants and local sources.

The County has the following kinds of funds:

- *Governmental funds* – Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- *Proprietary funds* – Services for which the County charges customers a fee is generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- *Fiduciary funds* – The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that-because of a trust arrangement-can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position: The County's governmental net position was \$96,638,665 as of September 30, 2024, an increase of \$4,325,472 or 4.68% more than the governmental net position of \$92,313,193 as of the prior year. This increase is mostly due to an increase in current assets.

Statement of Net Position:

	Governmental Activities		Increase /
	2024	2023	(Decrease)
ASSETS:			
Current Assets	\$ 48,220,525	\$ 39,880,162	\$ 8,340,363
Noncurrent Assets	67,953,862	65,941,748	2,012,114
Total Assets	116,174,387	105,821,910	10,352,477
Deferred Outflows of Resources	1,444,354	2,001,878	(557,524)
Total Assets and Deferred Outflows of Resources	117,618,741	107,823,788	9,794,953
LIABILITIES:			
Current Liabilities	9,353,761	8,135,139	1,218,622
Noncurrent Liabilities	11,608,274	7,114,861	4,493,413
Total Liabilities	20,962,035	15,250,000	5,712,035
Deferred Inflows of Resources	18,042	260,595	(242,553)
NET POSITION:			
Net Investment in Capital Assets	58,108,613	62,202,907	(4,094,294)
Restricted for Capital Acquisition	2,994,021	2,994,021	-
Restricted for Debt Service	1,703,182	1,703,182	-
Restricted for Other Purposes	4,192,914	4,192,914	-
Unrestricted	29,639,935	20,546,331	9,093,604
Total Net Position	96,638,665	92,313,194	4,325,471
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 117,618,741	\$ 107,823,788	\$ 9,794,953

**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2024**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (Continued)

The County's total revenues and transfers were \$44,691,954. The total cost of all programs and services was \$40,284,351 of which 25.88% or \$11,567,918 of these costs are for public safety.

Governmental Activities

- Property tax revenues increased by \$3,383,586, a 19.06% increase from the prior year. Governmental revenues for the year ended September 30, 2024, increased to \$39,546,861 from \$36,427,846 in the previous year, an increase of 8.56%.

Statement of Activities:

	Governmental Activities		Increase /
	2024	2023	(Decrease)
REVENUES:			
Program Revenues:			
Charges for Services	\$ 6,833,925	\$ 7,534,038	\$ (700,113)
Operating Grants and Contributions	7,740,803	7,479,483	261,320
General Revenues:			
Property Taxes	21,135,907	17,752,321	3,383,586
Licenses and Permits	1,937,414	2,202,697	(265,283)
Fines and Forfeitures	536,283	-	536,283
Interest	658,101	528,414	129,687
Transfers In	108,079	510,000	(401,921)
Other	596,348	420,893	175,455
Total Revenues	<u>39,546,861</u>	<u>36,427,846</u>	<u>3,119,015</u>
EXPENDITURES:			
General Government	9,237,607	8,627,842	609,765
Public Safety	11,567,918	12,137,902	(569,984)
Judicial	2,518,137	3,010,421	(492,284)
Highways and Streets	6,527,632	6,583,663	(56,031)
Financial Administration	1,729,148	1,556,923	172,225
Executive	1,078,599	1,334,732	(256,133)
Health and Welfare	2,079,127	1,477,513	601,614
Agriculture Extension	160,657	188,628	(27,971)
Debt Service - Bond Issuance Costs	115,010	-	115,010
Debt Service - Interest	207,554	174,125	33,429
Total Expenditures	<u>35,221,389</u>	<u>35,091,750</u>	<u>129,639</u>
 CHANGE IN NET POSITION	 4,325,472	 1,336,096	 2,989,376
Beginning Net Position, as restated	<u>92,313,193</u>	<u>90,977,098</u>	<u>1,336,095</u>
Ending Net Position	<u>\$ 96,638,665</u>	<u>\$ 92,313,193</u>	<u>\$ 4,325,471</u>

**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2024**

The following table presents the cost of each of the County's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local revenues.

- The cost of all governmental activities this year was \$35,221,389, a decrease of \$129,639 or 0.37% decrease compared to \$35,091,750 for the prior year.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$21,135,907.
- Some of these costs were paid by those who directly benefited from the programs and totaled \$6,833,925. This is a decrease of \$700,113 from last year's revenues, which were \$7,534,038.
- Grants and contributions this year amounted to \$7,740,803, an increase of \$261,320 over last year's grants and contributions which totaled \$7,479,483.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues from governmental fund types totaled \$38,775,393 for the year ended September 30, 2024, an increase of \$7,597,722 or 24.37% under the preceding year's total governmental revenues of \$31,177,671. The increase in revenues is mainly from an increase in property tax collections.

General Fund Budgetary Highlights

Actual general fund revenues were \$22,841,208 which was \$31,910 over the final budget amounts.

On the other hand, general fund expenditures were \$22,027,095, which was under the final budgeted amount by \$1,486,623.

CAPITAL ASSETS

At the end of 2024, the County had invested \$67,953,862 in a broad range of capital assets, including land, buildings, improvements, machinery, equipment, vehicles, and infrastructure. This amount represents an increase of \$2,012,114, a 3.05% increase from FY 2023. The increase is attributed mainly to the current year's machinery and equipment purchases.

Description	Primary Government		Increase / (Decrease)
	2024	2023	
Land	\$ 1,522,280	\$ 1,522,280	\$ -
Construction in Progress	630,547	710,226	(79,679)
Building and Improvements	20,834,896	20,238,283	596,613
Machinery and Equipment	23,251,682	21,693,573	1,558,109
Infrastructure	58,706,386	56,537,182	2,169,204
Right of Use Assets	918,330	688,388	229,942
Software-Based Assets	105,652	105,652	-
Total Capital Assets	105,969,772	101,495,584	4,474,189
Less: Accumulated Depreciation/Amortization	(38,015,910)	(35,553,836)	(2,462,074)
Total Capital Assets, Net	\$ 67,953,862	\$ 65,941,748	\$ 2,012,114

**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2024**

LONG-TERM DEBT

As of September 30, 2024, the County has \$12,241,108 in long-term debt outstanding as shown below. More detailed information about the County's debt is presented in the notes to the financial statements.

Description	Governmental Activities			
	Balance 10/1/2023	Additions	Reductions	Balance 9/30/2024
Bonds Payable	\$ 2,813,333	\$ 7,115,000	\$ (856,667)	\$ 9,071,667
Financed Purchases	797,363	-	(193,079)	604,283
Other Payables	128,145	229,942	(188,789)	169,299
Total Bonds, Financed Purchases, and Other Payables	3,738,841	7,344,942	(1,238,535)	9,845,249
Compensated Absences Payable	570,558	62,276	-	632,834
Net Pension Liability	3,376,020	-	(1,612,995)	1,763,025
Total Long-Term Obligations	<u>\$ 7,685,419</u>	<u>\$ 7,407,218</u>	<u>\$ (2,851,530)</u>	<u>\$ 12,241,108</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised values used for the 2024-2025 budget preparation increased by \$231,874,927.
- The property tax rates will decrease by \$0.010 per \$100.00 of assessed valuation.
- Employees' group health insurance remained the same.
- There will be a 4% salary increase for Fiscal Year 2024-2025.

These indicators were taken into account when adopting the general fund budget for 2024-2025. Amounts available for appropriation in the general fund budget are \$23,513,718, an increase of \$1,435,084, over the final 2023-2024 budget of \$22,809,298. Property taxes will increase due to the increase in appraised values.

General fund expenditures are budgeted to increase in 2025 to \$24,300,007, an increase of \$1,490,709 from the 2023-2024 budget.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning information provided in this report should be addressed to:

Starr County Auditor
Starr County Courthouse Annex
100 N. FM 3167, Suite 217
Rio Grande City, TX 78582
Telephone: (956) 716-4800

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FINANCIAL SECTION

STARR COUNTY, TEXAS
Statement of Net Position
As of September 30, 2024

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Current Assets:			
1010 Cash and Cash Equivalents	\$ 21,743,743	\$ 2,881,909	\$ 24,625,652
1030 Investments - Current	3,512,542	110,803	3,623,344
1040 Interest Receivable - Investments	16,264	970	17,233
1050 Taxes Receivable	16,814,272	-	16,814,272
1150 Accounts Receivable, Net	575,804	178,422	754,225
1220 Leases - Current Portion	-	43,216	43,216
1300 Due from Other Funds	4,040,099	6,075	4,046,175
1390 Due from Others	1,517,802	-	1,517,802
1410 Inventories	-	35,042	35,042
1430 Prepaid Items	-	102,632	102,632
1440 Deferred Charges	-	4,430	4,430
Restricted Assets:			
1611 Restricted Cash and Cash Equivalents	-	696,222	696,222
Total Current Assets	48,220,525	4,059,720	52,280,245
Noncurrent Assets			
1791 Capital Assets Not Being Depreciated	2,152,826	1,427,530	3,580,356
1792 Capital Assets Being Depreciated	103,816,946	1,476,772	105,293,718
1780 Accumulated Depreciation	(38,015,910)	-	(38,015,910)
1900 Leases - Noncurrent Portion	-	156,460	156,460
Total Noncurrent Assets	67,953,862	3,060,761	71,014,623
TOTAL ASSETS	116,174,387	7,120,481	123,294,868
DEFERRED OUTFLOWS OF RESOURCES:			
1992 Deferred Outflow Related to Pension	1,444,354	92,693	1,537,047
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,444,354	92,693	1,537,047
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 117,618,741	\$ 7,213,174	\$ 124,831,915
LIABILITIES:			
Current Liabilities:			
2010 Accounts Payable	\$ 862,058	\$ 286,896	\$ 1,148,954
2011 Customer Deposits	-	149,821	149,821
2020 Payroll Liabilities	1,092,901	10,869	1,103,770
2030 Compensated Absences Payable	632,834	62,541	695,375
2058 Wages and Salaries Payable	-	45,471	45,471
2080 Due to Other Funds	1,986,075	1,526,723	3,512,797
2090 Due to Others	31,818	296,560	328,378
2140 Accrued Interest Payable	35,842	-	35,842
2270 Other Current Liabilities	45,002	-	45,002
2230 Unearned Revenues	4,667,231	-	4,667,231
Total Current Liabilities	9,353,761	2,378,880	11,732,640
Noncurrent Liabilities:			
2501 Debt Service - Due Within One Year	1,001,963	-	1,001,963
2502 Debt Service - Due in More Than One Year	8,843,286	1,695,000	10,538,286
2580 Net Pension Liability	1,763,025	113,144	1,876,169
Total Noncurrent Liabilities	11,608,274	1,808,144	13,416,418
TOTAL LIABILITIES	20,962,035	4,187,024	25,149,058
DEFERRED INFLOWS OF RESOURCES:			
2602 Deferred Inflow Related to Pension	18,042	1,158	19,200
2607 Deferred Inflow Related to Leases	-	199,676	199,676
TOTAL DEFERRED INFLOWS OF RESOURCES	18,042	200,834	218,876
NET POSITION:			
4001 Net Investment in Capital Assets	58,108,613	2,904,301	61,012,914
3810 Restricted For Landfill Trust	-	696,222	696,222
3850 Restricted for Capital Projects	2,994,021	-	2,994,021
3860 Restricted for Debt Service	1,703,182	-	1,703,182
3870 Restricted for Special Purposes	4,192,914	-	4,192,914
3890 Unrestricted	29,639,935	(775,207)	28,864,728
TOTAL NET POSITION	96,638,665	2,825,316	99,463,981
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 117,618,741	\$ 7,213,174	\$ 124,831,915

The accompanying notes are an integral part of this statement.

STARR COUNTY, TEXAS
Statement of Activities
For The Year Ended September 30, 2024

				Net (Expense) Revenue and Changes in Net Position					
				Primary Government					
				Programming Revenues					
				Operating					
				Grants and	Governmental	Business-Type			
				Contributions	Activities	Activities			
				Charges for					
				Services					
				Expenses		Total			
Primary Government:									
GOVERNMENTAL ACTIVITIES:									
100	General Government	\$	9,237,607	\$	1,808,918	\$ 2,048,966	\$ (5,379,723)	\$ -	\$ (5,379,723)
120	Judicial		2,518,137		493,104	558,540	(1,466,493)	-	(1,466,493)
130	Executive		1,078,599		211,212	239,241	(628,146)	-	(628,146)
150	Financial Administration		1,729,148		338,604	383,537	(1,007,007)	-	(1,007,007)
200	Public Safety		11,567,918		2,265,242	2,565,845	(6,736,831)	-	(6,736,831)
300	Public Works		6,527,632		1,278,248	1,447,874	(3,801,510)	-	(3,801,510)
400	Health and Welfare		2,079,127		407,137	461,165	(1,210,825)	-	(1,210,825)
600	Conservation Agriculture		160,657		31,460	35,635	(93,562)	-	(93,562)
690	Bond Issuance Cost		115,010		-	-	(115,010)	-	(115,010)
720	Interest on Debt		207,554		-	-	(207,554)	-	(207,554)
Total Governmental Activities			35,221,389	6,833,925	7,740,803	(20,646,660)	-	-	(20,646,660)
BUSINESS-TYPE ACTIVITIES:									
701	International Toll Bridge		2,480,050		2,792,529	-	-	312,479	312,479
702	Gas System		772,781		996,887	-	-	224,106	224,106
703	Transfer Station		1,810,132		1,319,245	-	-	(490,887)	(490,887)
Total Business-Type Activities			5,062,963	5,108,660	-	-	45,698	45,698	45,698
TOTAL PRIMARY GOVERNMENT			40,284,351	11,942,585	7,740,803	(20,646,660)	45,698	45,698	(20,600,963)
General Revenues									
Taxes:									
Property Taxes						21,135,907	-		21,135,907
Licenses and Permits						1,937,414	-		1,937,414
Fines and Forfeitures						536,283	-		536,283
Other Revenue						596,348	106,510		702,858
Investment Earnings						658,101	38,002		696,103
Transfers In (Out)						108,079	(108,079)		-
Total General Revenues and Transfers						24,972,132	36,433		25,008,566
Change in Net Position						4,325,472	82,131		4,407,603
Net Position - Beginning, as restated						\$ 92,313,193	\$ 2,743,186		\$ 95,056,379
Net Position - Ending						\$ 96,638,665	\$ 2,825,316		\$ 99,463,981

The accompanying notes are an integral part of this statement.

STARR COUNTY, TEXAS
Balance Sheet - Governmental Funds
As of September 30, 2024

Major Governmental Funds								
	General Fund	Road and Bridge Fund	American Rescue Plan Act	Starr County Construction Series 2024	Nonmajor Governmental Funds	Total Governmental Funds		
ASSETS:								
1010 Cash and Cash Equivalents	\$ 3,227,835	\$ 226,863	\$ 3,789,719	\$ 7,003,456	\$ 7,233,457	\$ 21,481,330		
1030 Investments - Current	-	-	-	-	3,512,542	3,512,542		
1040 Interest Receivable - Investments	-	-	-	-	16,264	16,264		
1050 Taxes Receivable	11,315,981	5,019,167	-	-	479,125	16,814,272		
1150 Accounts Receivable, Net	480,211	70,000	-	-	16,951	567,162		
1300 Due from Other Funds	7,906,874	93,742	-	-	165,169	8,165,785		
1390 Due from Others	930,888	-	-	-	586,914	1,517,802		
TOTAL ASSETS	\$ 23,861,790	\$ 5,409,771	\$ 3,789,719	\$ 7,003,456	\$ 12,010,421	\$ 52,075,157		
LIABILITIES:								
2010 Accounts Payable	\$ 346,705	\$ 286,507	\$ -	\$ -	\$ 228,846	\$ 862,058		
2020 Payroll Liabilities	867,045	139,097	-	-	86,759	1,092,901		
2080 Due to Other Funds	1,596,936	1,621,451	260,406	100	1,843,066	5,321,960		
2090 Due to Others	1,084	-	-	-	30,734	31,818		
2230 Unearned Revenues	80,194	-	3,529,313	-	1,057,725	4,667,231		
2270 Other Current Liabilities	-	-	-	-	45,002	45,002		
TOTAL LIABILITIES	2,891,964	2,047,056	3,789,719	100	3,292,131	12,020,970		
DEFERRED INFLOWS OF RESOURCES:								
2601 Deferred Resource Inflow - Property Taxes	11,315,981	5,019,167	-	-	479,125	16,814,272		
TOTAL DEFERRED INFLOWS OF RESOURCES	11,315,981	5,019,167	-	-	479,125	16,814,272		
FUND BALANCES:								
3480 Restricted for Debt Service	-	-	-	-	1,884,587	1,884,587		
3490 Restricted for Special Purposes	-	(1,656,452)	-	-	5,542,097	3,885,645		
3550 Committed for Construction	-	-	-	7,003,356	812,481	7,815,838		
3600 Unassigned	9,653,845	-	-	-	-	9,653,845		
TOTAL FUND BALANCES	9,653,845	(1,656,452)	-	7,003,356	8,239,165	23,239,914		
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES								
	\$ 23,861,790	\$ 5,409,771	\$ 3,789,719	7,003,456	\$ 12,010,421	\$ 52,075,157		

The accompanying notes are an integral part of this statement.

STARR COUNTY, TEXAS

**Reconciliation of the Balance Sheet - Governmental to the Governmental Activities - Statement of Net Position
As of September 30, 2024**

Total Fund Balances - Governmental Funds \$ 23,239,914

Amounts Reported for governmental activities in the statement of net position are different because:

The County uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The net effect of this consolidation is to increase (decrease) net position.

Total Interfund Activity	<u>(518,746)</u>	(518,746)
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Capital assets used in governmental activities are not financial resources, and therefore are not reported in governmental funds:

Capital Assets Not Being Depreciated	2,152,826	
Capital Assets Being Depreciated	103,816,946	
Accumulated Depreciation	<u>(38,015,910)</u>	
Total Capital Assets, Net		67,953,862

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities at the fund level.

Compensated Absences Payable	(632,834)	
Debt Service - Due Within One Year	(1,001,963)	
Debt Service - Due in More Than One Year	<u>(8,843,286)</u>	
Total Long-Term Liabilities		(10,478,083)

Some receivables are reported as deferred inflows of resources at the governmental level, and therefore are not reported in governmental funds.

Deferred Resource Inflow - Property Taxes	<u>16,814,272</u>	
Total Deferred Inflows of Resources		16,814,272

Interest on long-term debt is not accrued in the governmental funds, but is recognized as an expenditure in the funds.

Accrued Interest Payable	<u>(35,842)</u>	
Total Accrued Interest		(35,842)

Included in the noncurrent liabilities is the recognition of the County's net pension liability required by GASB Statement No. 68, a deferred resource outflow and a deferred resource inflow. This resulted in a decrease in net position.

Net Pension Liability	(1,763,025)	
Deferred Outflow related to Pension Plan	1,444,354	
Deferred Inflow related to Pension Plan	<u>(18,042)</u>	
		(336,713)

Net position of governmental activities		<u><u>\$ 96,638,665</u></u>
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STARR COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For The Year Ended September 30, 2024

		Major Governmental Funds						
		General Fund	Road and Bridge Fund	American Rescue Plan Act	Starr County Construction Series 2024	Non-Major Governmental Funds	Total Governmental Funds	
REVENUES:								
5110	Property Taxes	\$ 13,280,479	\$ 6,019,394	\$ -	\$ -	\$ 1,106,791	\$ 20,406,664	
5200	Licenses and Permits	1,346,324	591,090	-	-	-	1,937,414	
5300	Intergovernmental Revenue and Grants	528,356	-	1,792,973	-	5,419,474	7,740,803	
5400	Charges for Services	6,327,154	105,575	-	-	401,196	6,833,925	
5510	Fines and Forfeitures	385,049	151,234	-	-	-	536,283	
5610	Investment Earnings	362,948	18,564	-	3,356	273,233	658,101	
5700	Other Revenue	610,898	31,802	-	-	19,503	662,203	
TOTAL REVENUES		22,841,208	6,917,659	1,792,973	3,356	7,220,197	38,775,393	
EXPENDITURES:								
100	General Government	5,185,837	-	751,558	-	2,869,548	8,806,943	
120	Judicial	2,400,740	-	-	-	-	2,400,740	
130	Executive	1,028,314	-	-	-	-	1,028,314	
150	Financial Administration	1,536,890	-	-	-	111,644	1,648,534	
200	Public Safety	9,163,445	-	-	-	1,865,169	11,028,613	
300	Public Works	-	6,223,309	-	-	-	6,223,309	
400	Health and Welfare	1,755,773	-	-	-	226,423	1,982,196	
600	Conservation Agriculture	153,167	-	-	-	-	153,167	
710	Principal on Debt	256,338	149,164	-	-	833,034	1,238,535	
720	Interest on Debt	36,987	32,373	-	-	115,010	184,371	
790	Other Debt Service	-	-	-	115,000	-	115,000	
800	Capital Outlay	503,111	925,641	1,041,415	-	2,713,987	5,184,154	
TOTAL EXPENDITURES		22,020,602	7,330,487	1,792,973	115,000	8,734,814	39,993,877	
Excess(Deficiency) of Revenues Over(Under) Expenditures		820,605	(412,829)	-	(111,644)	(1,514,617)	(1,218,484)	
OTHER FINANCING SOURCES (USES):								
7911	Issuance of Bonds	-	-	-	7,115,000	-	7,115,000	
7913	Proceeds from Right-to-Use Leases	-	-	-	-	109,942	109,942	
7915	Transfers In	600,000	-	-	-	6,493	606,493	
7951	Gain (Loss) from Sale of Assets	-	66,270	-	-	-	66,270	
8911	Transfers Out	(6,493)	(200,000)	-	-	(291,921)	(498,413)	
TOTAL OTHER FINANCING SOURCES (USES)		593,507	(133,730)	-	7,115,000	(175,486)	7,399,291	
Net Change in Fund Balances		\$ 1,414,113	\$ (546,559)	\$ -	\$ 7,003,356	\$ (1,690,103)	\$ 6,180,808	
3600	Fund Balance - Beginning, Restated	\$ 8,239,732	\$ (1,109,893)	\$ -	\$ -	\$ 9,929,268	\$ 17,059,107	
3900	Fund Balance - Ending	\$ 9,653,845	\$ (1,656,452)	\$ -	\$ 7,003,356	\$ 8,239,165	\$ 23,239,915	

The accompanying notes are an integral part of this statement

STARR COUNTY, TEXAS

Reconciliation of the Balance Sheet - Governmental to the Governmental Activities - Statement of Net Position
For the Year Ended September 30, 2024

Total Net Change in Fund Balances - Governmental Funds \$ 6,180,808

The County uses some internal service funds to charge the costs of certain activities primarily to the governmental funds. The net income (loss) of these internal service funds are reported with governmental activities. The net effect of this consolidation is to increase (decrease) the change in net position.

Internal Service Funds	<u>122,222</u>	122,222
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Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the current year's capital outlays and debt principal payments is to increase (decrease) the change in net position.

Additions to Capital Assets	5,184,153	
Retirement of Assets	(62,511)	
Depreciation of Capital Assets	<u>(3,109,529)</u>	2,012,113

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal Repayment	1,238,535	
Acquisition of Debt	(7,344,942)	
Compensated Absences	<u>(62,276)</u>	(6,168,683)

Interest on long-term debt is not accrued in the governmental funds, but it is recognized as an expenditure at the fund level.

Accrued Interest Payable	<u>(23,183)</u>	(23,183)
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Because some property taxes and accounts receivable will not be collected for several months after the County's year end, they are not considered "available" revenues in the governmental funds. This represents the change in unavailable revenue from the prior year.

Property Taxes	<u>904,171</u>	904,171
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GASB 68 requires certain plan expenditures to be de-expensed and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net pension liability. Finally, the proportionate share of pension expense on the plan as a whole has to be recorded.

Net Pension Liability	1,612,995	
Deferred Outflow related to Pension Plan	(557,524)	
Deferred Inflow related to Pension Plan	<u>242,553</u>	1,298,024

Change in Net Position of Governmental Activities		\$ <u>4,325,472</u>
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STARR COUNTY, TEXAS
Statement of Net Position - Proprietary Funds
As of September 30, 2024

	Major Enterprise Fund		Nonmajor Enterprise Funds		Total Enterprise Funds	Gov. Activities Internal Service Funds
	International Bridge	Gas System	Transfer Station			
ASSETS:						
1010 Cash and Cash Equivalents	\$ 2,548,167	\$ 282,074	\$ 51,668	\$ 2,881,909	\$ 262,413	
1030 Investments - Current	-	110,803	-	110,803	-	
1040 Interest Receivable - Investments	-	970	-	970	-	
1150 Accounts Receivable, Net	-	69,974	108,448	178,422	8,641	
1220 Lease Receivable - Current Portion	43,216	-	-	43,216	-	
1285 Lease Receivable - Noncurrent Portion	156,460	-	-	156,460	-	
1300 Due from Other Funds	-	6,075	-	6,075	200	
1410 Inventories	-	35,042	-	35,042	-	
1430 Prepaid Items	102,632	-	-	102,632	-	
1440 Deferred Charges	-	4,430	-	4,430	-	
1611 Restricted Cash	-	-	696,222	696,222	-	
1791 Capital Assets Not Being Depreciated	1,396,530	10,000	21,000	1,427,530	-	
1792 Capital Assets Being Depreciated	872,806	46,462	557,504	1,476,772	-	
TOTAL ASSETS	5,119,811	565,829	1,434,841	7,120,481	271,254	
DEFERRED OUTFLOWS OF RESOURCES:						
1992 Deferred Outflow Related to Pension Plan	50,133	23,774	18,786	92,693	-	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	50,133	23,774	18,786	92,693	-	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,169,944	\$ 589,603	\$ 1,453,627	\$ 7,213,174	\$ 271,254	
LIABILITIES:						
2010 Accounts Payable	73,323	41,574	171,999	286,896	-	
2011 Customer Deposits	-	149,821	-	149,821	-	
2020 Payroll Liabilities	-	-	10,869	10,869	-	
2030 Compensated Absences Payable	38,678	12,386	11,477	62,541	-	
2058 Wages and Salaries Payable	31,360	14,111	-	45,471	-	
2080 Due to Other Funds	2,640	-	1,524,082	1,526,723	790,000	
2090 Due to Others	296,560	-	-	296,560	-	
2502 Debt Service - Due in More Than One Year	1,695,000	-	-	1,695,000	-	
2580 Net Pension Liability	61,194	29,019	22,931	113,144	-	
TOTAL LIABILITIES	2,198,755	246,911	1,741,358	4,187,024	790,000	
DEFERRED INFLOWS OF RESOURCES:						
2602 Deferred Inflow Related to Pension Plan	626	297	235	1,158	-	
2607 Deferred Inflow Related to Leases	199,676	-	-	199,676	-	
TOTAL DEFERRED INFLOWS OF RESOURCES	200,302	297	235	200,834	-	
NET POSITION:						
4001 Net Investment in Capital Assets	2,269,335	56,462	578,504	2,904,301	-	
3810 Restricted For Landfill Trust	-	-	696,222	696,222	-	
3890 Unrestricted	501,551	285,934	(1,562,692)	(775,207)	(518,746)	
TOTAL NET POSITION	2,770,887	342,395	(287,966)	2,825,316	(518,746)	
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	\$ 5,169,944	\$ 589,603	\$ 1,453,627	\$ 7,213,174	\$ 271,254	

The accompanying notes are an integral part of this statement.

STARR COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds
As of September 30, 2024

As of September 30, 2024						
		Major Enterprise Fund		Nonmajor Enterprise Funds		Gov. Activities Internal Service Funds
		International Bridge	Gas System	Transfer Station	Total Enterprise Funds	Funds
REVENUES:						
5400	Charges for Services	\$ 2,792,529	\$ 996,887	\$ 1,319,245	\$ 5,108,660	\$ 277,211
5620	Rent and Lease Income	60,049	-	-	60,049	-
5622	Gain (Loss) on Currency Exchange	901	-	-	901	-
TOTAL REVENUES		2,853,479	996,887	1,319,245	5,169,611	277,211
EXPENDITURES:						
6100	Personnel Services - Salaries and Wages	643,137	305,765	237,293	1,186,196	-
6200	Personnel Services - Employee Benefits	174,238	46,426	47,753	268,416	-
6300	Purchased Professional & Technical Services	-	7,000	-	7,000	-
6500	Other Operating Costs	874,061	404,287	1,416,169	2,694,517	159,368
6800	Depreciation	180,989	9,303	108,917	299,210	-
TOTAL EXPENDITURES		1,872,426	772,781	1,810,132	4,455,339	159,368
Operating Income (Loss)		981,054	224,106	(490,887)	714,272	117,843
OTHER FINANCING SOURCES (USES):						
7915	Transfers In	-	-	491,921	491,921	-
7950	Pension Income (Expense)	45,999	-	-	45,999	-
7951	Gain (Loss) from Sale of Assets	-	(439)	-	(439)	-
7955	Investment Earnings	23,407	10,990	3,605	38,002	4,379
8911	Transfers Out	(519,600)	(80,400)	-	(600,000)	-
8980	Participation with the City of Roma, Texas	(607,624)	-	-	(607,624)	-
TOTAL OTHER FINANCING SOURCES (USES)		(1,057,818)	(69,849)	495,526	(632,141)	4,379
Change in Net Position		(76,764)	154,256	4,638	82,131	122,222
3900	Net Position - Beginning, Restated	2,847,651	188,139	(292,604)	2,743,186	(640,967)
3900	Net Position - Ending	\$ 2,770,887	\$ 342,395	\$ (287,966)	\$ 2,825,316	\$ (518,746)

The accompanying notes are an integral part of this statement.

STARR COUNTY, TEXAS
Statement of Cash Flows
Proprietary Funds
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Major Enterprise Funds		Nonmajor Enterprise Funds		Total Enterprise Funds	Gov. Activities Internal Service Fund
	International Bridge	Gas System	Transfer Station			
Cash Flows from Operating Activities						
Cash Received from Service Charges	\$ 2,907,012	\$ 1,009,125	\$ 1,106,438	\$ 5,022,575	\$ 281,024	
Cash Payments to Employees for Services	(817,376)	(352,191)	(285,046)	(1,454,612)	-	
Cash Payments for Other Operating Expenses	(874,061)	(411,287)	(1,416,169)	(2,701,517)	(159,368)	
Net Cash Provided (Used) by Operating Activities	1,215,576	245,647	(594,777)	866,446	121,656	
Cash Flows from Non-Capital Financing Activities:						
Payments to City of Roma	(607,624)	-	-	(607,624)	-	
Non-Operating Transfers In (Out)	(519,600)	-	491,921	(27,679)	-	
Pension Income (Expense)	45,999	-	-	45,999	-	
Net Cash Provided by (Used for) Non-Capital Financing Activities	(1,081,225)	-	491,921	(589,304)	-	
Cash Flows from Investing Activities						
Gain (Loss) from Sale of Assets	-	(439)	-	(439)	-	
Transfers In (Out)	-	(80,400)	-	(80,400)	-	
Loan Proceeds	1,695,000	-	-	1,695,000	-	
Purchase of Capital Assets	(34,585)	(4,683)	(12,107)	(51,375)	-	
Interest and Dividends on Investments	23,407	10,990	3,605	38,002	4,379	
Net Cash Provided (Used) by Investing Activities	1,683,822	(74,532)	(8,502)	1,600,788	4,379	
Net Increase (Decrease) in Cash and Cash Equivalents	1,818,173	171,115	(111,358)	1,877,930	126,035	
Cash and Cash Equivalents at Beginning of Period	\$ 729,994	\$ 110,959	\$ 163,026	\$ 1,003,979	\$ 136,378	
Cash and Cash Equivalents at End of Period	\$ 2,548,167	\$ 282,074	\$ 51,668	\$ 2,881,909	\$ 262,413	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	981,054	224,106	(490,887)	714,272	117,843	
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	180,989	9,303	108,917	299,210	-	
Effect of Increases and Decreases in Current Assets and Liabilities:						
Decrease (Increase) in Receivables	-	5,934	-	5,934	3,813	
Decrease (Increase) in Investments	-	(3,367)	-	(3,367)	-	
Decrease (Increase) in Interest Receivable	-	(447)	-	(447)	-	
Decrease (Increase) in Due from Others	49,454	(345)	-	49,109	-	
Decrease (Increase) in Inventories	-	7,926	-	7,926	-	
Decrease (Increase) in Deferred Outflows	20,509	7,293	4,161	31,963	-	
Increase (Decrease) in Account Payable	48,335	12,936	34,760	96,031	-	
Increase (Decrease) in Customer Deposits	-	8,024	(2,752)	5,272	-	
Increase (Decrease) in Wages and Salaries Payable	1,829	374	6,357	8,560	-	
Increase (Decrease) in Due to Other Funds	-	(83)	(237,805)	(237,888)	-	
Increase (Decrease) in Compensated Absences Payable	(86)	1,113	(1,761)	(734)	-	
Increase (Decrease) in Deferred Inflows	(8,570)	(3,747)	-	(12,317)	-	
Increase (Decrease) in Net Pension Liability	(57,938)	(23,374)	(15,767)	(97,079)	-	
Net Cash Provided by Operating Activities	\$ 1,215,576	\$ 245,647	\$ (594,777)	\$ 866,446	\$ 121,656	

The notes to the financial statements are an integral part of this statement.

STARR COUNTY, TEXAS
Statement of Fiduciary Net Position - Fiduciary Funds
As of September 30, 2024

	Custodial Funds
ASSETS:	
1010 Cash and Cash Equivalents	\$ 8,878,781
1030 Investments - Current	124,175
1150 Accounts Receivable, Net	185,612
1300 Due from Other Funds	671,975
1390 Due from Others	35
1430 Prepaid Items	73,822
TOTAL ASSETS	\$ 9,934,400
LIABILITIES:	
2010 Accounts Payable	4,552
2080 Due to Other Funds	1,205,353
2090 Due to Others	6,074,671
TOTAL LIABILITIES	7,284,576
NET POSITION:	
3009 Restricted for Fiduciary Purposes	2,649,824
TOTAL NET POSITION	2,649,824
TOTAL LIABILITIES & NET POSITION	\$ 9,934,400

The notes to financial statements are an integral part of this statement.

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EXHIBIT E-2

STARR COUNTY, TEXAS
Statement of Net Changes - Fiduciary Funds
As of September 30, 2024

			Total
ADDITIONS:			
5201	Tax Collections for Other Governments	\$	32,366,354
5202	Held for Others		14,614,190
5400	Charges for Services		2,230
5610	Investment Earnings		33,168
5700	Other Revenue		1,263
	TOTAL ADDITIONS		47,017,205
DEDUCTIONS:			
70	Payments to Other Governments		32,370,866
90	Payments to Individuals and Services		15,521,580
	TOTAL DEDUCTIONS		47,892,447
	Change in Net Position		(875,242)
3600	Net Position - Beginning, Restated	\$	3,525,066
3900	Net Position - Ending		2,649,824

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NOTES TO THE FINANCIAL STATEMENTS

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Starr County (the County) have been prepared in conformance with Accounting Principles Generally Accepted in the United State of America (US GAAP) as applicable to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for establishing governmental accounting and financial reporting standards. The following is a summary of the more significant policies of the County.

A. The Reporting Entity

Starr County, Texas (the County) was organized in 1848. It is a public corporation and political subdivision of the State of Texas. A Commissioner's Court composed of four elected Commissioners and one elected County Judge governs the County under the statutes and the Constitution of the State of Texas. The County provides various services to advance the welfare, health, morals, comfort, safety, and convenience of the County and its inhabitants.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic – but not the only criterion for including a potential component unit with the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise financial accountability include, but not limited to, the selection of a voting majority of the organization's governing body, the ability to remove appointed members of the organization's governing board at will, the ability to modify or approve the budget of the organization, and the designation of management. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion is the existence of special financing relationships, regardless of whether the government can exercise oversight responsibilities.

For financial reporting purposes, the County includes all funds and the account group that are controlled by, or dependent on, the County. Control by or dependence on the County was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the County to finance any deficits that may occur, or receipt of significant subsidies from the County, and the ability to significantly influence operation. Based upon the application of the above criteria, the following is a brief review of each potential component unit addressed in defining the government's entity.

Blended Component Unit

The Starr County Drainage District is a conservation, groundwater conservation, and reclamation district created on September 1, 2009. The District is governed by a board of five directors appointed by the Commissioner Court of Starr County. The District is used to build, repair, and maintain drainage within the County.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Excluded from the reporting entity:

Certain significant governmental entities providing services within the County are administered by separate bonds or commissions, are not subject to oversight by the Commissioners' Court, and are responsible for their own fiscal matters. Consequently, financial information for the following entities is not included within the scope of these financial statements.

- Starr County Appraisal District
- Starr County Water Control and Improvement District No. 2
- Starr County Memorial Hospital
- All school districts in Starr County

B. Financial Statement Presentation, Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all the non-fiduciary activities of the primary government. Governmental activities are supported by taxes and intergovernmental revenues. They are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded at the time liabilities and deferred inflows are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Statement of Activities demonstrates the degree to which the direct expenses of the County's programs are offset by those programs' revenues. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or function. Program revenues for governmental activities include those generated from general government, administration of justice, parks, county administration, health and human services, flood control, tax administration, and roads and bridges. Taxes and other items not properly included among program revenues are reported instead as general revenues.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For proprietary funds, all revenues and expenses are classified as operating revenues and expenses except for taxes, investment income, interest expense, and grant payments which are classified as non-operating revenues and expenses.

The effects of interfund direct activity for changes based on actual use are not eliminated whereas indirect expense allocations are reversed and have been eliminated for the government-wide financial statements.

Fund Level Financial Statements

All governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period. The County considers revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property tax revenues, the County's primary revenue source, is susceptible to accrual and is considered available to the extent of delinquent taxes collected within 60 days of the fiscal year end. Grant and entitlement revenues are also susceptible to accrual. Encumbrances are used during the year, and any unliquidated items are reported at year end as a reservation of fund balance.

Governmental funds are accounted for on a spending "financial flow" measurement focus. This means that only current assets and deferred outflows, and current liabilities and deferred inflows are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds, including the enterprise funds and internal service funds are accounted for using the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses. This means that all assets and deferred outflows and liabilities and deferred inflows (whether current or non-current) associated with their activity are included in the funds' statement of net position.

The fiduciary funds are also reported using the accrual basis of accounting. The fiduciary funds are custodial in nature; custodial funds report assets; deferred outflows of resources; liabilities and deferred inflows of resources and any difference between the assets and deferred outflows of resources to the liabilities and deferred inflows of resources as fiduciary net position.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Internal Service Funds are used to account for revenues and expenses related to services provided to parties inside the County. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

The County's accounts are organized based on funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund's assets and deferred outflows, liabilities and deferred inflows, net position/fund balance, revenues and expenditures or expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The County reports various fiduciary funds, which are fiduciary in nature, accordingly the fiduciary funds are excluded from the government-wide financial statements.

i. Governmental Funds

Major Funds

General Fund - used as the County's primary operating fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund – used by the County to build, repair, and maintain all the roads and bridges within the County.

American Rescue Plan Fund - used by the County to account for resources restricted to, or designated for, specific purposes by the County or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Starr County Construction Series 2024 - used by the County to The purpose of this fund is to improve, construct, purchase and acquire certain County-owned public property, which includes (i) improvements to County roads (ex: utility relocation, related drainage improvements and right-of-way acquisitions); (ii) purchase of property for and construction of a County juvenile detention facility; and (iii) the payment of contractual obligations for professional services in connection with such projects (including, but not limited to, financial advisory, legal, architectural, and engineering).

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-Major Funds

All other governmental funds are combined and reported as nonmajor. Non-major funds include Special Revenue funds, Capital Projects Fund and Debt Service Fund.

Special revenue funds account for specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt service funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital projects funds account for and report financial resources that are restricted, committed, or assigned to expenditure for major capital outlays, including the acquisition or construction of capital facilities and other capital assets.

ii. Proprietary Funds

Major Funds

International Toll Bridge System - The Bridge owns the United States portion of the International Toll Bridge in Roma, Texas, the toll booths adjacent to the bridge and the port facility which house customs and immigration officers. The Bridge also rents space to private companies adjacent to the bridge. The primary sources of income for the Bridge are vehicle and pedestrian bridge tolls and rents of Bridge property.

Non-Major Funds

Gas System - Operates a natural gas system to provide an adequate and dependable supply of natural gas for the county courthouse, county offices, and other county buildings.

Solid Waste Transfer Station - To provide adequate solid waste disposal services to the residents of Starr County to facilitate transportation of solid waste to the regional landfill and thus minimize the potential for illegal dumping and associated environmental and health risks.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Recent Accounting Pronouncements

GASB Statement No. 99, “*Omnibus 2022*” was issued April 2022. The objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter and have previously been reflected in the County’s financial statements. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 99 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. GASB Statement No. 99 has been implemented and reflected in the County’s financial statements.

GASB Statement No. 100, “*Accounting Changes and Error Corrections*” was issued June 2022. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. GASB Statement No. 100 has been implemented and reflected in the County’s financial statements

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 101, “*Compensated Absences*” was issued June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. GASB Statement No. 101 will be implemented by the County in fiscal year 2025 and although the impact has not yet been determined, it is not expected to have a material effect on the County’s Financial Statements.

GASB Statement No. 102, “*Certain Risk Disclosures*” was issued December 2023. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. GASB Statement No. 102 will be implemented by the County in fiscal year 2025 although the impact has not yet been determined, it is not expected to have a material effect on the County’s Financial Statements.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 103, “*Financial Reporting Model Improvements*” was issued in April 2024. This Statement aims to enhance the effectiveness of the financial reporting model for state and local governments. This Statement addresses key components of the financial reporting to provide users with information that is essential for decision making and assessing a government’s accountability. The key provisions under GASB Statement No. 103 include Management’s Discussion and Analysis (MD&A), presentation of Proprietary Fund Financial Statements, Unusual or Infrequent Items, Major component Unit Information, and Budgetary Comparison Information. The requirements of GASB Statement No. 103 are effective for fiscal years beginning after June 15, 2025. GASB Statement No. 103 will be implemented by the County in fiscal year 2026 and although the impact has not yet been determined, it is not expected to have a material effect on the County’s Financial Statements.

GASB Statement No. 104, “*Disclosure of Certain Capital Assets*” was issued September 2024. The objective is to provide users of government financial statements with essential information about certain types of capital assets. Under GASB Statement No. 104, Governments are required to separately disclose information about intangible lease assets, subscription assets, and other intangible assets, each categorized by major class. This Statement also requires that the assets held for sale be evaluated each reporting period. The Statement establishes criteria for identifying capital assets held for sale and mandates additional disclosures for these assets. The requirements of GASB Statement No. 104 are effective for fiscal years beginning after June 15, 2025. GASB Statement No. 104 will be implemented by the County in fiscal year 2026 and although the impact has not yet been determined, it is not expected to have a material effect on the County’s Financial Statements.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

i. Cash, Cash Equivalents, and Temporary Investments

Cash and Cash Equivalents include amounts in demand deposits as well as short-term investments with a maturity date of 90 days or less from the date of purchase. Investments are stated at fair value or amortized cost, which is based on quoted market prices with the difference between the purchase price and fair value or amortized cost being recorded as earnings on investments.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ii. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” for the current portion of the interfund loans or “advances to/from other funds” for the non-current portion of interfund loans. All other outstanding balances between funds are classified as “due to/from other funds.” Balances outstanding between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available financial resources and, therefore, not available for appropriation.

All accounts and property taxes receivable are shown net of an allowance for uncollectible amounts. Property taxes are levied as of October 1 on property values assessed as of the same date. Taxes become delinquent on February 1, at which time penalties and interest are assessed.

iii. Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditure/expense when consumed rather than when purchased.

iv. Restricted Assets

Cash set aside in the Transfer Station enterprise fund is restricted because its use is limited due to the Landfill Trust account.

v. Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (roads, bridges, improvements, etc.) that are used in operations and benefit more than a single fiscal period. Infrastructure assets, such as roads, bridges, and drainage systems, are long-lived assets that normally are stationary in nature and typically can be preserved for a significantly greater number of years than most capital assets. Capital assets are defined by the County as with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements. When historical records are available, capital assets are valued at cost. When no historical records are available, the County estimates the cost by applying back-trended inflation rates to a similar asset. Donated capital assets, e.g., works of art, historical treasures, and similar assets; and capital assets received in service concession arrangements, if any; are valued at acquisition value as defined by GASB 72.

Improvements to capital assets that materially extend the life of the asset or add to the value are capitalized. Other repairs and normal maintenance are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Capital assets are depreciated or amortized over the useful lives of the assets or classes of assets on a straight-line basis as follows:

<u>Asset Description</u>	<u>Useful Life</u>
Buildings	50
Improvements	15-25
Infrastructure	40
Furniture & Equipment	7-10
Automotive	5-15
Computer Equipment	5

vi. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. Deferred outflows consist of, when applicable, deferred charges on refunding, the changes in fair value of the Toll Bridge's lease receipts that are applicable to future reporting periods, pension contributions after measurement date, the differences in projected and actual earnings on pension assets, and changes in pension assumptions. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. The pension contributions after measurement date are deferred and recognized in the following fiscal year. The differences in projected and actual earnings on pension assets are amortized over a closed five-year period. Pension assumption changes are recognized over the average remaining service life for all members.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of net position also reports a separate section for deferred inflows of resources. This financial statement element, the deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows consist of, when applicable, the changes in fair value of the County's hedging derivative instruments that are applicable to future reporting periods, differences in expected and actual pension experience, and unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The differences in expected and actual pension experience are amortized over the average expected remaining service lives of all employees that are provided with pension benefits through the pension plan (active employees and inactive employees).

vii. Compensated Absences

Vacation and sick leave benefits are accrued by County employees according to guidelines established in the County's personnel policies. The County's policies allow for the accumulation of sick leave of 12 days per year, but do not provide for payment of sick leave accruals (i.e., sick leave not taken in any given year is lost and cannot be carried over to the next year). Accordingly, since such accumulated amounts are non-vesting unused sick leave as of September 30, 2024, has not been accrued in the accompanying financial statements. The County's policy for vacation leave allows 10 working days of vacation after an employee has worked for the County for 6 months.

Vacation leave does not accumulate if not used within the year (i.e., vacation leave taken cannot be carried over the following year). However, any unused leave is paid to an employee upon separation from service.

The County has essentially no provision for compensatory ("comp") time off nor is any employee typically allowed to work more than 40 hours per week except Sheriff Department deputies.

viii. Property Taxes

Ad valorem taxes attach an enforceable lien on property as of January 1. The taxes are levied each October 1, based on the assessed value listed as of the date the enforceable lien attaches. Appraised values are established by the Starr County Appraisal District, assessed at 100% of appraised value and certified by the Appraisal Review Board. The Starr County Tax Assessor/Collector bills and collects taxes for the County. The 2024 fiscal year tax rate was 0.4791 per \$100 for the General Fund, 0.0347 for the I&S Fund, 0.2052 per \$100 for the FM and Lateral Road tax, and .0014 per \$100 for the Drainage District, for a total of 0.7204 per \$100 assessed valuation.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County's taxes on real property are a lien against such property until paid. The County may foreclose on real property upon which it has a lien for unpaid taxes. The exception is for homestead property belonging to people 65 years of age or older. While the County attempts to collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title of the property.

Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes become delinquent. Unlike real property, the sale or transfer of most personal property does not require any evidence that taxes thereon are paid. Taxes are due October 1. Taxes become delinquent on February 1st of the following year, at which time penalty and interest charges are applicable. Property tax revenues are recorded as revenues when they become measurable and attainable. As of September 30, property tax receivables are fully deferred.

ix. Leases and Subscription-Based Information Technology Arrangements

The financial statements reflect the recognition of GASB Statement No. 87, Leases. This standard enhances the relevance and consistency of information regarding governmental leasing activities by establishing a single model for lease accounting, treating leases as financings of the right to use an underlying asset.

The financial statements reflect the recognition of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). This standard provides guidance on accounting and financial reporting for SBITA's, defining them as contracts that convey control of the right to use another party's IT software, alone or in combination with tangible capital assets, for a period of time in an exchange or exchange-like transaction. Under this statement, SBITAs result in the recognition of a subscription asset and a corresponding subscription liability. The standard also outlines criteria for capitalizing outlays other than subscription payments, including implementation costs, and specifies required note disclosures.

Lessee: The County is a lessee for non-cancelable leases of office equipment, vehicles, buildings, land, and infrastructure. The County recognizes lease liabilities and intangible right-to-use lease assets in the government-wide financial statements.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt obligations on the statement of net position.

Lessor: The County is a lessor for non-cancelable leases of buildings. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee over the period.

The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

x. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. On refunding bond issues, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred inflow of resources and recognized as a component of interest expense on a straight-line basis over the remaining life of the old debt or the life of the new debt, whichever is shorter.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

xi. Defined Benefit Pension Plan

The fiduciary net position of the Texas County/District Retirement System (TCDRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and addition to/deductions from TCERS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

xii. Equity Classifications

Under GAAP, fund balances are required to be reported according to the following classifications:

Non-spendable – Amounts that cannot be spent because they are either not in spendable form or they are required, legally or contractually, to be maintained intact. This classification includes inventories, prepaid amounts, assets held for resale, and long-term receivables (if the proceeds from the collection of the receivables are not restricted, committed, or assigned).

Restricted – These amounts represent assets that have externally imposed restrictions by creditors, grantors, contributors, or laws or regulations of other governments. Assets may also be restricted as imposed by law through constitutional provisions or enabling legislation.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. The County’s highest level of decision-making authority resides with the Commissioners Court. The constraints imposed by the formal action of the Commissioners Court remain binding unless removed or changed in the same manner employed to previously commit those resources. To establish, modify, or rescind a fund balance commitment requires an order adopted by the Commissioners Court.

Assigned – Amounts that are constrained by the County’s intent to be used for a specific purpose, but that do not meet the criteria to be restricted or committed. Such an intent should be expressed by the Commissioners’ Court or its designated officials to assign amounts to be used. The County Budget Officer, by virtue of Commissioners Court ordered appointment to that office and as a normal function of that office, has the authority to assign fund balance to particular purposes. Assignments made by the County Budget Officer can occur during the budget process or throughout the year in the normal course of business. Commissioners Court, at their discretion, may make assignments of fund balance or direct other County officials to do so. Constraints imposed on the use of the assigned amounts can be removed with no formal action.

Unassigned – Amounts that have not been restricted, committed, or assigned. The general fund is the only fund to report a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

For the classification of fund balances in the governmental funds, the County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. In the proprietary fund financial statements and in the government-wide financial statements, restricted net position is reported for amounts that are externally restricted by 1) creditors (e.g., bond covenants), grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provision or enabling legislation.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

xiii. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

xiv. Rounding Adjustments

Throughout this annual financial report, dollar amounts are rounded, thereby creating various differences between the details and the totals.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTIBILITY

A. Budgetary Information

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Budget Officer has the responsibility of preparing the County's budgeted expenditures. By statute, the County Auditor has the responsibility of preparing an estimate of revenues for submission to the Commissioners' Court.
2. All County offices and departments must submit their budget requests to the Budget Officer for the fiscal year commencing the following October 1.
3. The Commissioners' Court conducts informal budget workshops with each official or department head to discuss their budget requests.
4. The Budget Officer prepares a proposed budget to cover all proposed expenditures of the County for the following year. Copies of the proposed budget are filed with the County Clerk and County Auditor. The proposed budget is available for inspection by taxpayers.
5. Within seven calendar days after the filing of the proposed budget and prior to September 30 of the current year, Commissioners' Court conducts a public hearing on the County's proposed budget. Any taxpayer of the County of Starr has the right to be present and participate in the hearing. At the conclusion of the hearing, the Commissioners' Court acts upon the proposed budget as submitted by the Budget Officer.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTIBILITY (Continued)

The Commissioners' Court has the authority to make such changes in the budget, in its judgment of the facts, the law warrants, and the interest of the taxpayers demand, provided the amounts budgeted for current expenditures from the various funds for the County does not exceed the balances in these funds as of October 1 plus the anticipated revenue for the current year for which the budget is made, as estimated by the County Auditor.

6. Under no circumstances can the Commissioners' Court authorize expenditures that will exceed appropriations. Annual budgets are prepared in conformity with GAAP using the modified accrual basis of accounting for all governmental funds, except grant-funded special revenue funds and capital projects funds, which adopt project-length budgets.

All annual appropriations lapse at fiscal year-end. Appropriations at year-end for grant-funded special revenue funds and capital projects funds are carried forward to subsequent years until the grant has terminated or the project is completed.

The appropriated budget is prepared by fund, function, department, and object. Transfers of appropriations between departments require the approval of the Commissioners' Court. The legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed appropriations) is at the department level. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end do not constitute expenditures or liabilities because the commitments will be honored in the subsequent year. For the general fund only, encumbrances outstanding as of September 30, 2024, were not re-appropriated in 2024 as per Commissioners' Court. Any encumbrance outstanding in the general fund as of September 30, 2024, will be liquidated with the year 2024-2025 budget.

B. Excess of Expenditures over Appropriations

The County's actual expenditures may not legally exceed budgeted appropriations at the departmental level. The following is a list of the excess of expenditures over appropriations, at the legal control by individual fund:

Description	Expenditure	Excess
General Fund	Nutrition Program Pct. #3	(234)

C. Deficit Fund Balance/Net Position

As of September 30, 2024, the Road and Bridge Fund had a deficit fund balance of \$1,656,452, the Transfer Station had a deficit net position of \$287,966, and the Internal Service Fund had a deficit net position of \$518,746.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

As of September 30, 2024, the carrying amount of the County's governmental activity deposits was \$21,743,743 and \$2,881,909 for business-type activities, resulting in a total carrying amount of \$24,625,652. The County's bank balance as of September 30, 2024, was \$25,662,440. Bank balances of \$250,000 are covered by federal depository insurance and the remaining \$25,412,440 were covered by collateral pledged in the County's name.

The County is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include (1) obligations of the General, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

The fair values of investments as of September 30, 2024, are summarized as follows:

Description	Rate	Maturity	Fair Value	Measurement
Special Revenue				
Certificate of Deposit - 5382	4.00%	1/13/2025	422,827	Level 2
Certificate of Deposit - 5383	4.00%	1/13/2025	422,827	Level 2
Certificate of Deposit - 5384	4.00%	1/13/2025	422,827	Level 2
Certificate of Deposit - 5385	4.00%	1/13/2025	422,827	Level 2
Certificate of Deposit - 4493	4.23%	3/25/2025	428,653	Level 2
Certificate of Deposit - 4494	4.23%	3/25/2025	428,653	Level 2
Certificate of Deposit - 4495	4.23%	3/25/2025	428,653	Level 2
			<u>2,977,270</u>	
Debt Service				
Certificate of Deposit - 3833	4.00%	4/1/2025	126,763	Level 2
Certificate of Deposit - 2913	4.23%	2/2/2025	408,509	Level 2
			<u>535,272</u>	
Enterprise Fund				
Certificate of Deposit - 0511	4.00%	1/13/2025	110,803	Level 2
			<u>110,803</u>	
Total Investments - Current			<u>\$ 3,623,344</u>	

The County is in compliance with the Investment Act.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS

Fair Value Measurements - The County categorizes its investments measured at fair value within the hierarchy established by generally accepted accounting principles. Investments valued at fair value are categorized based on inputs to valuation techniques as follows:

Level 1 input - Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

Level 2 input - Quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 input - Inputs that are unobservable for the asset or liability which are typically based upon the County's own assumptions as there is little, if any, related market activity.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement. The County's investments are debt securities classified in Level 2 of the fair value hierarchy and are valued using a computerized pricing service utilizing a yield-based matrix system to arrive at an estimated market value.

Interest Rate Risk: To limit the risk that changes in interest rates will adversely affect the fair value of investments; the County requires that the investments be monitored by using specific identification. In accordance with state law, the County does not purchase any investments with maturities greater than 10 years.

Credit Risk: Texas statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a Federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed, insured by, or backed by full faith and credit of the United States or their respective agencies and instrumentalities; and (5) obligations of states, agencies, counties, cities and other political subdivisions of any state (rated as to investment quality by a nationally recognized investment rating of not less than "A" or its equivalent). As of September 30, 2024, the County's investments were secured by U.S. Government Securities.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS

Concentration of Credit Risk: To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the investment portfolio shall be diversified in terms of investment instruments maturity scheduling, and financial institutions. To further limit the risk all the County's investments are collateralized by U.S. Government Securities.

Custodial Credit Risk: State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the County complies with this law, it has no custodial risk for deposits.

B. TAXES AND OTHER RECEIVABLES

The County's receivables as of September 30, 2024, net of allowance for uncollectible, are summarized by the following table:

Description	General Fund	Road & Bridge	Non-Major Funds	Total
Taxes Receivable	\$ 12,573,312	\$ 5,576,852	\$ 532,361	\$ 18,682,525
Accounts Receivable	471,570	70,000	25,592	567,162
Interest Receivable	-	-	16,264	16,264
Allowance for Uncollectible	(1,257,331)	(557,686)	(53,236)	(1,868,253)
Accounts Receivable, Net	\$ 11,787,551	\$ 5,089,166	\$ 520,981	\$ 17,397,698

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

C. INTERFUND BALANCES AND TRANSFERS

Interfund balances as of September 30, 2024, consisted of the following individual fund receivables and payables:

Description	Due From Other Funds	Due To Other Funds
<u>Governmental Activities:</u>		
General Fund:		
General Fund	\$ 1,349,236	\$ 1,349,236
Special Revenue Fund	3,360,152	38,351
Enterprise Funds	1,526,648	6,075
Internal Service Fund	790,000	200
Trust and Agency Funds	880,838	203,074
Total General Fund	<u>7,906,874</u>	<u>1,596,936</u>
Special Revenue Funds:		
General Fund	38,351	3,360,152
Special Revenue Funds	13,027	13,027
Enterprise Funds	74	-
Trust and Agency Funds	<u>201,963</u>	<u>351,845</u>
Total Special Revenue Funds	<u>253,415</u>	<u>3,725,024</u>
Debt Service:		
Trust and Agency Funds	<u>5,496</u>	<u>-</u>
Total Debt Service Fund	<u>5,496</u>	<u>-</u>
Internal Service:		
General Fund	<u>200</u>	<u>790,000</u>
Total Internal Service Fund	<u>200</u>	<u>790,000</u>
<u>Business-Type Activities:</u>		
Enterprise Funds:		
General Fund	6,075	1,526,648
Special Revenue Fund	<u>-</u>	<u>74</u>
Total Enterprise Funds	<u>6,075</u>	<u>1,526,723</u>
<u>Fiduciary Activities:</u>		
Trust and Agency Funds:		
General Fund	203,074	880,838
Special Revenue Funds	351,845	201,963
Debt Service Fund	-	5,496
Trust and Agency Funds	<u>117,056</u>	<u>117,056</u>
Total Trust and Agency Funds	<u>671,975</u>	<u>1,205,353</u>
Total Interfund Balances	<u>\$ 8,844,036</u>	<u>\$ 8,844,036</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 –DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers for the year ended September 30, 2024, consisted of the following:

Description	Transfers In	Transfers Out
<u>Governmental Activities:</u>		
General Fund:		
Enterprise Funds	\$ 600,000	\$ -
Total General Fund	600,000	-
Special Revenue Funds:		
Enterprise Funds	-	200,000
Total Debt Service Fund	-	200,000
Capital Project Funds:		
Enterprise Funds	-	291,921
Total Special Revenue Funds	-	291,921
<u>Business-Type Activities:</u>		
Enterprise Funds:		
General Fund	-	600,000
Special Revenue Fund	200,000	-
Capital Projects Fund	291,921	-
Total Enterprise Funds	491,921	600,000
Total Interfund Transfers	<u>\$ 1,091,921</u>	<u>\$ 1,091,921</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move funds restricted to debt service to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

D. CAPITAL ASSETS

The County's capital assets, net of accumulated depreciation, for governmental activities as of September 30, 2024, consisted of the following:

	Balance 10/1/2023	Additions	Retirements	Adjustments / Transfers	Ending Balance 9/30/2024
Governmental Activities					
Capital Assets, not being depreciated/amortized					
Land	\$ 1,522,280	\$ -	\$ -	\$ -	\$ 1,522,280
Construction in Progress	710,226	369,942	-	(449,622)	630,547
Total capital assets, not being depreciated/amortized	2,232,506	369,942	-	(449,622)	2,152,826
Capital Assets, being depreciated/amortized					
Buildings and Improvements	20,238,283	146,990	-	449,622	20,834,896
Machinery and Equipment	21,693,573	2,268,075	(709,966)	-	23,251,682
Infrastructure	56,537,182	2,169,204	-	-	58,706,386
Right of Use Assets	688,388	229,942	-	-	918,330
Software-Based Assets	105,652	-	-	-	105,652
Total capital assets, being depreciated/amortized	99,263,078	4,814,211	(709,966)	449,622	103,816,946
Less accumulated depreciation/amortization for:					
Buildings and Improvements	(11,022,029)	(473,760)	-	-	(11,495,789)
Machinery and Equipment	(13,740,603)	(1,610,386)	647,455	-	(14,703,534)
Infrastructure	(10,635,597)	(763,592)	-	-	(11,399,189)
Right of Use Assets	(101,291)	(224,961)	-	-	(326,252)
Software-Based Assets	(54,316)	(36,830)	-	-	(91,146)
Total accumulated depreciation/amortization	(35,553,836)	(3,109,529)	647,455	-	(38,015,910)
Total capital assets, being depreciated/amortized, net	63,709,243	1,704,682	(62,511)	449,622	65,801,036
Governmental activities capital assets, net	\$ 65,941,748	\$ 2,074,626	\$ (62,511)	\$ -	\$ 67,953,862

Depreciation expense for the year ended September 30, 2024, was charged to the following function/programs of the County as summarized by the following table:

Governmental Activities:	Amount
General Administration	\$ 823,052
Judicial	224,372
Legal	96,106
Financial Administration	154,071
Public Facilities	1,030,729
Public Safety	581,628
Health and Welfare	185,255
Conservation Agriculture	14,315
Total Depreciation/Amortization Expense	\$ 3,109,529

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

The County's capital assets for business-type activities (Enterprise Funds) as of September 30, 2024, consisted of the following:

INTERNATIONAL TOLL BRIDGE SYSTEM	Balance 10/1/2023	Additions	Retirements/ Reclassifications	Balance 9/30/2024
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 1,396,530	\$ -	\$ -	\$ 1,396,530
Total capital assets, not being depreciated	1,396,530	-	-	1,396,530
Capital Assets, being depreciated				
Buildings and Improvements	4,999,133	-	19,175	5,018,308
Machinery and Equipment	873,400	34,585	-	907,985
Infrastructure	1,362,675	-	(19,175)	1,343,500
Total capital assets, being depreciated	7,235,208	34,585	-	7,269,793
Less: Accumulated Depreciation	(6,223,896)	(173,091)	-	(6,396,987)
Total capital assets, being depreciated, net	1,011,312	(138,506)	-	872,806
Business-Type activities capital assets, net	\$ 2,407,842	\$ (138,506)	\$ -	\$ 2,269,336

The International Toll Bridge System's depreciation expense for the year ended September 30, 2024, was \$173,091.

GAS SYSTEM	Balance 10/1/2023	Additions	Retirements/ Reclassifications	Balance 9/30/2024
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Total capital assets, not being depreciated	10,000	-	-	10,000
Capital Assets, being depreciated				
Buildings and Improvements	20,390	-	-	20,390
Machinery and Equipment	162,578	4,683	(21,000)	146,261
Infrastructure	634,930	-	-	634,930
Total capital assets, being depreciated	817,899	4,683	(21,000)	801,582
Less: Accumulated Depreciation	(764,378)	(9,303)	18,561	(755,120)
Total capital assets, being depreciated, net	53,521	(4,620)	(2,439)	46,462
Business-Type activities capital assets, net	\$ 63,521	\$ (4,620)	\$ (2,439)	\$ 56,462

The Gas System's depreciation expense for the year ended September 30, 2024, was \$9,303.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

TRANSFER STATION	Balance 10/1/2023	Additions	Retirements/ Reclassifications	Balance 9/30/2024
Business-Type Activities				
Capital Assets, not being depreciated				
Construction in Progress	\$ 21,000	\$ -	\$ -	\$ 21,000
Total capital assets, not being depreciated	21,000	-	-	21,000
Capital Assets, being depreciated				
Machinery and Equipment	420,830	-	-	420,830
Infrastructure	1,675,238	-	-	1,675,238
Total capital assets, being depreciated	2,096,067	-	-	2,096,067
Less: Accumulated Depreciation	(1,429,647)	(108,917)	-	(1,538,564)
Total capital assets, being depreciated, net	666,420	(108,917)	-	557,503
Business-Type activities capital assets, net	\$ 687,420	\$ (108,917)	\$ -	\$ 578,503

The Transfer Station's depreciation expense for the year ended September 30, 2024, was \$108,917.

E. LONG-TERM DEBT

The following is a summary of the changes in Long-Term Obligations as of September 30, 2024, recorded under governmental activities:

Governmental Activities	Original Issue	Issuance Date	Maturity Date	Interest Rate	Balance 10/1/2023	Additions	Retirements	Balance 9/30/2024	Due Within One Year
Bonds Payable									
Certificate of Obligations, Series 2019	\$ 500,000	3/11/2019	2/15/2031	5.00%	\$ 333,333	\$ -	\$ (41,667)	\$ 291,667	\$ 41,667
Certificate of Obligations, Series 2023	2,480,000	8/1/2023	8/15/2038	5.25%	2,480,000	-	(815,000)	1,665,000	85,000
Certificate of Obligations, Series 2024	7,115,000	8/1/2024	8/15/2039	4.85%	-	7,115,000	-	7,115,000	595,000
Financed Purchases									
KS State Bank	683,409	8/1/2017	10/25/2025	3.35%	279,808	-	(93,234)	186,573	96,699
Financed Purchases	570,916	Various	Various	3.00%	517,555	-	(99,845)	417,710	112,156
Other Payables									
Subscription-Based Information Technology Arrangements	162,950	Various	Various	3.00%	52,614	-	(37,620)	14,994	14,994
Lease Liabilities	664,376	Various	Various	3.00%	75,531	229,942	(151,169)	154,305	56,447
Total Bonds, Financed Purchases, and Other Payables					3,738,841	7,344,942	(1,238,535)	9,845,249	1,001,963
Other Long-Term Obligations									
Compensated Absences Payable					570,558	62,276	-	632,834	-
Net Pension Liability/(Asset)					3,376,020	-	(1,612,995)	1,763,025	-
Total Governmental Activities' Long-Term Obligations					\$ 7,685,419	\$ 7,407,218	\$ (2,851,530)	\$12,241,108	\$ 1,001,963

The following is a summary of the changes in Long-Term Obligations as of September 30, 2024, recorded under business-type activities:

Business-Type Activities	Original Issue	Issuance Date	Maturity Date	Interest Rate	Balance 10/1/2023	Additions	Retirements	Balance 9/30/2024	Due Within One Year
Notes Payable									
State Infrastructure Bank	1,695,000	9/3/2024	8/15/1943	3.93%	\$ -	\$ 1,695,000	\$ -	\$ 1,695,000	\$ -
Other Long-Term Obligations									
Compensated Absences Payable					63,274	(733)	-	62,541	-
Net Pension Liability/(Asset)					210,223	-	(97,079)	113,144	-
Total Other Long-Term Obligations					273,497	(733)	(97,079)	175,685	-
Total Business-Type Activities' Long-Term Obligations					\$ 273,497	\$ (733)	\$ (97,079)	\$ 175,685	\$ -

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

The annual debt service requirements to maturity for governmental activities' long-term debt obligations are summarized by the following:

Year Ending September 30,	Bonds, Financed Purchases, and Other Payables		
	Principal	Interest	Payments
2025	\$ 1,001,962	\$ 430,110	\$ 1,432,072
2026	726,449	423,748	1,150,197
2027	654,123	392,591	1,046,714
2028	577,714	369,958	947,672
2029	531,667	339,414	871,081
2030-2034	2,918,333	1,284,071	4,202,405
2035-2039	3,435,000	505,933	3,940,933
Total	\$ 9,845,249	\$ 3,745,824	\$ 13,591,072

The annual debt service requirements to maturity for business-type activities' long-term debt obligations are summarized by the following:

Year Ending September 30,	Notes Payable		
	Principal	Interest	Total Payment
2025	\$ -	\$ 62,728	\$ 62,728
2026	-	66,614	66,614
2027	71,962	66,614	138,575
2028	74,790	63,785	138,575
2029	77,729	60,846	138,575
2030-2034	436,938	255,937	692,875
2035-2039	529,815	163,060	692,875
2040-2044	503,767	50,443	554,210
Total	\$ 1,695,000	\$ 790,026	\$ 2,485,026

F. FUND BALANCES

Some fund balance restrictions and commitments have been grouped together under the heading of other or various purposes. Those amounts are detailed below:

Fund Balances:	
Restricted for Special Purpose	\$ 5,542,097
Restricted for Debt Service	1,884,587
Committed for Construction	7,815,838
Unassigned	9,653,845
Total Fund Balance	\$ 24,896,367

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 4 – OTHER INFORMATION

A. RISK MANAGEMENT

Starr County is exposed to various risks of loss relating to general liability, the accidental risk of loss of real and personal property, damage to County assets, errors and omissions, and personal risks which relate to workers' compensation. The County implements several risk strategies, such as purchasing commercial insurance and self- insurance with specific and full self-insurance to manage those listed risks. The amount of coverage for these types of risk has not been subjected to a significant reduction in the current year.

B. CONTINGENT LIABILITIES

The County participates in several state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required, and the collectability of any related receivable may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

C. COMMITMENTS

The County's commitments to various projects as of September 30, 2024, is as follows:

Description	Amount Committed	Paid in Previous Years	Paid in Current Years	Balance
Salineno Community Center Renovation	\$ 449,622	\$ 449,622	\$ -	\$ -
Fronton Nutrition Center	373,901	161,462	207,839	4,600
Precinct #2 Office & Food Pantry	501,713	99,141	140,572	262,000
Precinct #4 Cemetary	250,000	-	21,532	228,468
Total Commitments	\$ 1,575,236	\$ 260,604	\$ 369,942	\$ 495,068

D. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The County provides retirement, disability, and death benefits for all its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and County Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple employer public employee retirement system consisting of 624 cash balance-like defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS. Members can retire at ages 60 and above with 8 or more years of service or with 20 years regardless of age or when the sum of their age and years equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their contributions in a lump sum are not entitled to any amount contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the County conditioned by the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

B. Employees Covered By Benefit Terms

As of December 31, 2023, valuation and measurement date, the following employees were covered by the benefit terms:

Members	December 31, 2022	December 31, 2023
Number of inactive employees entitled to but not yet receiving benefits:	779	830
Number of active employees:	599	581
Average monthly salary*:	\$ 2,837	\$ 3,003
Average age*:	42	43
Average length of service in years*:	8.04	8.33
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	205	225
Average monthly benefit:	\$ 849	\$ 911

*Averages reported for active employees

C. Contributions

The employer has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually.

Employees for the County were required to contribute 5% of their annual gross earnings during the fiscal year. The contributions rates for the County were 7.10% and 6.94% in the calendar year 2022 and 2023, respectively. The County's contributions to TCDRS for the plan year ending December 31, 2023, were \$1,365,100 and were equal to the required contributions.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

D. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Changes in the total pension liability, plan fiduciary net position, and the net pension liability for the plan year ended December 31, 2023, for the County, are shown as the following:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/22	\$ 58,910,605	\$ 55,324,362	\$ 3,586,243
Changes for the year:			-
Service cost	1,874,706		1,874,706
Interest	4,523,952		4,523,952
Change in benefit terms			-
Diff between expected/actual experience	331,101		331,101
Changes of assumptions	-		-
Contributions - employer		1,365,100	(1,365,100)
Contributions - employee		983,502	(983,502)
Net investment income		6,078,368	(6,078,368)
Benefit payments, including refunds of employee contributions	(2,566,248)	(2,566,248)	-
Administrative expenses		(31,955)	31,955
Other charges		44,818	(44,818)
Balance at 12/31/23	\$ 63,074,115	\$ 61,197,946	\$ 1,876,169

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

E. Actuarial assumptions

The Net Pension Liability as of December 31, 2023, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date:	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	16.8 years (based on contribution rate calculated in 12/31/2023 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: No changes in plan provisions were reflected in the Schedule. 2023: No changes in plan provisions were reflected in the Schedule.

Actuarial assumptions used in the December 31, 2023, valuation was based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2017, through December 31, 2020, except where required to be different by GASB 68. TCDRS' actuarial assumptions are periodically reviewed and revised as deemed necessary to reflect the best estimates of future experience. Every four years, the TCDRS consulting actuary conducts an investigation of experience, TCDRS assumptions are compared to plan experience and future expectations, and changes to the assumptions are recommended as needed.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

The long-term expected rate of return on pension plan investments is 7.60%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2024 information for a 10-year time horizon. The valuation assumption for long-term expected return is reassessed at a minimum every four years and is set based on a long-term time horizon; the most recent analysis was performed in 2024.

The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
International equities – Developed	MSCI World Ex USA (net) Index	5.00%	4.75%
International equities – Emerging	MSCI EM Standard (net) index	6.00%	4.75%
Investment-grade bonds	Bloomberg Barclay U.S. Aggregate Bond Index	3.00%	2.35%
Strategic credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.65%
Direct lending	S&P/LSTA Leverage Loan Index	16.00%	7.25%
Distressed debt	Cambridge Associates Distressed Securities Index	4.00%	6.90%
REIT equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
(MLPs)	Alerian MLP Index	2.00%	5.20%
Private real estate partnerships	Cambridge Associates Real Estate Index (5)	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.75%
Hedge funds	Hedge Fund research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

F. Discount Rate

The discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments does not include the above stated value, which was calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn a long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

G. Depletion of Plan Assets/GASB Discount Rate

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flow and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

H. Discount Rate Sensitivity Analysis

The following presents the net pension liability of the county/county calculated using the discount rate of 7.60%, as well as what the Starr County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total Pension Liability	\$ 72,005,244	\$ 63,074,115	\$ 55,704,056
Fiduciary Net Position	61,197,946	61,197,946	61,197,946
Net Pension Liability / (Asset)	\$ 10,807,298	\$ 1,876,169	\$ (5,493,890)

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

I. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the plan year ending December 31, 2023, the County's pension expense (income) is as follows:

Pension Expense / (Income)	January 1, 2023 to December 31, 2023
Service Cost	\$ 1,874,706
Interest on total pension liability	4,523,952
Effect of plan changes	-
Administrative expenses	31,955
Member contributions	(983,502)
Expected investment return net of investment expenses	(4,197,012)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains/losses	(147,255)
Recognition of assumption changes/inputs	14,453
Recognition of investment gains/losses	(1,017,893)
Other	(44,818)
Total Pension Expense (Income)	\$ 54,586

As of December 31, 2023, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 19,200	\$ 220,734
Changes of assumptions	-	-
Net difference between projected and actual earnings	-	261,313
Contributions made subsequent to the measurement date	N/A	1,055,000

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense for plan years as follows:

Plan year ended December 31,	Amount
2024	\$ (291,655)
2025	(75,990)
2026	1,206,764
2027	(376,272)
2028	-
Thereafter	-

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

E. RESTATEMENTS

The County's fund balance/net position as of September 30, 2024, were restated as follows:

Description	General Fund (Governmental Fund)	Transfer Station (Enterprise Fund)	District Attorney (Fiduciary Fund)
Fund Balance/Net Position, as Previously Reported	\$ 8,913,570	\$ (988,826)	\$ 812,387
Adjustment for Deferred Property Taxes	-	-	-
Adjustment for Restricted Cash	(673,838)	673,838	-
Adjustment for Accounts Payable	-	22,382	-
Adjustment for Funds Held for Others	-	-	469,574
Total Fund Balance/Net Position, As Restated	\$ 8,239,732	\$ (292,604)	\$ 1,281,961

F. TAX ABATEMENTS

Tax Code Chapter 311, Tax Code Chapter 312, and Local Government Code Chapter 381 authorize Commissioners' Court to enter into agreements to stimulate economic development in the County by (1) the development or redevelopment of an area, (2) creation of new jobs, (3) new income, and (4) positive economic growth.

Chapter 312 of the Texas Tax Code, Property Redevelopment and Tax Abatement Act, authorizes Commissioners' Court to execute a tax abatement agreement, after guidelines and criteria have been adopted, with the owner of taxable real property located in a reinvestment zone designated under this subchapter or with the owner of tangible personal property located on real property in a reinvestment zone to exempt from taxation all or a portion of the value of the real property, all or a portion of the value of the tangible personal property located on the real property, or all or a portion of the value of both. For each tax abatement, there is a tax abatement agreement between the County and the owner of the property.

The Commissioners' Court approved Guidelines and Criteria for Granting Tax Abatements in Starr County. The guidelines detail the qualifying percentage of value to be abated based on the capital cost involved in the project or the number of jobs created. The duration of an agreement may be for a period of time determined appropriately by the Commissioners' Court of the County, based on the productive life of the improvements and consistent with the provisions of the guidelines and criteria, but in accordance with the law, in no case will the term of the tax abatement extend for more than ten years. Special terms and conditions may be set in the agreement governing each specific tax abatement.

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STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

Chapter 381 of the Local Government Code, County Development and Growth, allows Commissioners' Court to develop and administer a program to stimulate business and commercial activity in the County:

1. For state or local economic development;
2. For small or disadvantaged business development;
3. To stimulate, encourage, and develop business location and commercial activity in the County;
4. To promote or advertise the County and its vicinity or conduct a solicitation program to attract conventions, visitors, and businesses;
5. To improve the extent to which women and minority businesses are awarded County contracts;
6. To support comprehensive literacy programs for the benefit of County residents; or
7. For the encouragement promotion, improvement, and application of the arts.

Commissioners' Court approved Guidelines and Criteria for Participation in projects under Chapter 381 of the Texas Local Government Code (Economic Development Incentives Program). Through the program, the County may provide incentives for certain private and/or public developers and businesses that make or will make a measurable difference in achieving economic growth and development, expanding and diversifying the tax base and creating new employment opportunities within the County.

The County's amount of property tax abatements during the current fiscal year was \$870,000.

G. SUBSEQUENT EVENTS

For the purpose of reporting subsequent events, management has considered events occurring up to June 13, 2025, the date the report was available to be issued. No subsequent events were noted.

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REQUIRED SUPPLEMENTARY INFORMATION SECTION

STARR COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
GENERAL FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ 14,040,657	\$ 14,040,657	\$ 13,280,479	\$ (760,178)
Licenses and Permits	203,100	203,100	1,346,324	1,143,224
Intergovernmental Revenue and Grants	535,000	535,404	528,356	(7,048)
Charges for Services	6,816,500	7,071,660	6,327,154	(744,506)
Fines and Forfeitures	-	-	385,049	385,049
Investment Earnings	-	-	362,948	362,948
Other Revenue	861,000	958,477	610,898	(347,579)
Total Revenues	22,456,257	22,809,298	22,841,208	31,910
EXPENDITURES				
County Judge	634,688	611,188	567,051	44,137
County Clerk	338,647	381,647	370,539	11,108
Planning Department	224,162	224,162	198,887	25,275
Personnel Department	213,916	214,916	212,100	2,816
Federal and State Programs	283,514	283,514	206,673	76,841
County Wide General Fund	4,437,700	4,526,700	4,008,015	518,685
Contract for 9-1-1 Services	67,787	67,787	56,774	11,013
County Court-at-Law	504,721	504,721	421,427	83,294
229th District Court	464,960	464,960	384,150	80,810
381st District Court	483,623	518,623	512,506	6,117
District Clerk	343,667	343,667	332,096	11,571
Justice of the Peace Pct. #1	123,737	123,737	108,261	15,476
Justice of the Peace Pct. #2	94,174	94,174	93,770	404
Justice of the Peace Pct. #3	95,648	95,648	94,369	1,279
Justice of the Peace Pct. #4	94,988	96,988	96,609	379
Justice of the Peace Pct. #5	95,748	95,748	90,309	5,439
Justice of the Peace Pct. #6	96,865	96,865	96,687	178
Justice of the Peace Pct. #7	89,061	89,061	87,460	1,601
Justice of the Peace Pct. #8	91,532	91,532	90,894	638
County Attorney	444,613	464,613	459,653	4,960
District Attorney	645,197	645,197	601,885	43,312
Elections Administrator	222,113	429,801	382,360	47,441
County Auditor	513,605	513,605	474,692	38,913
County Treasurer	189,877	189,877	181,722	8,155
Tax Collector	480,420	480,420	467,712	12,708
Compliance and Collections	170,418	170,418	168,366	2,052
Building Maintenance	311,551	323,551	255,845	67,706
Detention Center	4,180,089	4,197,049	4,171,934	25,115
Starr County Juvenile Detention Center	516,127	516,127	410,372	105,755
County Wide Services	61,523	67,523	66,935	588
Fire Station Pct. #1	251,594	216,806	214,087	2,719
Fire Station Pct. #2	244,848	265,348	253,762	11,586
Fire Station Pct. #3	230,213	217,213	193,094	24,119
Fire Station Pct. #4	268,278	231,895	221,347	10,548
Constable Pct. #1-8	369,995	369,995	339,398	30,597
Sheriffs' Department	3,311,845	3,319,295	3,288,504	30,791
Adult Probation	80,336	80,336	79,326	1,010
Health and Welfare	17,300	17,300	1,000	16,300
Elderly Program	91,087	91,143	90,947	196
Starr Co. Groundwater District	70,950	70,950	47,832	23,118
Emergency Management	38,443	38,443	18,014	20,429
County Public Library	-	24,420	11,020	13,400
Agriculture Extension Service	158,659	158,659	156,756	1,903
Nutrition Program Pct. #1	340,829	378,917	366,881	12,036
Nutrition Program Pct. #2	494,336	494,791	489,857	4,934
Nutrition Program Pct. #3	233,421	248,661	248,895	(234)
Nutrition Program Pct. #4	320,446	365,727	336,319	29,408
Total Expenditures	23,037,251	23,513,718	22,027,095	1,486,623
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(580,994)	(704,420)	814,113	1,518,533
OTHER FINANCING SOURCES (USES)				
Transfers In- International Bridge	519,600	619,600	519,600	(100,000)
Transfers In- Gas System Transfers	60,400	60,400	80,400	20,000
Contribution-Courthouse Security	1,000	1,000	-	(1,000)
Total Other Financing Sources (Uses)	581,000	681,000	600,000	(81,000)
Net Change in Fund Balances	6	(23,420)	1,414,113	1,437,533
FUND BALANCE - BEGINNING, AS RESTATED	8,239,732	8,239,732	8,239,732	-
FUND BALANCE - ENDING				
	\$ 8,239,738	\$ 8,216,312	\$ 9,653,845	\$ 1,437,533

STARR COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Plan Year Ended December 31,			
	2023	2022	2021	2020
Total Pension Liability				
Service cost	\$ 1,874,706	\$ 1,678,178	\$ 1,794,895	\$ 1,476,709
Interest (on the total pension liability)	4,525,952	4,256,862	4,059,281	3,807,245
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	331,101	(57,598)	(715,271)	(164,257)
Change of assumptions	-	-	43,361	3,216,881
Benefit payments, including refunds of employee contributions	(2,566,249)	(2,553,241)	(2,381,517)	(2,113,338)
Net Change in Total Pension Liability	4,165,510	3,324,201	2,800,749	6,223,240
Total Pension Liability - Beginning	58,910,605	\$ 55,586,404	52,785,655	46,562,415
Total Pension Liability - Ending	\$ 63,076,115	\$ 58,910,605	\$ 55,586,404	\$ 52,785,655
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,365,100	\$ 1,396,077	\$ 1,297,874	\$ 1,316,158
Contributions - employee	983,502	925,780	867,563	864,756
Net investment income	6,078,368	(3,439,604)	10,650,234	4,550,145
Benefit payments, including refunds of employee contributions	(2,566,249)	(2,553,241)	(2,381,517)	(2,100,662)
Administrative expense	(31,955)	(32,421)	(31,925)	(35,561)
Other	44,818	17,948	7,575	(26,446)
Net Change in Plan Fiduciary Net Position	5,873,584	(3,685,461)	10,409,804	4,568,390
Plan Fiduciary Net Position - Beginning	55,324,364	59,009,825	48,600,021	44,031,631
Plan Fiduciary Net Position - Ending	\$ 61,197,948	\$ 55,324,364	\$ 59,009,825	\$ 48,600,021
Net Pension Liability - Ending	\$ 1,876,169	\$ 3,586,240	\$ (3,423,422)	\$ 4,185,633
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.02%	93.91%	106.16%	92.07%
Covered Payroll	\$ 19,670,031	\$ 18,515,606	\$ 17,351,256	\$ 17,295,113
Net Pension Liability as a Percentage of Covered Payroll	9.54%	19.37%	-19.73%	24.20%

	2019	2018	2017	2016
Total Pension Liability				
Service cost	\$ 1,359,508	\$ 1,322,698	\$ 1,477,749	\$ 1,454,467
Interest (on the total pension liability)	3,575,258	3,354,911	3,180,024	2,937,528
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(63,228)	(42,953)	(570,494)	(485,701)
Change of assumptions	-	-	-	-
Benefit payments, including refunds of employee contributions	(2,135,637)	(1,773,668)	(1,772,619)	(1,585,393)
Net Change in Total Pension Liability	2,735,901	2,860,988	2,314,660	2,320,901
Total Pension Liability - Beginning	43,826,514	40,965,526	38,650,866	36,329,965
Total Pension Liability - Ending	\$ 46,562,415	\$ 43,826,514	\$ 40,965,526	\$ 38,650,866
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,138,373	\$ 1,116,212	\$ 1,157,528	\$ 1,226,470
Contributions - employee	791,636	739,213	767,072	793,343
Net investment income	6,246,892	(720,080)	4,915,296	2,292,766
Benefit payments, including refunds of employee contributions	(2,135,637)	(1,773,668)	(1,772,619)	(1,585,393)
Administrative expense	(33,563)	(30,553)	(25,737)	(24,973)
Other	(1,905)	(6,338)	1,794	(45,336)
Net Change in Plan Fiduciary Net Position	6,005,796	(675,214)	5,043,334	2,656,877
Plan Fiduciary Net Position - Beginning	38,025,835	38,701,049	33,657,715	31,000,838
Plan Fiduciary Net Position - Ending	\$ 44,031,631	\$ 38,025,835	\$ 38,701,049	\$ 33,657,715
Net Pension Liability - Ending	\$ 2,530,783	\$ 5,800,679	\$ 2,264,477	\$ 4,993,151
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.56%	86.76%	94.47%	87.08%
Covered Payroll	\$ 15,832,719	\$ 14,784,259	\$ 15,341,443	\$ 15,814,750
Net Pension Liability as a Percentage of Covered Payroll	15.98%	39.24%	14.76%	31.57%

STARR COUNTY, TEXAS
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	As of December 31,			
	2023	2022	2021	2020
Actuarially determined contribution	\$ 1,365,100	\$ 1,396,077	\$ 1,297,874	\$ 1,316,158
Contributions in relation to actuarially determined contribution	<u>(1,365,100)</u>	<u>(1,396,077)</u>	<u>(1,297,874)</u>	<u>(1,316,158)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 19,670,031	\$ 18,515,606	\$ 17,351,256	\$ 17,295,113
Contributions as a percentage of covered payroll	6.9%	7.5%	7.5%	7.6%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 1,138,373	\$ 1,116,212	\$ 1,155,211	\$ 1,220,899
Contributions in relation to actuarially determined contribution	<u>(1,138,373)</u>	<u>(1,116,212)</u>	<u>(1,157,528)</u>	<u>(1,226,470)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,317)</u>	<u>\$ (5,571)</u>
Covered payroll	\$ 15,862,719	\$ 14,784,259	\$ 15,341,443	\$ 15,814,750
Contributions as a percentage of covered payroll	7.2%	7.6%	7.5%	7.7%

STARR COUNTY, TEXAS
Notes to Required Supplementary Information
As of September 30, 2024

Budget Basis of Accounting

The County prepares its annual budget on a basis (budget basis), which differs from generally accepted accounting principles (GAAP Basis). The budget and all transactions are presented in accordance with the County's method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General fund to provide a meaningful comparison of actual results with the budget.

A. Budget Reconciliation to GAAP

The major differences between the budget basis and GAAP basis are,

1. Capital purchases and lease principal payments are outflows for budgetary purposes, but are not expenditures for financial reporting purposes.
2. Compensated absences are included in the GAAP basis budget when incurred, while on the budget basis they are expensed as paid.
3. Depreciation expenses which are reflected in the GAAP basis budget are not considered in the budget basis. Reconciliation amounts are summarized
4. Some line items in the Actual column of this schedule may not agree to the Statement of Revenues, Expenditures, and Changes in Fund Balances due to differences in presentation or classification. However, in total, the reported revenues and expenditures are consistent between the two reports.

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OTHER INFORMATION

STARR COUNTY, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
As of September 30, 2024

EXHIBIT H-1

	Courthouse Renovation Fund	Crime Victim's Assistance Fund	DA's Border Prosecution Fund - 2025	Detention Facility Covid - 19, Testing and Prevention	Southwest Border Rural Law Enforcement Assistance
ASSETS:					
1010 Cash and Cash Equivalents	\$ 244,866	\$ 5,180	\$ 8,812	\$ 501,978	\$ 4,012
1030 Investments - Current	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-
1150 Accounts Receivable, Net	-	859	-	-	-
1300 Due from Other Funds	2,021	34,435	-	448	-
1390 Due from Others	-	103,907	49,881	9,270	-
TOTAL ASSETS	\$ 246,887	\$ 144,381	\$ 58,693	\$ 511,697	\$ 4,012
LIABILITIES:					
2010 Accounts Payable	\$ -	\$ 24,179	\$ 2,094	\$ -	\$ -
2020 Payroll Liabilities	-	14,937	-	-	-
2080 Due to Other Funds	-	105,265	56,599	511,697	4,012
2090 Due to Others	-	-	-	-	-
2230 Unearned Revenues	-	-	-	-	-
2270 Other Current Liabilities	-	-	-	-	-
TOTAL LIABILITIES	-	144,381	58,693	511,697	4,012
DEFERRED INFLOWS OF RESOURCES:					
2601 Deferred Resource Inflow - Property Taxes	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-
FUND BALANCES:					
3480 Restricted for Debt Service	-	-	-	-	-
3490 Restricted for Special Purposes	246,887	-	-	-	-
3550 Committed for Construction	-	-	-	-	-
TOTAL FUND BALANCES	246,887	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES	\$ 246,887	\$ 144,381	\$ 58,693	\$ 511,697	\$ 4,012

STARR COUNTY, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
As of September 30, 2024

EXHIBIT H-1 (Cont.)

	Testing of Forensic Evidence	Starr Co. HIDTA Task Force G23	BEC/NADBNK SWEP Grant #TX0360 (OMR)	Homeland Security Grants	BEC/NADBNK SWEP Grant #TX0360 (RRR)	Self Help Center Contract #711013	229th DA's Pre Trial Diversion Program
ASSETS:							
1010 Cash and Cash Equivalents	\$ 2,333	\$ 170,088	\$ 45,684	\$ 316,096	\$ 19,834	\$ 3,286	\$ 46,040
1030 Investments - Current	-	-	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-	-	-
1150 Accounts Receivable, Net	-	-	-	-	-	1,725	-
1300 Due from Other Funds	67	-	-	-	-	-	10
1390 Due from Others	16,428	32,173	-	-	-	49,003	-
TOTAL ASSETS	\$ 18,828	\$ 202,261	\$ 45,684	\$ 316,096	\$ 19,834	\$ 54,013	\$ 46,050
LIABILITIES:							
2010 Accounts Payable	\$ 167	\$ 1,371	\$ -	\$ -	\$ -	\$ 1,701	\$ -
2020 Payroll Liabilities	-	-	-	-	-	-	-
2080 Due to Other Funds	18,662	179,849	-	316,096	-	49,581	-
2090 Due to Others	-	7,477	-	-	-	-	-
2230 Unearned Revenues	-	13,564	45,684	-	19,834	2,731	-
2270 Other Current Liabilities	-	-	-	-	-	-	-
TOTAL LIABILITIES	18,828	202,261	45,684	316,096	19,834	54,013	-
DEFERRED INFLOWS OF RESOURCES:							
2601 Deferred Resource Inflow - Property Taxes	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-
FUND BALANCES:							
3480 Restricted for Debt Service	-	-	-	-	-	-	-
3490 Restricted for Special Purposes	-	-	-	-	-	-	46,050
3550 Committed for Construction	-	-	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	-	-	-	46,050
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES	\$ 18,828	\$ 202,261	\$ 45,684	\$ 316,096	\$ 19,834	\$ 54,013	\$ 46,050

STARR COUNTY, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
As of September 30, 2024

EXHIBIT H-1 (Cont.)

	Law Library Fund	Surcharge Fund	Courthouse Security Fund	Archives Mgmt Fund - Co Clerk	Records Mgmt & Pres Fund District Clerk	Records Mgmt & Pres Fund County Clerk	LEOSE Fund
ASSETS:							
1010 Cash and Cash Equivalents	\$ 527,719	\$ 36,099	\$ 192,405	\$ 140,653	\$ 138,237	\$ 17,782	\$ 49,698
1030 Investments - Current	-	-	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-	-	-
1150 Accounts Receivable, Net	-	-	-	-	-	-	-
1300 Due from Other Funds	3,467	5,506	2,824	5,349	2,644	1,545	-
1390 Due from Others	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 531,186	\$ 41,605	\$ 195,229	\$ 146,002	\$ 140,882	\$ 19,327	\$ 49,698
LIABILITIES:							
2010 Accounts Payable	\$ -	\$ -	\$ 12,236	\$ 231	\$ -	\$ -	\$ 295
2020 Payroll Liabilities	-	1,827	-	441	-	-	-
2080 Due to Other Funds	-	-	-	3,105	2,988	434	1,101
2090 Due to Others	-	-	-	-	-	-	-
2230 Unearned Revenues	-	-	-	-	-	-	-
2270 Other Current Liabilities	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	1,827	12,236	3,776	2,988	434	1,396
DEFERRED INFLOWS OF RESOURCES:							
2601 Deferred Resource Inflow - Property Taxes	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-
FUND BALANCES:							
3480 Restricted for Debt Service	-	-	-	-	-	-	-
3490 Restricted for Special Purposes	531,186	39,778	182,993	142,226	137,894	18,892	48,302
3550 Committed for Construction	-	-	-	-	-	-	-
TOTAL FUND BALANCES	531,186	39,778	182,993	142,226	137,894	18,892	48,302
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES	\$ 531,186	\$ 41,605	\$ 195,229	\$ 146,002	\$ 140,882	\$ 19,327	\$ 49,698

STARR COUNTY, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
As of September 30, 2024

EXHIBIT H-1 (Cont.)

	Starr County Drainage District		Starr Co Judge- Vending Machine Act		Victims of Domestic Violence		Victim Coordinator & Liaison		Starr Co. HIDTA Task Force G22		TXDOT Section 5310	
ASSETS:												
1010 Cash and Cash Equivalents	\$	1,003,538	\$	6,891	\$	10,366	\$	5,058	\$	5,321	\$	24,171
1030 Investments - Current		2,977,270		-		-		-		-		-
1040 Interest Receivable - Investments		15,435		-		-		-		-		-
1050 Taxes Receivable		178,910		-		-		-		-		-
1150 Accounts Receivable, Net		-		147		-		-		-		-
1300 Due from Other Funds		1,554		-		14,690		44		-		4,400
1390 Due from Others		-		-		41,983		-		13,698		-
TOTAL ASSETS	\$	4,176,707	\$	7,038	\$	67,039	\$	5,102	\$	19,019	\$	28,571
LIABILITIES:												
2010 Accounts Payable	-	\$	-	\$	1,834	\$	-	\$	-	\$	-	-
2020 Payroll Liabilities	-		-		7,614		-		-		-	-
2080 Due to Other Funds	-		-		35,368		5,102		19,019		26,148	
2090 Due to Others	-		-		-		-		-		-	
2230 Unearned Revenues	-		-		22,223		-		-		2,423	
2270 Other Current Liabilities	-		-		-		-		-		-	
TOTAL LIABILITIES	-		-		67,039		5,102		19,019		28,571	
DEFERRED INFLOWS OF RESOURCES:												
2601 Deferred Resource Inflow - Property Taxes		178,910		-		-		-		-		-
TOTAL DEFERRED INFLOWS OF RESOURCES		178,910		-		-		-		-		-
FUND BALANCES:												
3480 Restricted for Debt Service	-		-		-		-		-		-	
3490 Restricted for Special Purposes	3,997,798		7,038		-		-		-		-	
3550 Committed for Construction	-		-		-		-		-		-	
TOTAL FUND BALANCES	3,997,798		7,038		-		-		-		-	
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES	4,176,707	\$	7,038	\$	67,039	\$	5,102	\$	19,019	\$	28,571	

STARR COUNTY, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
As of September 30, 2024

EXHIBIT H-1 (Cont.)

	Memorial Cemetery	United Way Domestic Violence Program	Starr Co Border Interdiction Unit	Starr Co Violent Crime Unit	Starr Co Crime Victims Donation Fund	Project Safe Neighborhood Grant	Starr Co. HIDTA Task Force G24
ASSETS:							
1010 Cash and Cash Equivalents	\$ 42,354	\$ 16,842	\$ 4,497	\$ 19,090	\$ 642	\$ 13,843	\$ (71,997)
1030 Investments - Current	-	-	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-	-	-
1150 Accounts Receivable, Net	-	-	-	-	-	-	-
1300 Due from Other Funds	-	33	530	55,976	-	-	-
1390 Due from Others	-	-	4,758	3,421	-	-	114,636
TOTAL ASSETS	\$ 42,354	\$ 16,875	\$ 9,785	\$ 78,487	\$ 642	\$ 13,843	\$ 42,639
LIABILITIES:							
2010 Accounts Payable	\$ 20,979	\$ 162	\$ -	\$ 1,172	\$ -	\$ -	\$ -
2020 Payroll Liabilities	-	-	2,379	-	-	-	-
2080 Due to Other Funds	10,372	286	7,406	27,255	578	13,843	31,315
2090 Due to Others	-	-	-	5,000	-	-	9,580
2230 Unearned Revenues	-	16,428	-	58	-	-	1,744
2270 Other Current Liabilities	-	-	-	45,002	-	-	-
TOTAL LIABILITIES	31,351	16,875	9,785	78,487	578	13,843	42,639
DEFERRED INFLOWS OF RESOURCES:							
2601 Deferred Resource Inflow - Property Taxes	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-
FUND BALANCES:							
3480 Restricted for Debt Service	-	-	-	-	-	-	-
3490 Restricted for Special Purposes	11,003	-	-	-	63	-	(0)
3550 Committed for Construction	-	-	-	-	-	-	-
TOTAL FUND BALANCES	11,003	-	-	-	63	-	(0)
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES	\$ 42,354	\$ 16,875	\$ 9,785	\$ 78,487	\$ 642	\$ 13,843	\$ 42,639

STARR COUNTY, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
As of September 30, 2024

EXHIBIT H-1 (Cont.)

	JP's Justice Court Technology Fund	Texas A&M Forest Service Grant	County Attorney LBSP - FY24	Juvenile Intervention Serv Prg Grant	CSCD Bond Supervision Program	Title IV - E Department of Family Protective Serv
ASSETS:						
1010 Cash and Cash Equivalents	\$ 11,408	\$ 76,447	\$ 4,273	\$ 2,053	\$ 111,135	\$ 8,210
1030 Investments - Current	-	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-	-
1150 Accounts Receivable, Net	-	-	-	4,073	10,021	-
1300 Due from Other Funds	626	-	-	-	-	5,086
1390 Due from Others	-	-	-	4,556	-	15,855
TOTAL ASSETS	\$ 12,034	\$ 76,447	\$ 4,273	\$ 10,682	\$ 121,155	\$ 29,151
LIABILITIES:						
2010 Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 981	\$ -
2020 Payroll Liabilities	-	-	-	2,278	-	-
2080 Due to Other Funds	221	76,447	4,273	8,404	-	20,473
2090 Due to Others	-	-	-	-	-	8,677
2230 Unearned Revenues	-	-	-	-	-	-
2270 Other Current Liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	221	76,447	4,273	10,682	981	29,151
DEFERRED INFLOWS OF RESOURCES:						
2601 Deferred Resource Inflow - Property Taxes	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
FUND BALANCES:						
3480 Restricted for Debt Service	-	-	-	-	-	-
3490 Restricted for Special Purposes	11,813	-	-	-	120,174	-
3550 Committed for Construction	-	-	-	-	-	-
TOTAL FUND BALANCES	11,813	-	-	-	120,174	-
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES	\$ 12,034	\$ 76,447	\$ 4,273	\$ 10,682	\$ 121,155	\$ 29,151

STARR COUNTY, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
As of September 30, 2024

EXHIBIT H-1 (Cont.)

	Joint Investigation - ICE & Sheriff	Starr Co Attourney Investigator 4019804	Homeland Security DA - SLOT Grant Overtime	Homeland Security CA - SLOT Grant Overtime	Joint Law Enforcement Operations Sheriff & US Mars	LBSP FY2024 - Sheriff's
ASSETS:						
1010 Cash and Cash Equivalents	\$ 3,729	\$ 5,002	\$ 2,711	\$ 2,738	\$ 2,614	\$ 46,980
1030 Investments - Current	-	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-	-
1150 Accounts Receivable, Net	-	-	128	-	-	-
1300 Due from Other Funds	-	-	1,003	-	1,325	-
1390 Due from Others	-	-	11,412	-	-	-
TOTAL ASSETS	\$ 3,729	\$ 5,002	\$ 15,254	\$ 2,738	\$ 3,939	\$ 46,980
LIABILITIES:						
2010 Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020 Payroll Liabilities	-	-	-	-	-	-
2080 Due to Other Funds	1,910	5,002	11,161	2,738	3,881	46,980
2090 Due to Others	-	-	-	-	-	-
2230 Unearned Revenues	1,818	-	4,093	-	58	-
2270 Other Current Liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	3,729	5,002	15,254	2,738	3,939	46,980
DEFERRED INFLOWS OF RESOURCES:						
2601 Deferred Resource Inflow - Property Taxes	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
FUND BALANCES:						
3480 Restricted for Debt Service	-	-	-	-	-	-
3490 Restricted for Special Purposes	-	-	-	-	-	-
3550 Committed for Construction	-	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES	\$ 3,729	\$ 5,002	\$ 15,254	\$ 2,738	\$ 3,939	\$ 46,980

STARR COUNTY, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
As of September 30, 2024

EXHIBIT H-1 (Cont.)

	SB22 Rural Sheriff's Salary Assistance		SB22 Rural Pros-Dist.Atty		SB22 Rural Pros-Co.Atty		DA's Local Border Security FY24		DA's OPSG - FY23	
ASSETS:										
1010 Cash and Cash Equivalents	\$	41,784	\$	475,378	\$	403,915	\$	10,631	\$	33,458
1030 Investments - Current		-		-		-		-		-
1040 Interest Receivable - Investments		-		-		-		-		-
1050 Taxes Receivable		-		-		-		-		-
1150 Accounts Receivable, Net		-		-		-		-		-
1300 Due from Other Funds		-		1,090		-		15,000		-
1390 Due from Others		-		-		-		-		6,631
TOTAL ASSETS	\$	41,784	\$	476,468	\$	403,915	\$	25,631	\$	40,089
LIABILITIES:										
2010 Accounts Payable	\$	-	\$	-	\$	-	\$	-	\$	28,871
2020 Payroll Liabilities		-		-		-		-		-
2080 Due to Other Funds		100		100		100		25,631		11,218
2090 Due to Others		-		-		-		-		-
2230 Unearned Revenues		41,684		476,368		403,815		-		-
2270 Other Current Liabilities		-		-		-		-		-
TOTAL LIABILITIES		41,784		476,468		403,915		25,631		40,089
DEFERRED INFLOWS OF RESOURCES:										
2601 Deferred Resource Inflow - Property Taxes		-		-		-		-		-
TOTAL DEFERRED INFLOWS OF RESOURCES		-		-		-		-		-
FUND BALANCES:										
3480 Restricted for Debt Service		-		-		-		-		-
3490 Restricted for Special Purposes		-		-		-		-		-
3550 Committed for Construction		-		-		-		-		-
TOTAL FUND BALANCES		-		-		-		-		-
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES										
	\$	41,784	\$	476,468	\$	403,915	\$	25,631	\$	40,089

STARR COUNTY, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
As of September 30, 2024

EXHIBIT H-1 (Cont.)

	Debt Service Funds				Capital Project Funds		
	OPSG (Starr 2023) Sheriff	Starr - 2021 OPSG	Debt Service Fund	Starr County I&S Fund 2004	Starr County Construction Series 2023	Total Non-Major Funds	
ASSETS:							
1010 Cash and Cash Equivalents	\$ 151,524	\$ 114,302	\$ 1,115,508	\$ 227,482	\$ 830,753	\$ 7,233,457	
1030 Investments - Current	-	-	535,272	-	-	3,512,542	
1040 Interest Receivable - Investments	-	-	829	-	-	16,264	
1050 Taxes Receivable	-	-	300,215	-	-	479,125	
1150 Accounts Receivable, Net	-	-	-	-	-	16,951	
1300 Due from Other Funds	-	-	-	5,496	-	165,169	
1390 Due from Others	109,302	-	-	-	-	586,914	
TOTAL ASSETS	\$ 260,826	\$ 114,302	\$ 1,951,823	\$ 232,978	\$ 830,753	\$ 12,010,421	
LIABILITIES:							
2010 Accounts Payable	\$ -	\$ 114,302	\$ -	\$ -	\$ 18,272	\$ 228,846	
2020 Payroll Liabilities	57,284	-	-	-	-	86,759	
2080 Due to Other Funds	198,342	-	-	-	-	1,843,066	
2090 Due to Others	-	-	-	-	-	30,734	
2230 Unearned Revenues	5,200	-	-	-	-	1,057,725	
2270 Other Current Liabilities	-	-	-	-	-	45,002	
TOTAL LIABILITIES	260,826	114,302	-	-	18,272	3,292,131	
DEFERRED INFLOWS OF RESOURCES:							
2601 Deferred Resource Inflow - Property Taxes	-	-	300,215	-	-	479,125	
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	300,215	-	-	479,125	
FUND BALANCES:							
3480 Restricted for Debt Service	-	-	1,651,608	232,978	-	1,884,587	
3490 Restricted for Special Purposes	-	-	-	-	-	5,542,097	
3550 Committed for Construction	-	-	-	-	812,481	812,481	
TOTAL FUND BALANCES	-	-	1,651,608	232,978	812,481	8,239,165	
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES	\$ 260,826	\$ 114,302	\$ 1,951,823	\$ 232,978	\$ 830,753	\$ 12,010,421	

STARR COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Courthouse Renovation Fund	Crime Victim's Assistance Fund	DA's Border Prosecution Fund - 2025	Detention Facility Covid - 19, Testing and Prevention
REVENUES:				
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -
5300 Intergovernmental Revenue and Grants	-	392,484	653,312	380,368
5400 Charges for Services	22,320	-	-	-
5610 Investment Earnings	5,776	-	-	-
5700 Other Revenue	-	-	-	21
TOTAL REVENUES	28,096	392,484	653,312	380,389
EXPENDITURES:				
100 General Government	-	-	-	-
150 Financial Administration	-	-	-	-
200 Public Safety	-	380,319	612,110	-
400 Health and Welfare	-	-	-	226,423
710 Principal on Debt	-	-	-	-
720 Interest on Debt	-	-	-	-
800 Capital Outlay	-	12,165	41,202	153,966
TOTAL EXPENDITURES	-	392,484	653,312	380,389
Excess(Deficiency) of Revenues Over(Under) Expenditures	28,096	-	-	-
OTHER FINANCING SOURCES (USES):				
7913 Proceeds from Right-to-Use Leases	-	-	-	-
7915 Transfers In	-	-	-	-
8911 Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balances	\$ 28,096	\$ -	\$ -	\$ -
3600 Fund Balance - Beginning, Restated	\$ 218,791	\$ -	\$ -	\$ -
3900 Fund Balance - Ending	\$ 246,887	\$ -	\$ -	\$ -

STARR COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Testing of Forensic Evidence	Starr Co. HIDTA Task Force G23	Self Help Center Contract #711013	229th DA's Pre Trial Diversion Program	Law Library Fund	Surcharge Fund
REVENUES:						
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5300 Intergovernmental Revenue and Grants	25,466	269,387	80,500	-	-	-
5400 Charges for Services	-	-	-	12,000	38,255	70,264
5610 Investment Earnings	-	-	-	1,007	12,556	897
5700 Other Revenue	-	-	-	-	-	-
TOTAL REVENUES	25,466	269,387	80,500	13,007	50,811	71,161
EXPENDITURES:						
100 General Government	25,466	269,387	80,500	-	-	-
150 Financial Administration	-	-	-	-	1,028	68,798
200 Public Safety	-	-	-	-	-	-
400 Health and Welfare	-	-	-	-	-	-
710 Principal on Debt	-	-	-	-	-	-
720 Interest on Debt	-	-	-	-	-	-
800 Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	25,466	269,387	80,500	-	1,028	68,798
Excess(Deficiency) of Revenues Over(Under) Expenditures	-	-	-	13,007	49,783	2,364
OTHER FINANCING SOURCES (USES):						
7913 Proceeds from Right-to-Use Leases	-	-	-	-	-	-
7915 Transfers In	-	-	-	-	-	-
8911 Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ 13,007	\$ 49,783	\$ 2,364
3600 Fund Balance - Beginning, Restated	\$ -	\$ -	\$ -	\$ 33,043	\$ 481,403	\$ 37,415
3900 Fund Balance - Ending	\$ -	\$ -	\$ -	\$ 46,050	\$ 531,186	\$ 39,778

STARR COUNTY, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds

For the Year Ended September 30, 2024

	Courthouse Security Fund	Archives Mgmt Fund - Co Clerk	Records Mgmt & Pres Fund District Clerk	Records Mgmt & Pres Fund County Clerk	LEOSE Fund	Starr County Drainage District
REVENUES:						
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,290
5300 Intergovernmental Revenue and Grants	-	-	-	-	14,811	-
5400 Charges for Services	30,701	67,712	37,520	1,807	-	-
5610 Investment Earnings	4,475	-	-	-	-	129,452
5700 Other Revenue	-	-	-	-	-	-
TOTAL REVENUES	35,176	67,712	37,520	1,807	14,811	185,742
EXPENDITURES:						
100 General Government	4,032	-	83	-	-	-
150 Financial Administration	-	38,240	-	-	-	-
200 Public Safety	-	-	-	-	3,514	-
400 Health and Welfare	-	-	-	-	-	-
710 Principal on Debt	-	-	-	-	-	-
720 Interest on Debt	-	-	-	-	-	-
800 Capital Outlay	12,236	-	-	-	-	-
TOTAL EXPENDITURES	16,268	38,240	83	-	3,514	-
Excess(Deficiency) of Revenues Over(Under) Expenditures	18,908	29,472	37,437	1,807	11,297	185,742
OTHER FINANCING SOURCES (USES):						
7913 Proceeds from Right-to-Use Leases	-	-	-	-	-	-
7915 Transfers In	-	-	-	-	-	-
8911 Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Net Change in Fund Balances	\$ 18,908	\$ 29,472	\$ 37,437	\$ 1,807	\$ 11,297	\$ 185,742
3600 Fund Balance - Beginning, Restated	\$ 164,085	\$ 112,754	\$ 100,457	\$ 17,085	\$ 37,004	\$ 3,812,056
3900 Fund Balance - Ending	\$ 182,993	\$ 142,226	\$ 137,894	\$ 18,892	\$ 48,302	\$ 3,997,798

STARR COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Starr Co Judge- Vending Machine Act	Victims of Domestic Violence	TDRA TxCDBG Contract #7217440	Starr Co. HIDTA Task Force G22	TXDOT Section 5310	Memorial Cemetery
REVENUES:						
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5300 Intergovernmental Revenue and Grants	-	188,323	-	49,997	261,666	-
5400 Charges for Services	-	-	-	-	-	63,250
5610 Investment Earnings	162	-	-	-	-	666
5700 Other Revenue	3,998	-	-	-	1,977	-
TOTAL REVENUES	4,160	188,323	-	49,997	263,643	63,916
EXPENDITURES:						
100 General Government	2,622	-	643	-	4,977	6,603
150 Financial Administration	-	-	-	-	-	-
200 Public Safety	-	188,323	-	40,622	-	-
400 Health and Welfare	-	-	-	-	-	-
710 Principal on Debt	-	-	-	-	-	-
720 Interest on Debt	-	-	-	-	-	-
800 Capital Outlay	-	-	-	9,375	258,666	40,495
TOTAL EXPENDITURES	2,622	188,323	643	49,997	263,643	47,098
Excess(Deficiency) of Revenues Over(Under) Expenditures	1,539	-	(643)	-	-	16,819
OTHER FINANCING SOURCES (USES):						
7913 Proceeds from Right-to-Use Leases	-	-	-	-	-	-
7915 Transfers In	-	-	6,493	-	-	-
8911 Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	6,493	-	-	-
Net Change in Fund Balances	\$ 1,539	\$ -	\$ 5,850	\$ -	\$ -	\$ 16,819
3600 Fund Balance - Beginning, Restated	\$ 5,499	\$ -	\$ (5,850)	\$ -	\$ -	\$ (5,815)
3900 Fund Balance - Ending	\$ 7,038	\$ -	\$ -	\$ -	\$ -	\$ 11,003

STARR COUNTY, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2024

	United Way Domestic Violence Program	Starr Co Border Interdiction Unit	Starr Co Violent Crime Unit	Starr Co Crime Victims Donation Fund	Starr Co. HIDTA Task Force G24	Chapter 19 Fund
REVENUES:						
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5300 Intergovernmental Revenue and Grants	17,449	50,164	29,120	-	206,703	-
5400 Charges for Services	-	-	-	-	-	-
5610 Investment Earnings	-	-	-	-	-	-
5700 Other Revenue	200	-	-	-	-	3,578
TOTAL REVENUES	17,649	50,164	29,120	-	206,703	3,578
EXPENDITURES:						
100 General Government	-	-	-	-	206,703	-
150 Financial Administration	-	-	-	-	-	3,578
200 Public Safety	17,649	50,164	29,120	-	-	-
400 Health and Welfare	-	-	-	-	-	-
710 Principal on Debt	-	-	-	-	-	-
720 Interest on Debt	-	-	-	-	-	-
800 Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	17,649	50,164	29,120	-	206,703	3,578
Excess(Deficiency) of Revenues Over(Under) Expenditures	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES):						
7913 Proceeds from Right-to-Use Leases	-	-	-	-	-	-
7915 Transfers In	-	-	-	-	-	-
8911 Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3600 Fund Balance - Beginning, Restated	\$ -	\$ -	\$ -	63	\$ -	\$ -
3900 Fund Balance - Ending	\$ -	\$ -	\$ -	63	\$ -	\$ -

STARR COUNTY, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds

For the Year Ended September 30, 2024

	JP's Justice Court Technology Fund	Texas A&M Forest Service Grant	County Attorney LBSP - FY24	Juvenile Intervention Serv Prg Grant	CSCD Bond Supervision Program	Title IV - E Department of Family Protective Serv
REVENUES:						
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5300 Intergovernmental Revenue and Grants	-	75,000	10,000	49,556	-	39,718
5400 Charges for Services	5,071	-	-	-	52,297	-
5610 Investment Earnings	-	-	-	-	3,781	-
5700 Other Revenue	-	-	-	4,073	-	-
TOTAL REVENUES	5,071	75,000	10,000	53,629	56,077	39,718
EXPENDITURES:						
100 General Government	82	67,500	10,000	-	135,120	-
150 Financial Administration	-	-	-	-	-	-
200 Public Safety	-	-	-	53,629	-	39,718
400 Health and Welfare	-	-	-	-	-	-
710 Principal on Debt	-	-	-	-	18,034	-
720 Interest on Debt	-	-	-	-	-	-
800 Capital Outlay	-	7,500	-	-	-	-
TOTAL EXPENDITURES	82	75,000	10,000	53,629	153,153	39,718
Excess(Deficiency) of Revenues Over(Under) Expenditures	4,989	-	-	-	(97,076)	-
OTHER FINANCING SOURCES (USES):						
7913 Proceeds from Right-to-Use Leases	-	-	-	-	-	-
7915 Transfers In	-	-	-	-	-	-
8911 Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Net Change in Fund Balances	\$ 4,989	\$ -	\$ -	\$ -	\$ (97,076)	\$ -
3600 Fund Balance - Beginning, Restated	\$ 6,824	\$ -	\$ -	\$ -	\$ 217,250	\$ -
3900 Fund Balance - Ending	\$ 11,813	\$ -	\$ -	\$ -	\$ 120,174	\$ -

STARR COUNTY, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2024

	Starr Co Attourney Investigator 4019804	Homeland Security DA - SLOT Grant Overtime	Joint Law Enforcement Operations Sheriff & US Mars	LBSP FY2024 - Sheriff's	SB22 Rural Sheriff's Salary Assistance	SB22 Rural Pros-Dist.Atty
REVENUES:						
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5300 Intergovernmental Revenue and Grants	31,211	12,740	1,214	199,965	461,199	77,828
5400 Charges for Services	-	-	-	-	-	-
5610 Investment Earnings	-	-	-	-	-	-
5700 Other Revenue	-	2,071	193	-	-	-
TOTAL REVENUES	31,211	14,811	1,407	199,965	461,199	77,828
EXPENDITURES:						
100 General Government	-	-	-	199,965	461,199	77,828
150 Financial Administration	-	-	-	-	-	-
200 Public Safety	31,211	14,811	1,407	-	-	-
400 Health and Welfare	-	-	-	-	-	-
710 Principal on Debt	-	-	-	-	-	-
720 Interest on Debt	-	-	-	-	-	-
800 Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	31,211	14,811	1,407	199,965	461,199	77,828
Excess(Deficiency) of Revenues Over(Under) Expenditures	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES):						
7913 Proceeds from Right-to-Use Leases	-	-	-	-	-	-
7915 Transfers In	-	-	-	-	-	-
8911 Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3600 Fund Balance - Beginning, Restated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3900 Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STARR COUNTY, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds

For the Year Ended September 30, 2024

	SB22 Rural Pros-Co.Atty	DA's Local Border Security FY24	DA's OPSG - FY22 (Grant#3685806)	DA's OPSG - FY23	OPSG (Starr 2022) Sheriff	OPSG (Starr 2023) Sheriff
REVENUES:						
5110 Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5300 Intergovernmental Revenue and Grants	149,142	50,000	52,939	129,086	587,857	757,967
5400 Charges for Services	-	-	-	-	-	-
5610 Investment Earnings	-	-	-	-	-	-
5700 Other Revenue	-	-	-	-	3,393	-
TOTAL REVENUES	149,142	50,000	52,939	129,086	591,249	757,967
EXPENDITURES:						
100 General Government	149,142	50,000	-	51,089	-	757,967
150 Financial Administration	-	-	-	-	-	-
200 Public Safety	-	-	52,939	-	349,632	-
400 Health and Welfare	-	-	-	-	-	-
710 Principal on Debt	-	-	-	-	-	-
720 Interest on Debt	-	-	-	-	-	-
800 Capital Outlay	-	-	-	77,997	241,617	-
TOTAL EXPENDITURES	149,142	50,000	52,939	129,086	591,249	757,967
Excess(Deficiency) of Revenues Over(Under) Expenditures	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES):						
7913 Proceeds from Right-to-Use Leases	-	-	-	-	-	-
7915 Transfers In	-	-	-	-	-	-
8911 Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3600 Fund Balance - Beginning, Restated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3900 Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STARR COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Debt Service Funds			Capital Project Funds			
	Starr - 2021 OPSG	Debt Service Fund	Starr County I&S Fund 2004	Starr County Construction 2004	Starr County Construction Series 2023	Total	
REVENUES:							
5110 Property Taxes	\$ -	\$ -	\$ 1,050,502	\$ -	\$ -	\$ 1,106,791	
5300 Intergovernmental Revenue and Grants	114,302	-	-	-	-	5,419,474	
5400 Charges for Services	-	-	-	-	-	401,196	
5610 Investment Earnings	-	42,604	18,309	7,035	46,512	273,233	
5700 Other Revenue	-	-	-	-	-	19,503	
TOTAL REVENUES	114,302	42,604	1,068,811	7,035	46,512	7,220,197	
EXPENDITURES:							
100 General Government	-	-	-	308,642	-	2,869,548	
150 Financial Administration	-	-	-	-	-	111,644	
200 Public Safety	-	-	-	-	-	1,865,169	
400 Health and Welfare	-	-	-	-	-	226,423	
710 Principal on Debt	-	-	815,000	-	-	833,034	
720 Interest on Debt	-	-	115,010	-	-	115,010	
800 Capital Outlay	114,302	-	-	-	1,744,466	2,713,987	
TOTAL EXPENDITURES	114,302	-	930,010	308,642	1,744,466	8,734,814	
Excess(Deficiency) of Revenues Over(Under) Expenditures	-	42,604	138,801	(301,607)	(1,697,954)	(1,514,617)	
OTHER FINANCING SOURCES (USES):							
7913 Proceeds from Right-to-Use Leases	-	-	-	-	109,942	109,942	
7915 Transfers In	-	-	-	-	-	6,493	
8911 Transfers Out	-	-	-	(291,921)	-	(291,921)	
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(291,921)	109,942	(175,486)	
Net Change in Fund Balances	\$ -	\$ 42,604	\$ 138,801	\$ (593,528)	\$ (1,588,012)	\$ (1,690,103)	
3600 Fund Balance - Beginning, Restated	\$ -	\$ 1,609,004	\$ 94,178	\$ 593,528	\$ 2,400,493	\$ 9,929,268	
3900 Fund Balance - Ending	\$ -	\$ 1,651,608	\$ 232,978	\$ -	\$ 812,481	\$ 8,239,165	

STARR COUNTY, TEXAS
Combining statement of Net Position - Fiduciary Funds
As of September 30, 2024

EXHIBIT E-1

		229th Probation Fund	Juvenile Probation & Resolution Fund	County Attorney Fund	District Attorney	County Clerk Fund
ASSETS:						
1010	Cash and Cash Equivalents	\$ 23,347	\$ 30,671	\$ 91,244	\$ 1,061,149	\$ 814,087
1030	Investments - Current	-	-	-	-	-
1150	Accounts Receivable, Net	-	-	-	-	-
1300	Due from Other Funds	-	-	6,213	270,779	-
1390	Due from Others	-	-	-	-	-
1430	Prepaid Items	-	-	-	-	-
TOTAL ASSETS		23,347	30,671	97,457	1,331,928	814,087
LIABILITIES:						
2010	Accounts Payable	-	-	4,371	-	-
2080	Due to Other Funds	-	-	14,878	97,491	98,018
2090	Due to Others	15,632	-	-	-	200,994
TOTAL LIABILITIES		15,632	-	19,249	97,491	299,012
NET POSITION:						
3009	Restricted for Fiduciary Purposes	7,715	30,671	78,208	1,234,438	515,075
TOTAL NET POSITION		7,715	30,671	78,208	1,234,438	515,075
TOTAL LIABILITIES & NET POSITION		\$ 23,347	\$ 30,671	\$ 97,457	\$ 1,331,928	\$ 814,087

STARR COUNTY, TEXAS
Combining statement of Net Position - Fiduciary Funds
As of September 30, 2024

EXHIBIT E-1 (Cont.)

		Detention Center Fund	Motor Vehicle & Special Inventory	Tax Assessor & Collector Fund	Justice of the Peace Fund	District Clerk - Invested Trust Fund	District Clerk Fund	Sheriff's Office
ASSETS:								
1010	Cash and Cash Equivalents	\$ 542,234	\$ (51,937)	\$ 803,712	\$ 114,789	\$ 795,458	\$3,712,625	\$ 683,381
1030	Investments - Current	-	-	-	-	-	-	124,175
1150	Accounts Receivable, Net	-	184,154	-	-	-	-	-
1300	Due from Other Funds	-	182	76,902	-	-	-	56,912
1390	Due from Others	-	-	-	-	-	-	-
1430	Prepaid Items	-	-	73,507	-	-	-	-
TOTAL ASSETS		542,234	132,399	954,121	114,789	795,458	3,712,625	864,468
LIABILITIES:								
2010	Accounts Payable	-	130	-	-	-	-	-
2080	Due to Other Funds	-	159,891	654,267	62,434	-	44,669	559
2090	Due to Others	87,253	715,414	170,452	-	795,458	3,667,956	170,111
TOTAL LIABILITIES		87,253	875,435	824,719	62,434	795,458	3,712,625	170,671
NET POSITION:								
3009	Restricted for Fiduciary Purposes	454,981	(743,036)	129,403	52,355	-	-	693,797
TOTAL NET POSITION		454,981	(743,036)	129,403	52,355	-	-	693,797
TOTAL LIABILITIES & NET POSITION		\$ 542,234	\$ 132,399	\$ 954,121	\$ 114,789	\$ 795,458	\$3,712,625	\$ 864,468

STARR COUNTY, TEXAS
Combining statement of Net Position - Fiduciary Funds
As of September 30, 2024

EXHIBIT E-1 (Cont.)

		Compliance and Collections	Retirement System Fund	Jury Fund	Health Inspection Fund	Consolidated Court Costs Fund	TNRCC Inspection Fee Fund	Fourth Court of Appeals Civil Suits Fund
ASSETS:								
1010	Cash and Cash Equivalents	\$ 37,924	\$ 1,573	\$ 7,533	\$ 8,628	\$ 125,899	\$ 8,294	\$ 1,156
1030	Investments - Current	-	-	-	-	-	-	-
1150	Accounts Receivable, Net	1,458	-	-	-	-	-	-
1300	Due from Other Funds	-	194,704	-	-	22,288	-	495
1390	Due from Others	-	-	-	-	-	-	35
1430	Prepaid Items	-	-	-	-	-	-	-
TOTAL ASSETS		39,382	196,277	7,533	8,628	148,188	8,294	1,686
LIABILITIES:								
2010	Accounts Payable	51	-	-	-	-	-	-
2080	Due to Other Funds	9,733	4,732	1,591	8,628	47,566	306	81
2090	Due to Others	558	194,704	-	-	53,795	90	1,525
TOTAL LIABILITIES		10,341	199,436	1,591	8,628	101,360	396	1,606
NET POSITION:								
3009	Restricted for Fiduciary Purposes	29,041	(3,159)	5,942	-	46,827	7,899	81
TOTAL NET POSITION		29,041	(3,159)	5,942	-	46,827	7,899	81
TOTAL LIABILITIES & NET POSITION		\$ 39,382	\$ 196,277	\$ 7,533	\$ 8,628	\$ 148,188	\$ 8,294	\$ 1,686

STARR COUNTY, TEXAS
Combining statement of Net Position - Fiduciary Funds
As of September 30, 2024

EXHIBIT E-1 (Cont.)

		Border Area Narc Task Force Forfeiture	Tertiary Care Trauma Fund	Planning Department Fund	Scholarship Fund	Total
ASSETS:						
1010	Cash and Cash Equivalents	\$ 45,621	\$ 847	\$ 78	\$ 20,467	\$ 8,878,781
1030	Investments - Current	-	-	-	-	124,175
1150	Accounts Receivable, Net	-	-	-	-	185,612
1300	Due from Other Funds	43,500	-	-	-	671,975
1390	Due from Others	-	-	-	-	35
1430	Prepaid Items	-	315	-	-	73,822
TOTAL ASSETS		89,121	1,161	78	20,467	9,934,400
LIABILITIES:						
2010	Accounts Payable	-	-	-	-	4,552
2080	Due to Other Funds	-	432	78	1	1,205,353
2090	Due to Others	-	729	-	-	6,074,671
TOTAL LIABILITIES		-	1,161	78	1	7,284,576
NET POSITION:						
3009	Restricted for Fiduciary Purposes	89,121	-	-	20,466	2,649,824
TOTAL NET POSITION		89,121	-	-	20,466	2,649,824
TOTAL LIABILITIES & NET POSITION		\$ 89,121	\$ 1,161	\$ 78	\$ 20,467	\$ 9,934,400

STARR COUNTY, TEXAS
Combining Statement of Revenues, Expenses, and Changes in Net Position -
Fiduciary Funds
As of September 30, 2024

EXHIBIT E-2

		229th Probation Fund	Juvenile Probation & Resolution Fund	County Attorney Fund	District Attorney	County Clerk Fund
ADDITIONS:						
5201	Tax Collections for Other Governments	\$ -	\$ -	\$ -	\$ -	\$ -
5202	Held for Others	200,255	-	155,389	378,648	384,194
5400	Charges for Services	-	-	-	2,230	-
5610	Investment Earnings	607	737	2,775	26,184	-
5700	Other Revenue	-	-	1,263	-	-
	TOTAL ADDITIONS	200,862	737	159,428	407,062	384,194
DEDUCTIONS:						
70	Payments to Other Governments	-	-	-	-	-
90	Payments to Individuals and Services	200,450	83	174,031	454,585	362,567
	TOTAL DEDUCTIONS	200,450	83	174,031	454,585	362,567
	Net Change in Fiduciary Balances	\$ 412	\$ 654	\$ (14,603)	\$ (47,523)	\$ 21,627
3600	Net Position - Beginning, Restated	\$ 7,303	\$ 30,017	\$ 92,811	\$ 1,281,961	\$ 493,448
3900	Net Position - Ending	\$ 7,715	\$ 30,671	\$ 78,208	\$ 1,234,438	\$ 515,075

STARR COUNTY, TEXAS
Combining Statement of Revenues, Expenses, and Changes in Net Position -
Fiduciary Funds
As of September 30, 2024

EXHIBIT E-2 (Cont.)

		Detention Center Fund	Motor Vehicle & Special Inventory	Tax Assessor & Collector Fund	Justice of the Peace Fund	Sheriff's Office	Compliance and Collections
ADDITIONS:							
5201	Tax Collections for Other Governments	\$ -	\$ -	\$ 32,366,354	\$ -	\$ -	\$ -
5202	Held for Others	613,589	9,359,034	-	305,265	274,284	194,733
5400	Charges for Services	-	-	-	-	-	-
5610	Investment Earnings	-	-	-	-	-	970
5700	Other Revenue	-	-	-	-	-	-
	TOTAL ADDITIONS	613,589	9,359,034	32,366,354	305,265	274,284	195,703
DEDUCTIONS:							
70	Payments to Other Governments	-	-	32,370,866	-	-	-
90	Payments to Individuals and Services	671,132	9,987,242	-	304,533	430,177	189,517
	TOTAL DEDUCTIONS	671,132	9,987,242	32,370,866	304,533	430,177	189,517
	Net Change in Fiduciary Balances	\$ (57,543)	\$ (628,208)	\$ (4,512)	\$ 732	\$ (155,893)	\$ 6,187
3600	Net Position - Beginning, Restated	\$ 512,524	\$ (114,828)	\$ 133,915	\$ 51,622	\$ 849,690	\$ 22,854
3900	Net Position - Ending	\$ 454,981	\$ (743,036)	\$ 129,403	\$ 52,355	\$ 693,797	\$ 29,041

STARR COUNTY, TEXAS

Combining Statement of Revenues, Expenses, and Changes in Net Position -
Fiduciary Funds

As of September 30, 2024

EXHIBIT E-2 (Cont.)

		Retirement System		Health Inspection		Consolidated Court Costs		TNRCC Inspection		Fourth Court of Appeals
		Fund	Jury Fund	Fund		Fund		Fee Fund		Civil Suits Fund
ADDITIONS:										
5201	Tax Collections for Other Governments	\$ -	\$ -	\$ -		\$ -		\$ -		\$ -
5202	Held for Others	2,473,931	29,086	8,450		223,046		2,610		5,470
5400	Charges for Services	-	-	-		-		-		-
5610	Investment Earnings	-	233	-		-		-		-
5700	Other Revenue	-	-	-		-		-		-
	TOTAL ADDITIONS	2,473,931	29,319	8,450		223,046		2,610		5,470
DEDUCTIONS:										
70	Payments to Other Governments	-	-	-		-		-		-
90	Payments to Individuals and Services	2,473,931	27,906	8,450		224,775		590		5,470
	TOTAL DEDUCTIONS	2,473,931	27,906	8,450		224,775		590		5,470
	Net Change in Fiduciary Balances	\$ -	\$ 1,413	\$ -		\$ (1,729)		\$ 2,020		\$ -
3600	Net Position - Beginning, Restated	\$ (3,159)	\$ 4,529	\$ -		\$ 48,556		\$ 5,879		\$ 81
3900	Net Position - Ending	\$ (3,159)	\$ 5,942	\$ -		\$ 46,827		\$ 7,899		\$ 81

STARR COUNTY, TEXAS
Combining Statement of Revenues, Expenses, and Changes in Net Position -
Fiduciary Funds
As of September 30, 2024

EXHIBIT E-2 (Cont.)

		Border Area Narc Task Force Forfeiture	Tertiary Care Trauma Fund	Planning Department Fund	Scholarship Fund	Total
ADDITIONS:						
5201	Tax Collections for Other Governments	\$ -	\$ -	\$ -	\$ -	\$ 32,366,354
5202	Held for Others	-	829	375	5,000	14,614,190
5400	Charges for Services	-	-	-	-	2,230
5610	Investment Earnings	1,125	-	-	537	33,168
5700	Other Revenue	-	-	-	-	1,263
	TOTAL ADDITIONS	1,125	829	375	5,537	47,017,205
DEDUCTIONS:						
70	Payments to Other Governments	-	-	-	-	32,370,866
90	Payments to Individuals and Services	-	829	413	4,900	15,521,580
	TOTAL DEDUCTIONS	-	829	413	4,900	47,892,447
	Net Change in Fiduciary Balances	\$ 1,125	\$ -	\$ (38)	\$ 637	\$ (875,242)
3600	Net Position - Beginning, Restated	\$ 87,996	\$ -	\$ 38	\$ 19,828	\$ 3,525,066
3900	Net Position - Ending	\$ 89,121	\$ -	\$ -	\$ 20,466	\$ 2,649,824

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STARR COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Property Taxes	\$ 6,281,553	\$ 6,281,553	\$ 6,019,394	\$ (262,159)
Licenses and Permits	800,000	800,000	591,090	(208,910)
Charges for Services	70,000	70,000	105,575	35,575
Fines	200,000	200,000	151,234	(48,766)
Investment Earnings	-	-	18,564	18,564
Other Revenue	58,100	117,900	31,802	(19,828)
Total Revenues	<u>7,409,653</u>	<u>7,469,453</u>	<u>6,917,659</u>	<u>(551,794)</u>
EXPENDITURES:				
Commissioner Pct. #1	1,419,945	1,445,045	1,385,766	59,279
Commissioner Pct. #2	1,295,847	1,304,147	1,192,289	111,858
Commissioner Pct. #3	1,813,098	1,879,898	1,858,198	21,700
Commissioner Pct. #4	1,412,775	1,422,775	1,260,564	162,211
County Wide Road and Bridge Fund	1,427,000	1,410,600	1,633,670	(223,070)
Flood Control	41,000	7,000	-	7,000
Total Expenditures	<u>7,409,665</u>	<u>7,469,465</u>	<u>7,330,487</u>	<u>138,978</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12)</u>	<u>(12)</u>	<u>(412,829)</u>	<u>(412,817)</u>
OTHER FINANCING SOURCES (USES):				
Gain (Loss) from Sale of Assets	-	-	66,270	(66,270)
Transfers Out	-	-	(200,000)	200,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(133,730)</u>	<u>133,730</u>
Net Change in Fund Balance	(12)	(12)	(546,559)	(546,547)
FUND BALANCE, BEGINNING - October 1	<u>(1,109,893)</u>	<u>(1,109,893)</u>	<u>(1,109,893)</u>	<u>-</u>
FUND BALANCE, ENDING - September 30	<u><u>\$ (1,109,905)</u></u>	<u><u>\$ (1,109,905)</u></u>	<u><u>\$ (1,656,452)</u></u>	<u><u>\$ (546,547)</u></u>

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INTERNAL CONTROL & COMPLIANCE SECTION

ADRIAN WEBB, CPA

Certified Public Accountant

Edinburg, Texas

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Judge and Commissioners of
Starr County, Texas
Rio Grande City, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the Starr County, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Starr County, Texas, basic financial statements and have issued our report thereon dated June 13, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Starr County, Texas's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Starr County, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of Starr County, Texas's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified no material weaknesses or significant deficiencies in internal control.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Starr County, Texas's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the County in a separate letter dated June 13, 2025.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Adrian Webb, CPA

ADRIAN WEBB, CPA
Certified Public Accountant
Edinburg, Texas
June 13, 2025

ADRIAN WEBB, CPA

**Certified Public Accountant
Edinburg, Texas**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE* AND
THE STATE OF TEXAS *UNIFORM GRANT MANAGEMENT STANDARDS***

To the Honorable Judge and Commissioners of
Starr County, Texas
Rio Grande City, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Starr County, Texas's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and the State of Texas *Uniform Grants Management Standards* that could have a direct and material effect on each of Starr County, Texas's major federal and state programs for the year ended September 30, 2024. Starr County, Texas's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Starr County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, Standards. Requirements for Federal Awards* (Uniform Guidance) and the State of Texas *Uniform Grants Management Standards*. Our responsibilities under those standards and the Uniform Guidance and the State of Texas *Uniform Grants Management Standards* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Starr County, Texas and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Starr County, Texas's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Starr County, Texas's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Starr County, Texas's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the *Uniform Guidance*, and the State of Texas *Uniform Grants Management Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Starr County, Texas's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the *Uniform Guidance*, and the State of Texas *Uniform Grants Management Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Starr County, Texas's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Starr County, Texas's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Uniform Guidance* and the *Texas Grant Management Standards*, but not for the purpose of expressing an opinion on the effectiveness of Starr County, Texas's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State of Texas *Uniform Grants Management Standards*. Accordingly, this report is not suitable for any other purpose.

Adrian Webb, CPA

Adrian Webb, CPA
Edinburg, Texas
June 13, 2025

STARR COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR SEPTEMBER 30, 2024

I. Summary of the Auditor's Results:

Financial Section:

- A. The type of auditor's report issued: Unmodified
- B. Internal control over financial statements:
- Material Weakness(es) identified? No
- Significant Deficiency(ies) identified which were not considered material weaknesses? No
- C. Noncompliance material to the financial statements noted? No

Federal and State Awards Section:

- D. The type of report issued: Unmodified/Unmodified
- E. Internal control over Major Programs:
- Material Weakness(es) identified? No/No
- Significant Deficiency(ies) identified which were not considered material weaknesses? No/No
- F. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance or the *State of Texas Single Audit Circular*? No/No
- G. Identification of major programs:

Federal:

Assistance Listing No. (ALN)

21.027

21.032

97.067

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Fund

Local Assistance and Tribal Consistency Fund

Homeland Security Grant Program

State:

- Office of the Governor – Homeland Security Grants Division
Border Prosecution Unit

- H. Dollar threshold to distinguish between type A and type B programs;

Federal:

\$750,000

State:

\$750,000

- I. Did auditee qualify as a low-risk auditee within the context of the Uniform Guidance or the *State of Texas Single Audit Circular*? No/No

STARR COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR SEPTEMBER 30, 2024

II. Findings Relating to the Financial Statements Which Are Required to Be Reported in Accordance with Generally Accepted Government Auditing Standards.

None.

III. Findings Relating to Federal and State Awards and Questions Costs.

None.

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STARR COUNTY, TEXAS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR SEPTEMBER 30, 2024

None.

STARR COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2024

Federal Grantor/State Grantor/ Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures	Passed Through Amounts to Sub- Recipients
FEDERAL AWARDS				
U.S. Department of Justice				
<i>Pass through the Office of the Governor - Bureau of Justice Assistance</i>				
Edward Byne Memorial Justice Assistance Grant Program	16.738	2281915	\$ 29,120	\$ -
Edward Byne Memorial Justice Assistance Grant Program	16.738	4019804	31,211	-
Total Office of the Governor - Bureau of Justice Assistance			<u>60,331</u>	<u>-</u>
<i>Pass through the Office of the Governor - Criminal Justice Division</i>				
Crime Victim Assistance	16.575	1903415	392,484	-
Crime Victim Assistance - Victims of Domestic Violence	16.575	2877507	188,323	-
Total Office of the Governor - Criminal Justice Division			<u>580,807</u>	<u>-</u>
<i>Other U.S. Department of Justice</i>				
Equitable Sharing Program - United States Marshals Service (Sheriff)	16.922	M-24-D79-O-000191	1,214	-
Total Other U.S. Department of Justice			<u>1,214</u>	<u>-</u>
Total U.S. Department of Justice			<u>642,352</u>	<u>-</u>
U.S. Department of Transportation				
<i>Pass through Texas Department of Transportation</i>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ED-2401(21)-110-23	261,666	-
Total U.S. Department of Transportation			<u>261,666</u>	<u>-</u>
U.S. Department of Health and Human Services				
<i>Pass through the Department of State Health Services</i>				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HHS001193700011	380,368	-
Total Department of State Health Services			<u>380,368</u>	<u>-</u>
<i>Pass through Texas Health and Human Services Commission (THHSC)</i>				
<i>Department of Family & Protective Service</i>				
Foster Care - Title IV-E	93.658	HHS000285100036	39,718	-
Total Texas Health & Human Service Commission DFPS			<u>39,718</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>420,086</u>	<u>-</u>
Executive Office of the President				
<i>Pass through the Office of National Drug Control Policy:</i>				
<i>South Texas HIDTA Assistance Center</i>				
High Intensity Drug Trafficking Areas Program - 2022	95.001	G22SS0004A	49,997	-
High Intensity Drug Trafficking Areas Program - 2023	95.001	G23SS0004A	269,387	-
High Intensity Drug Trafficking Areas Program - 2024	95.001	G24SS0004A	206,703	-
Total Executive Office of the President			<u>526,087</u>	<u>-</u>
U.S. Department of Treasury				
<i>Direct Program:</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-7752	1,707,249	200,000
Coronavirus State and Local Fiscal Recovery Funds - LATCF	21.032	SLT-7752	85,724	-
			<u>1,792,973</u>	<u>200,000</u>
Total U.S. Department of Treasury			<u>1,792,973</u>	<u>200,000</u>
U.S. Department of Housing and Urban Development				
<i>Pass through the Texas Department of Housing & Community Affairs</i>				
Community Development Block Grants (Colonia Self-Help)	14.228	7219013	80,500	-
Total U.S. Department of Housing and Urban Development			<u>80,500</u>	<u>-</u>
U.S. Department of Homeland Security				
<i>Pass through Office of the Governor-Homeland Security Grants Division</i>				
Homeland Security Grant Program - OPSG 21 (Sheriff)	97.067	3193407	114,302	-
Homeland Security Grant Program - OPSG 22 (Sheriff)	97.067	3193408	587,857	-
Homeland Security Grant Program - OPSG 23 (Sheriff)	97.067	3193409	757,967	-
Homeland Security Grant Program - OPSG 22 (DA)	97.067	3685806	52,939	-
Homeland Security Grant Program - OPSG 23 (DA)	97.067	3685807	129,086	-
Total U.S. Department of Homeland Security			<u>1,642,152</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>5,365,816</u>	<u>200,000</u>

STARR COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2024

Federal Grantor/State Grantor/ Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures	Passed Through Amounts to Sub- Recipients
STATE AWARDS				
Texas Department of Public Safety				
<i>Pass through Texas Homeland Security State Administrative Agency</i>				
Local Border Security Program - 2024 (SO)	N/A	2994709	199,965	-
Local Border Security Program - 2024 (DA)	N/A	2993109	50,000	-
Local Border Security Program - 2024 (Co. Atty)	N/A	4551002	10,000	-
Total Texas Department of Public Safety			<u>259,965</u>	<u>-</u>
Texas Comptroller of Public Accounts, Judiciary Section				
<i>Pass through the Services Division</i>				
Law Enforcement Officers Standards and Education (LEOSE)	N/A	N/A	14,811	-
<i>Pass through the Services Division</i>				
District Attorney's Office Apportionment 2024	N/A	N/A	22,500	-
<i>Direct Program (Senate Bill 22):</i>				
Rural Sheriff's Office Salary Assistance Grant 2024	N/A	1A-0000000332	461,199	-
Rural Prosecutor's Office Salary Assistance Grant (Dist. Atty) 2024	N/A	1A-0000000452	77,828	-
Rural Prosecutor's Office Salary Assistance Grant (Co. Atty) 2024	N/A	1A-0000000047	149,142	-
Total Senate Bill 22 Rural Salary Assistance			<u>688,168</u>	<u>-</u>
Total Texas Comptroller of Public Accounts			<u>725,480</u>	<u>-</u>
Texas Department of Agriculture				
<i>Direct Program:</i>				
Texans Feeding Texans: Home Delivered Meals 2024	N/A	HDM2024050	28,327	-
Total Texas Department of Agriculture			<u>28,327</u>	<u>-</u>
Texas Office of the Governor				
<i>Pass through Office of the Governor-Criminal Justice Division</i>				
Juvenile Intervention Service Program 2024	N/A	3870305	45,000	-
Juvenile Intervention Service Program 2025	N/A	3870306	4,556	-
Testing of Forensic Evidence	N/A	3942305	25,466	-
Total Office of the Governor - Criminal Justice Division			<u>75,022</u>	<u>-</u>
<i>Pass through Office of the Governor-Homeland Security Grants Division</i>				
Region 3- Border Prosecution Unit 2023	N/A	2536111	653,312	-
Local Border Security Program - Border Interdiction Unit 2024	N/A	3673006	45,406	-
Local Border Security Program - Border Interdiction Unit 2025	N/A	3673007	4,758	-
Total Office of the Governor - Homeland Security Grants Division			<u>703,476</u>	<u>-</u>
Total Texas Office of the Governor			<u>778,498</u>	<u>-</u>
Texas A&M Forest Service				
<i>Direct Funding:</i>				
Rural Volunteer Fire Department Assistance Program	N/A	E400002	60,000	-
Rural Volunteer Fire Department Assistance Program	N/A	E305311	15,000	-
Total Texas A&M Forest Service			<u>75,000</u>	<u>-</u>
Texas Commission on State Emergency Communications				
<i>Pass through City of Laredo:</i>				
9-1-1 Addressing-Regional Administration	N/A	FY 2023	49,163	-
Total Texas Commission on State Emergency Communications			<u>49,163</u>	<u>-</u>
TOTAL STATE AWARDS			<u>1,916,432</u>	<u>-</u>
OTHER AWARDS				
U.S. Department of Homeland Security				
<i>Pass through Homeland Security Investigations</i>				
State and Local Overtime Program 2024 - DA	N/A	N/A	12,740	-
Total U.S. Department of Homeland Security			<u>12,740</u>	<u>-</u>
Tocker Foundation				
<i>Direct Funding:</i>				
Tocker Foundation	N/A	N/A	404	-
Total Tocker Foundation			<u>404</u>	<u>-</u>
Area Agency on Aging				
<i>Pass through South Texas Development Council:</i>				
Nutrition Program	N/A	N/A	443,751	-
Total Area Agency on Aging			<u>443,751</u>	<u>-</u>
United Way of South Texas				
<i>Pass through United Way of South Texas Serving Hidalgo & Starr County</i>				
United Way of South Texas - Community Impact	N/A	N/A	4,200	-
United Way of South Texas	N/A	N/A	17,449	-
Total United Way of South Texas			<u>21,649</u>	<u>-</u>
TOTAL OTHER AWARDS			<u>478,544</u>	<u>-</u>
TOTAL FEDERAL, STATE, AND OTHER AWARDS			<u>\$ 7,760,791</u>	<u>\$ 200,000</u>

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STARR COUNTY, TEXAS
NOTES TO THE SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Basis of Presentation:

The accompanying schedule of expenditures of Federal and State Awards presents the activity of all Federal and State Awards programs of Starr County, Texas. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and by the State of Texas Single Audit Circular issued by the Governor's Office of Budget and Planning and is also not a required part of the financial statements. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Summary of Significant Accounting Policies:

Expenditures reported on the Schedule of Federal and State Awards are reported on the modified accrual basis of accounting. Grant Revenues are recognized as soon as all eligibility requirements imposed by the provider have been met. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Indirect Cost Rate:

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended September 30, 2024, the County did not elect to use this rate.

Sub-recipients:

During the year ended September 30, 2024, the County had sub-recipients totaling \$200,000.

Federal Loans and Loan Guarantees:

During the year ended September 30, 2024, the County had no outstanding federal loans payable or loan guarantees.

Federally Funded Insurance:

During the year ended September 30, 2024, the County had no federally funded insurance.

Non-cash awards:

During the year ended September 30, 2024, the County did not have any federal awards in the form of non-cash assistance.