
STARR COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR YEAR ENDED SEPTEMBER 30, 2023

ADRIAN WEBB

CERTIFIED PUBLIC ACCOUNTANT

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STARR COUNTY, TEXAS
PRINCIPAL OFFICIALS
For the Year Ended September 30, 2023

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

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, 2023, 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, 2023, 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. 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 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, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison, and 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, individual Road & Bridge fund – schedule of revenues, expenditures, and changes in fund balance, 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 (Uniform Guidance) 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.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, 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 26, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2023**

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, 2023. 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 \$1,295,352. Net position from governmental activities increased \$1,335,973, while net position from business-type activities decreased by \$40,620.
- The General Fund ended the year with a fund balance of \$8,913,570, a \$853,809, increase from the prior year's balance of \$8,059,761.
- In comparing the General Fund's final budget to actual, revenues were \$308,692 more than the final budget, and expenditures were \$779,175 less than final budget. This resulted in a total negative budget to actual variance of \$470,483 not including other financing sources (uses).

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, 2023**

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 position 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.
- *Proprietary funds* – Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2023**

- *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 \$92,313,071 as of September 30, 2023, an increase of \$1,349,189 or 1.48% more than the governmental net position of \$90,963,882 as of September 30, 2022. This increase is mostly due to current assets.

Statement of Net Position:

	<u>Governmental Activities</u>		<u>Increase / (Decrease)</u>
	<u>2023</u>	<u>2022</u>	
Assets:			
Current Assets	\$ 39,880,162	\$ 36,203,048	\$ 3,677,114
Capital Assets, Net	65,941,748	71,154,684	(5,212,936)
Total Assets	<u>105,821,910</u>	<u>107,357,732</u>	<u>(1,535,822)</u>
Deferred Outflows of Resources	<u>2,001,878</u>	<u>1,957,191</u>	<u>44,687</u>
Total Assets and Deferred Outflows of Resources	<u><u>107,823,788</u></u>	<u><u>109,314,923</u></u>	<u><u>(1,491,135)</u></u>
Liabilities:			
Current Liabilities	8,135,262	10,666,678	(2,531,416)
Long-Term Liabilities	7,114,861	995,622	6,119,239
Total Liabilities	<u>15,250,123</u>	<u>11,662,300</u>	<u>3,587,823</u>
Deferred Inflows of Resources	<u>260,595</u>	<u>6,688,741</u>	<u>(6,428,146)</u>
Net Position:			
Net Invested in Capital Assets	62,202,907	62,831,787	(628,880)
Restricted for Landfill Trust	673,838		
Restricted for Capital Acquisition	2,994,021	587,080	2,406,941
Restricted for Debt Service	1,703,182	1,627,339	75,843
Restricted for Other Purposes	4,192,914	4,826,627	(633,713)
Unrestricted	<u>20,546,208</u>	<u>21,091,049</u>	<u>(544,841)</u>
Total Net Position	<u>92,313,071</u>	<u>90,963,882</u>	<u>1,349,189</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 107,823,788</u></u>	<u><u>\$ 109,314,923</u></u>	<u><u>\$ (1,491,135)</u></u>

The County's total revenues were \$36,427,846. The total cost of all programs and services was \$35,091,873 of which 34.59% or \$12,138,025 of these costs are for public safety.

**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2023**

Governmental Activities

- Property tax revenues decreased by 6.76%. Total revenues for the year ended September 30, 2023, decreased to \$36,427,486 from \$39,176,091 in the previous year, a decrease of 7.02%.

	Governmental Activities		Increase /
	2023	2022	(Decrease)
Revenues:			
Program Revenues:			
Charges for Services	\$ 6,484,075	\$ 8,176,093	\$ (1,692,018)
Operating Grants and Contributions	8,501,023	9,312,771	(811,748)
General Revenues:			
Property Taxes	17,752,321	19,039,222	(1,286,901)
Interest	528,414	135,090	393,324
Transfers	510,000	482,100	27,900
Other	2,652,013	2,030,815	621,198
Total Revenues	<u>36,427,846</u>	<u>39,176,091</u>	<u>(2,748,245)</u>
Expenditures:			
General Government	8,627,842	10,103,265	(1,475,423)
Public Safety	12,138,025	10,951,884	1,186,141
Judicial	3,010,421	1,926,105	1,084,316
Highways and Streets	6,583,663	6,199,409	384,254
Financial Administration	1,556,923	1,545,620	11,303
Legal	1,334,732	832,757	501,975
Health and Welfare	1,477,513	1,599,330	(121,817)
Agriculture Extension	188,628	144,408	44,220
Debt Service-Interest on Debt	174,125	79,664	94,461
Total Expenditures	<u>35,091,873</u>	<u>33,382,442</u>	<u>1,709,431</u>
Change in Net Position	1,335,973	5,793,649	(4,457,676)
Beginning Net Position	<u>90,963,386</u>	<u>85,149,386</u>	<u>5,814,000</u>
Prior Period Adjustment	13,712	20,847	(7,135)
Ending Net Position	<u>\$ 92,313,071</u>	<u>\$ 90,963,882</u>	<u>\$ 1,356,324</u>

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 \$35,091,873, an increase of \$1,709,431 or 5.12% decrease compared to \$33,382,442 for the prior year.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$17,752,321.
- Some of these costs were paid by those who directly benefited from the programs and totaled \$6,484,075. This is a decrease of \$1,692,018 from last year's revenues, which were \$8,176,093.
- Grants and contributions this year amounted to \$8,501,023, a decrease of \$811,748 over last year's grants and contributions which totaled \$9,312,771.

**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2023**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues from governmental fund types totaled \$39,176,091 for the year ended September 30, 2023, an increase of \$7,387,775 or 18.86% over the preceding year's total governmental revenues of \$31,788,316. The increase in revenues is mainly from an increase in grants and contributions.

General Fund Budgetary Highlights

Actual general fund revenues were \$21,662,326, which was \$308,692 over the final budget amounts.

On the other hand, general fund expenditures were \$21,299,459, which was under the final budgeted amount by \$779,175.

CAPITAL ASSETS

At the end of 2023, the County had invested \$65,941,748 in a broad range of capital assets, including land, buildings, improvements, machinery, equipment, vehicles, and infrastructure. This amount represents an increase of \$1,904,508, a 2.97% increase from FY 2022. The increase is attributed mainly to the current year's machinery and equipment purchases.

Description	Primary Government		Increase / (Decrease)
	2023	2022	
Land	\$ 1,522,280	\$ 1,522,280	\$ -
Building and Improvements	20,238,283	19,844,369	393,914
Machinery and Equipment	21,693,573	18,774,650	2,918,923
Infrastructure	56,537,182	55,890,187	646,995
Construction in Progress	710,226	467,839	242,387
Right of Use Assets	688,388	463,457	224,931
Software-Based Assets	105,652	-	105,652
Total Historical Cost	101,495,584	96,962,782	4,532,802
Less: Accumulated Depreciation/Amortization	(35,553,836)	(32,925,541)	(2,628,295)
Capital Assets, Net	\$ 65,941,748	\$ 64,037,240	\$ 1,904,508

LONG-TERM DEBT

As of September 30, 2023, the County has \$7,493,178 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.

	Governmental Activities				
	Beginning				Ending
	Balance	Additions	Reductions	Adjustments	Balance
	10/1/2022				9/30/2023
Bonds Payable	\$ 375,000	\$ 2,480,000	\$ (41,667)	\$ -	\$ 2,813,333
Notes Payable	366,996	-	(87,188)	-	279,808
Other Payables	463,457	733,866	(151,679)	(399,944)	645,700
Total Bonds, Notes, and Other Payables	1,205,453	3,213,866	(280,534)	(399,944)	3,738,841
Net Pension Liability	-	3,376,020	-	-	3,376,020
Total Other Long-Term Obligations	\$ -	\$ 3,376,020	\$ -	\$ -	\$ 3,376,020

**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised values used for the 2024 budget preparation increased by approximately \$95,777,854.
- The property tax rates will decrease by \$0.002 per \$100.00 of assessed valuation.
- Employees' group health insurance remained the same.
- There will be a 1.8% salary increase for FY 2024.

These indicators were taken into account when adopting the general fund budget for 2024. Amounts available for appropriation in the general fund budget are \$22,078,634, an increase of \$1,815,501, over the final 2022 budget of \$20,263,133. Property taxes will increase due to the increase in appraised values.

General fund expenditures are budgeted to increase in 2024 to \$23,037,257, an increase of \$958,623 from the 2023 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 STATEMENTS

STARR COUNTY, TEXAS
Statement of Net Position
As of September 30, 2023

EXHIBIT A-1

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Current Assets:			
1010 Cash and Cash Equivalents	\$ 15,606,966	\$ 1,003,979	\$ 16,610,945
1030 Investments - Current	3,395,629	107,436	3,503,065
1040 Interest Receivable - investments	8,783	523	9,306
1050 Taxes Receivable	15,236,138	-	15,236,138
1150 Accounts Receivable, Net	407,942	75,908	483,849
1220 Leases - Current Portion	-	42,573	42,573
1300 Due from Other Funds	2,244,673	5,730	2,250,403
1390 Due from Others	2,306,193	-	2,306,193
1410 Inventories	-	40,530	40,530
1430 Prepaid Items	-	102,632	102,632
1440 Deferred Charges	-	4,430	4,430
Restricted Assets:			
1611 Restricted Cash and Cash Equivalents	673,838	-	673,838
Total Current Assets	39,880,162	1,383,740	41,263,902
Noncurrent Assets			
1791 Capital Assets Not Being Depreciated	2,232,506	1,406,530	3,639,036
1792 Capital Assets Being Depreciated	99,263,078	1,748,046	101,011,124
1780 Accumulated Depreciation	(35,553,836)	-	(35,553,836)
1800 Net Pension Asset	-	-	-
1900 Leases - Noncurrent Portion	-	199,676	199,676
Total Noncurrent Assets	65,941,748	3,354,252	69,296,000
TOTAL ASSETS	105,821,910	4,737,992	110,559,902
DEFERRED OUTFLOWS OF RESOURCES:			
1992 Deferred Outflow Related to Pension	2,001,878	124,656	2,126,534
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,001,878	124,656	2,126,534
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 107,823,788	\$ 4,862,648	\$ 112,686,436
LIABILITIES:			
Current Liabilities:			
2010 Accounts Payable	\$ 1,094,925	\$ 136,866	\$ 1,231,791
2011 Customer Deposits	-	141,797	141,797
2020 Payroll Liabilities	812,725	47,780	860,505
2030 Compensated Absences Payable	570,558	63,274	633,832
2080 Due to Other Funds	-	1,708,332	1,708,332
2090 Due to Others	82,882	248,936	331,818
2140 Accrued Interest Payable	12,659	-	12,659
2270 Other Current Liabilities	45,004	-	45,004
2230 Unearned Revenues	5,516,386	-	5,516,386
Total Current Liabilities	8,135,139	2,346,986	10,482,125
Noncurrent Liabilities:			
2501 Debt Service - Due Within One Year	1,118,485	-	1,118,485
2502 Debt Service - Due in More Than One Year	2,620,356	-	2,620,356
2580 Net Pension Liability	3,376,020	210,223	3,586,243
Total Noncurrent Liabilities	7,114,861	210,223	7,325,084
TOTAL LIABILITIES	15,250,000	2,557,209	17,807,209
DEFERRED INFLOWS OF RESOURCES:			
2602 Deferred Inflow Related to Pension	260,595	16,227	276,822
2607 Deferred Inflow Related to Leases	-	242,249	242,249
TOTAL DEFERRED INFLOWS OF RESOURCES	260,595	258,476	519,071
NET POSITION			
4001 Net Investment in Capital Assets	62,202,907	3,154,576	65,357,483
3810 Restricted For Landfill Trust	673,838	-	673,838
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	20,546,331	(1,107,613)	19,438,718
TOTAL NET POSITION	92,313,194	2,046,963	94,360,156
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSTION	\$ 107,823,788	\$ 4,862,648	\$ 112,686,436

STARR COUNTY, TEXAS
Statement of Activities
For The Year Ended September 30, 2023

EXHIBIT B-1

	Programming Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary Government:						
GOVERNMENTAL ACTIVITIES:						
100	General Government	\$ 8,627,842	\$ 1,876,625	\$ 1,863,036	\$ (4,888,181)	\$ (4,888,181)
120	Judicial	3,010,421	654,753	650,012	(1,705,656)	(1,705,656)
130	Legal	1,334,732	290,298	288,196	(756,238)	(756,238)
150	Financial Administration	1,556,923	338,624	336,172	(882,127)	(882,127)
200	Public Safety	12,137,902	2,594,439	2,575,652	(6,967,810)	(6,967,810)
300	Highways and Streets	6,583,663	1,416,558	1,406,301	(3,760,804)	(3,760,804)
400	Health and Welfare	1,477,513	321,353	319,026	(837,135)	(837,135)
600	Agriculture Extension	188,628	41,387	41,088	(106,154)	(106,154)
720	Interest on Debt	94,125	-	-	(94,125)	(94,125)
790	Other Debt Service	80,000	-	-	(80,000)	(80,000)
	Total Governmental Activities	<u>35,091,750</u>	<u>7,534,038</u>	<u>7,479,483</u>	<u>(20,078,229)</u>	<u>(20,078,229)</u>
Business Type Activities						
701	International Toll Bridge	1,503,327	2,102,856	-	-	599,529
702	Gas System	872,846	1,070,111	-	-	197,265
703	Transfer Station	1,804,962	1,308,349	-	-	(496,613)
	Total Business-Type Activities	<u>4,181,135</u>	<u>4,481,316</u>	<u>-</u>	<u>-</u>	<u>300,181</u>
	TOTAL PRIMARY GOVERNMENT	<u><u>39,272,885</u></u>	<u><u>12,015,354</u></u>	<u><u>7,479,483</u></u>	<u><u>(20,078,229)</u></u>	<u><u>(19,778,048)</u></u>
General Revenues						
Taxes:						
	Property Taxes, Levied for General Purposes			17,752,321	-	17,752,321
	Licenses and Permits			2,202,697	-	2,202,697
	Other Revenue			420,893	145,077	565,970
	Investment Earnings			528,414	24,122	552,536
	Transfers In (Out)			510,000	(510,000)	-
	Total General Revenues and Transfers			<u>21,414,325</u>	<u>(340,801)</u>	<u>21,073,524</u>
	Change in Net Position			1,336,095	(40,620)	1,295,475
	Net Position - Beginning			\$ 90,963,386	\$ 2,087,583	\$ 93,050,969
	Prior Period Adjustment			13,712	-	13,712
	Net Position - Ending			<u>\$ 92,313,193</u>	<u>\$ 2,046,963</u>	<u>\$ 94,360,156</u>

STARR COUNTY, TEXAS
Balance Sheet - Governmental Funds
As of September 30, 2023

EXHIBIT C-1

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds	
	General Fund	Road and Bridge Fund	American Rescue Plan Act	Starr County Drainage District			
ASSETS:							
1010 Cash and Cash Equivalents	\$ 2,591,122	\$ 113,696	\$ 5,579,472	\$ 913,744	\$ 6,272,555	\$ 15,470,588	
1030 Investments - Current	-	-	-	2,879,030	516,599	3,395,629	
1040 Interest Receivable - Investments	-	-	-	8,365	418	8,783	
1050 Taxes Receivable	10,173,177	4,546,170	-	187,406	329,386	15,236,138	
1150 Accounts Receivable, Net	320,237	70,977	-	-	4,273	395,487	
1300 Due from Other Funds	6,224,869	32,110	9,693	10,916	910,890	7,188,479	
1390 Due from Others	1,384,352	-	-	-	921,840	2,306,193	
1611 Restricted Cash	673,838	-	-	-	-	673,838	
TOTAL ASSETS	\$ 21,367,596	\$ 4,762,953	\$ 5,589,164	\$ 3,999,461	\$ 8,955,961	\$ 44,675,135	
LIABILITIES:							
2010 Accounts Payable	537,740	182,768	120,723	-	253,694	1,094,925	
2020 Payroll Liabilities	582,713	145,130	-	-	84,882	812,725	
2080 Due to Other Funds	1,089,727	998,779	146,156	-	1,919,345	4,154,005	
2090 Due to Others	55,585	-	-	-	27,296	82,882	
2230 Unearned Revenues	15,084	-	5,322,286	-	179,017	5,516,386	
2270 Other Current Liabilities	-	-	-	-	45,004	45,004	
TOTAL LIABILITIES	2,280,849	1,326,676	5,589,164	-	2,509,238	11,705,927	
DEFERRED INFLOWS OF RESOURCES:							
2601 Deferred Resource Inflow - Property Taxes	10,173,177	4,546,170	-	187,406	329,386	15,236,138	
TOTAL DEFERRED INFLOWS OF RESOURCES	10,173,177	4,546,170	-	187,406	329,386	15,236,138	
FUND BALANCES:							
3010 Restricted For Landfill Trust	673,838	-	-	-	-	673,838	
3480 Restricted for Debt Service	-	-	-	-	1,703,182	1,703,182	
3490 Restricted for Special Purposes	-	(1,109,893)	-	3,812,056	1,420,134	4,122,297	
3550 Committed for Construction	-	-	-	-	2,994,021	2,994,021	
3600 Unassigned	8,239,732	-	-	-	-	8,239,732	
TOTAL FUND BALANCES	8,913,570	(1,109,893)	-	3,812,056	6,117,337	17,733,070	
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES	\$ 21,367,596	\$ 4,762,953	\$ 5,589,164	\$ 3,999,461	\$ 8,955,961	\$ 44,675,135	

STARR COUNTY, TEXAS

EXHIBIT C-2

Reconciliation of the Balance Sheet - Governmental to the Governmental Activities - Statement of Net Position
As of September 30, 2023

Total Fund Balances - Governmental Funds \$ 17,733,070

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>(640,967)</u>	(640,967)
--------------------------	------------------	-----------

Capital assets used in governmental activities are not financial resources, and therefore are not reported in governmental funds:

Capital Assets Not Being Depreciated	2,232,506	
Capital Assets Being Depreciated	99,263,078	
Accumulated Depreciation	<u>(35,553,836)</u>	
Total Capital Assets, Net		65,941,748

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	(570,558)	
Debt Service - Due Within One Year	(1,118,485)	
Debt Service - Due in More Than One Year	<u>(2,620,356)</u>	
Total Long-Term Liabilities		(4,309,399)

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>15,236,138</u>	
Total Deferred Inflows of Resources		15,236,138

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>(12,659)</u>	
Total Accrued Interest		(12,659)

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	(3,376,020)	
Deferred Outflow related to Pension Plan	2,001,878	
Deferred Inflow related to Pension Plan	<u>(260,595)</u>	
		(1,634,737)

Net position of governmental activities \$ 92,313,194

STARR COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For The Year Ended September 30, 2023

EXHIBIT C-3

Major Governmental Funds

		General Fund	Road and Bridge Fund	American Rescue Plan Act	Starr County Drainage District	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:							
5110	Property Taxes	\$ 12,819,962	\$ 5,571,730	\$ -	\$ 73,780	\$ 43,514	\$ 18,508,986
5200	Licenses and Permits	1,541,037	661,660	-	-	-	2,202,697
5300	Intergovernmental Revenue and Grants	692,693	-	2,784,881	-	4,001,909	7,479,483
5400	Charges for Services	-	115,759	-	-	1,109,094	1,224,854
5510	Fines	5,916,270	121,356	-	-	271,558	6,309,184
5610	Investment Earnings	376,349	23,173	-	61,471	67,422	528,414
5620	Rent and Lease Revenue	8,000	-	-	-	-	8,000
5700	Other Revenue	308,015	101,535	-	-	3,343	412,893
	TOTAL REVENUES	21,662,326	6,595,213	2,784,881	135,251	5,496,840	31,177,671
EXPENDITURES:							
100	General Government	6,007,538	-	432,662	-	1,311,210	7,751,409
120	Judicial	2,632,794	-	-	-	-	2,632,794
130	Executive	1,167,390	-	-	-	-	1,167,390
150	Financial Administration	1,251,656	-	-	-	124,680	1,376,336
200	Public Safety	7,826,446	-	-	-	3,161,183	10,987,630
300	Public Facilities	320,621	6,163,414	-	-	-	6,484,036
400	Health and Welfare	1,179,722	-	-	-	127,386	1,307,107
600	Conservation Agriculture	166,476	-	-	-	-	166,476
710	Principal on Debt	141,813	134,498	-	-	816	277,127
720	Interest on Debt	12,655	81,382	-	-	88	94,125
790	Other Debt Service	-	-	-	-	80,000	80,000
800	Capital Outlay	592,348	833,791	2,352,219	-	416,927	4,195,286
	TOTAL EXPENDITURES	21,299,459	7,213,086	2,784,881	-	5,222,290	31,297,425
	Excess(Deficiency) of Revenues Over(Under) Expenditures	362,867	(617,873)	-	135,251	274,550	(119,755)
OTHER FINANCING SOURCES (USES)							
7911	Issuance of Bonds	-	-	-	-	2,480,000	2,480,000
7915	Transfers In	510,000	-	-	-	2,400,000	2,910,000
8911	Transfers Out	-	-	-	-	(2,400,000)	(2,400,000)
	TOTAL OTHER FINANCING SOURCES (USES)	510,000	-	-	-	2,480,000	2,990,000
	Net Change in Fund Balances	\$ 872,867	\$ (617,873)	\$ -	\$ 135,251	\$ 2,754,550	\$ 3,144,796
3600	Fund Balance - Beginning	\$ 8,059,761	\$ (492,020)	\$ -	\$ 3,676,804	\$ 3,330,016	\$ 14,574,562
3700	Prior Period Adjustment	(19,057)	-	-	-	32,770	13,713
3900	Fund Balance - Ending	\$ 8,913,570	\$ (1,109,893)	\$ -	\$ 3,812,056	\$ 6,117,337	\$ 17,733,070

STARR COUNTY, TEXAS

EXHIBIT C-4

Reconciliation of the Balance Sheet - Governmental to the Governmental Activities - Statement of Net Position

For the Year Ended September 30, 2023

Total Net Change in Fund Balances - Governmental Funds \$ 3,144,796

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	(615,804)	
Total Internal Service Funds		(615,804)

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 2023 capital outlays and debt principal payments is to increase (decrease) the change in net position.

Additions to Capital Assets	4,532,803	
Depreciation of Capital Assets	(2,628,295)	
		1,904,508

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	280,533	
Acquisition of Debt	(3,213,866)	
Compensated Absences	(22,623)	
		(2,955,956)

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	(1,826)	
		(1,826)

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	(52,656)	
		(52,656)

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 expensed 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	(6,559,799)	
Deferred Outflow related to Pension Plan	44,687	
Deferred Inflow related to Pension Plan	6,428,146	
		(86,966)

Change in Net Position of Governmental Activities \$ 1,336,096

STARR COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

EXHIBIT D-1

	Major Enterprise Funds		Nonmajor Enterprise Funds		Gov. Activities	
	Starr County		Gas System	Transfer Station	Total Enterprise Funds	Internal Service Fund
	International Toll Bridge					
ASSETS:						
1010 Cash and Cash Equivalents	\$ 729,994	\$ 110,959	\$ 163,026	\$ 1,003,979	\$ 136,378	
1030 Investments - Current	-	107,436	-	107,436	-	
1040 Interest Receivable - investments	-	523	-	523	-	
1150 Accounts Receivable, Net	-	75,908	-	75,908	12,455	
1220 Lease Receivable - Current Portion	42,573	-	-	42,573	-	
Lease Receivable - Noncurrent Portion	199,676	-	-	199,676	-	
1300 Due from Other Funds	-	5,730	-	5,730	200	
1410 Inventories	-	40,530	-	40,530	-	
1430 Prepaid Items	102,632	-	-	102,632	-	
1440 Deferred Charges	-	4,430	-	4,430	-	
1791 Capital Assets Not Being Depreciated	1,396,530	10,000	-	1,406,530	-	
1792 Capital Assets Being Depreciated	1,019,210	53,521	675,314	1,748,046	-	
TOTAL ASSETS	3,490,614	409,037	838,340	4,887,024	149,033	
1992 Deferred Outflow Related to Pension Plan	70,642	31,067	22,947	124,656	-	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	70,642	31,067	22,947	124,656	-	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	3,561,256	440,104	861,287	4,862,647	149,033	
LIABILITIES:						
2010 Accounts Payable	24,989	28,638	83,239	136,866	-	
2011 Customer Deposits	-	141,797	-	141,797	-	
2030 Compensated Absences Payable	38,764	11,273	13,238	63,274	-	
2058 Wages and Salaries Payable	29,531	13,737	4,512	47,780	-	
2080 Due to Other Funds	810	83	1,707,439	1,708,332	790,000	
2090 Due to Others	248,936	-	-	248,936	-	
2580 Net Pension Liability	119,132	52,393	38,698	210,223	-	
TOTAL LIABILITIES	462,161	247,921	1,847,126	2,557,209	790,000	
2602 Deferred Inflow Related to Pension Plan	9,196	4,044	2,987	16,227	-	
2606 Deferred Resource Inflow - Leases	242,249	-	-	242,249	-	
TOTAL DEFERRED INFLOWS OF RESOURCES	251,445	4,044	2,987	258,476	-	
NET POSITION:						
4001 Net Investment in Capital Assets	2,415,740	63,521	675,314	3,154,576	-	
3890 Unrestricted	431,910	124,617	(1,664,140)	(1,107,613)	(640,967)	
TOTAL NET POSITION	2,847,650	188,139	(988,826)	2,046,962	(640,967)	
TOTAL LIABILITIES, DEFERRED OUTFLOWS & NET POSITION	\$ 3,561,256	\$ 440,104	\$ 861,287	\$ 4,862,647	\$ 149,033	

STARR COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

		Major Enterprise Funds		Nonmajor Enterprise Funds		Gov. Activities	
		Starr County International		Total Enterprise Funds		Internal Service Fund	
		Toll Bridge	Gas System	Transfer Station			
OPERATING REVENUES:							
5400	Charges for Services	\$ 2,555,403	\$ 1,070,111	\$ 1,308,349	\$ 4,933,863	\$ 3,009,829	
5700	Other Revenue	57,758	85,689	1,511	144,958	-	
5622	Gain on Peso Exchange	1,630	-	-	1,630	-	
TOTAL OPERATING REVENUES		2,614,791	1,155,800	1,309,860	5,080,451	3,009,829	
OPERATING EXPENDITURES:							
6100	Personnel Services - Salaries and Wages	711,607	290,288	223,035	1,224,930	-	
6200	Personnel Services - Employee Benefits	138,890	73,196	80,630	292,716	-	
6300	Purchased Professional & Technical Services	112,150	12,500	-	124,650	-	
6500	Other Operating Costs	351,416	487,774	1,402,274	2,241,464	3,629,143	
6800	Depreciation	189,264	8,913	99,023	297,200	-	
6920	Interest on Debt	-	175	-	175	-	
TOTAL OPERATING EXPENDITURES		1,503,327	872,846	1,804,962	4,181,135	3,629,143	
Operating Income (Loss)		1,111,464	282,954	(495,102)	899,316	(619,314)	
NONOPERATING REVENUES (EXPENDITURES):							
7955	Investment Earnings	17,230	3,483	1,898	22,611	3,510	
8911	Transfers Out	(510,000)	-	-	(510,000)	-	
8980	Other Nonoperating Expenses	(452,547)	-	-	(452,547)	-	
TOTAL NONOPERATING REVENUES (EXPENDITURES)		(945,317)	3,483	1,898	(939,935)	3,510	
Change in Net Position		166,146	286,437	(493,204)	(40,621)	(615,804)	
3900	Net Position - Beginning	2,681,504	(98,298)	(495,622)	2,087,583	(25,163)	
3900	Net Position - Ending	\$ 2,847,651	\$ 188,139	\$ (988,826)	\$ 2,046,962	\$ (640,967)	

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

STARR COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Major Enterprise Funds		Nonmajor Enterprise Funds		Total Enterprise Funds	Gov. Activities
	Starr County International Toll Bridge	Gas System	Transfer Station	Internal Service Fund		
Cash Flows from Operating Activities						
Cash Received from User Charges	\$ 2,614,791	1,155,800	\$ 1,309,860	\$ 5,080,451	\$ 3,009,829	
Cash Payments to Employees for Services	(850,497)	(363,484)	(303,665)	(1,517,646)	-	
Cash Payments for Other Operating Expenses	(628,037)	(689,654)	(872,304)	(2,189,995)	(2,881,756)	
Net Cash Provided (Used) by Operating Activities	1,136,257	102,662	133,891	1,372,810	128,073	
Cash Flows from Non-Capital Financing Activities:						
Payments to City of Roma	(452,547)	-	-	(452,547)	-	
Operating Transfer Out	(510,000)	-	-	(510,000)	-	
	(962,547)	-	-	(962,547)	-	
Cash Flows from Investing Activities						
Interest and Dividends on Investments	17,230	3,483	1,898	22,611	3,510	
Net Increase (Decrease) in Cash and Cash Equivalents	190,940	106,145	135,789	432,874	131,583	
Cash and Cash Equivalents at Beginning of Period	539,054	4,814	27,237	571,105	4,795	
Cash and Cash Equivalents at End of Period	729,994	110,959	163,026	1,003,979	136,378	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	1,111,464	282,954	(495,102)	899,316	(615,804)	
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Depreciation	189,264	8,913	99,023	297,200	-	
Effect of Increases and Decreases in Current Assets and Liabilities:						
Decrease (Increase) in Receivables	-	9,650	99,869	370,854	18,256	
Decrease (Increase) in Investments	-	(898)	-	213,076	-	
Decrease (Increase) in Net Pension Asset	135,182	-	-	135,182	-	
Decrease (Increase) in Interfund Receivables	(118)	-	-	(118)	-	
Decrease (Increase) in Prepaid Expenses	(32,263)	-	-	(32,263)	-	
Decrease (Increase) in Interest Receivable	-	(488)	-	70	-	
Decrease (Increase) in Due from Other Funds	-	(172)	-	11,116	(99)	
Decrease (Increase) in Inventories	-	5,706	-	92,472	-	
Decrease (Increase) in Deferred Charges	-	(4,430)	-	-	-	
Decrease (Increase) in Deferred Outflows Related to Pension Plan	95,507	97,320	(22,947)	352,281	-	
Increase (Decrease) in Account Payable	22,070	(26,994)	24,424	245,824	-	
Increase (Decrease) in Accrued Liabilities	(166,177)	-	-	(166,177)	(64,280)	
Increase (Decrease) in Customer Deposits	-	5,450	-	283,594	-	
Increase (Decrease) in Wages and Salaries Payable	-	(13,922)	(5,264)	36,498	-	
Increase (Decrease) in Due to Other Funds	-	(79,212)	378,965	3,415,044	790,000	
Increase (Decrease) in Compensated Absences Payable	-	1,793	13,238	49,022	-	
Increase (Decrease) in Deferred Inflow Related to Pension Plan	(337,804)	(264,093)	2,987	(323,742)	-	
Increase (Decrease) in Net Pension Liability	119,132	81,085	38,698	225,548	-	
	\$ 1,136,257	\$ 102,662	\$ 133,891	\$ 1,372,810	\$ 128,073	

STARR COUNTY, TEXAS
Statement of Fiduciary Net Position - Fiduciary Funds
As of September 30, 2023

EXHIBIT E-1

		Custodial Funds
ASSETS:		
1010 Cash and Cash Equivalents	\$	8,234,968
1030 Investments - Current		121,110
1150 Accounts Receivable, Net		200,250
1300 Due from Other Funds		650,402
1390 Due from Others		32,301
1430 Prepaid Items		67,473
TOTAL ASSETS	\$	9,306,504
LIABILITIES:		
2010 Accounts Payable		26,511
2080 Due to Other Funds		1,192,472
2090 Due to Others		5,032,115
TOTAL LIABILITIES		6,251,098
NET POSITION:		
3009 Restricted for Fiduciary Purposes		3,055,406
TOTAL NET POSITION		3,055,406
TOTAL LIABILITIES & NET POSITION	\$	9,306,504

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

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STARR COUNTY, TEXAS
Statement of Net Changes - Fiduciary Funds
For the Year Ended September 30, 2023

EXHIBIT E-2

		Total
ADDITIONS:		
5201	Tax Collections for Other Governments	\$ 31,526,468
5202	Held for Others	14,651,643
5610	Investment Earnings	29,010
	TOTAL ADDITIONS	46,207,121
DEDUCTIONS:		
70	Payments to Other Governments	31,824,411
90	Payments to Individuals and Services	14,479,386
710	Principal on Debt	3,406
720	Interest on Debt	98
800	Capital Outlay	150,410
	TOTAL DEDUCTIONS	46,457,710
	Net Change in Fiduciary Balances	\$ (250,589)
3600	Net Position - Beginning	\$ 3,305,995
3900	Net Position - Ending	\$ 3,055,406

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

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NOTES TO FINANCIAL STATEMENTS

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

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.

The financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") in the United States of America for local governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

B. Financial Reporting Entity

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 is able to 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.

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

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Financial Statement Presentation, Measurement Focus And Basis Of Accounting

Government-wide 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 and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Fines and forfeitures are recognized when they have been assessed and adjudicated and earned. 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 program and 2) grants and contributions that are restricted to meeting the operational and/or capital requirements of a particular program. Program revenues include those generated from administration of justice, parks, county administration, health and human services, flood control, tax administration, and roads and bridges. Taxes and other items not included among program revenues are reported instead as general revenues. Miscellaneous general revenues contain non-program specific contributions. Fiduciary funds are excluded from the government-wide presentation of the financial statements.

Fund Statements

All governmental funds use 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 property taxes and other revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on governmental long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Grant and entitlement revenues are also susceptible to accrual.

Encumbrances are used during the year. These funds are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities 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 and internal service funds, and fiduciary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when they are incurred. Claims incurred but not reported are included in the payables and expenses. These funds are accounted for using an economic resources measurement focus. This means that all assets and liabilities (whether current or non-current) associated with their activity are included in the funds statement of net position. The accounts of the County are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds are classified into three categories: Governmental, Proprietary, and Fiduciary. The major funds of the County are noted within each category.

GOVERNMENTAL FUNDS

The County reports on three major governmental 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 Drainage District – used by the County to build repair, and maintain drainage within the County.

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

Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by the County or a grantor. 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.

Capital Projects Funds are used to account for the proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

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.

Proprietary funds are accounted for based on the flow of economic resources measurement focus. All assets and liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund measurement focuses upon determination of net income and changes in retained earnings. The County reports the following major proprietary funds.

The International Toll Bridge, Gas System, and Solid Waste Transfer Station Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through users charges; or where the governing body has decided that periodic determination of revenue earned, expense incurred, and/or net income, is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for others and therefore cannot be used to support the government’s own programs. The County reports thirteen fiduciary funds. Fiduciary funds are used to account for assets held by the County as an agent on behalf of various third parties outside the primary government.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETS

Budgets are adopted on a basis other than generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund and the Road and Bridge Fund (a special revenue fund).

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized in the governmental funds of Starr County. Expenditures are recognized when services have been performed or goods have been received.

B. LEGAL COMPLIANCE - BUDGETS

The County Judge is, by state statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge to assist him and the Commissioners' Court on budgetary matters. The County Judge reviews budget requests, holds informal hearings when needed, and fills in columns in budget preparation forms, setting out his budget recommendations to the Commissioners' Court.

The Commissioners' Court holds a public hearing on the budget and department heads may appear. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Expenditure amounts finally budgeted may not exceed the estimate of budgeted revenues and available fund balance. When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. Level of control is on a line-item basis.

C. DEPOSITS AND 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.

D. INTERFUND TRANSACTIONS

During the course of normal operations, the County has many transactions between funds. The accompanying Fund Level financial statements reflect as transfers the resources provided and expenditures used to provide services, construct assets, and meet debt service requirements. The effect of interfund activity has been eliminated in the Government-wide financial statements, except for transactions between governmental and business-type activities.

E. INVENTORY

Inventory is reported at cost, using the first-in first-out method for proprietary and governmental fund types. The costs of such inventories are recorded as expenditures/expenses when purchased.

F. PREPAIDS AND OTHER ASSETS

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

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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

G. PREMIUMS (DISCOUNTS) ON BONDS PAYABLE

Premiums (discounts) on bonds payable are amortized using the effective interest method over the term of the bonds.

H. 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 Road’s hedging derivative instruments 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.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, 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 of the expected remaining service lives of all employees that are provided with pension benefits through the pension plan (active employees and inactive employees).

I. CAPITAL ASSETS AND INFRASTRUCTURE

Capital assets include land (including easements and right of ways), intangible assets, construction in progress, land improvements, buildings and building improvements, park improvements and facilities, equipment and infrastructure that are used in the County’s operations and benefit the County for more than a single fiscal year. Infrastructure assets are long-lived assets that are generally stationary in nature and can typically be preserved for a significantly greater number of years than other capital assets. Capital assets of the County are defined as assets with individual costs of \$5,000 or more and estimated useful lives in excess of one year. All capital assets are stated at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are stated at their acquisition value on the date donated. Capital assets are depreciated in the government-wide financial statements using the straight-line method over the following useful lives:

Assets	Life in Years
Buildings	50
Improvements	20
Infrastructure	40
Furniture & Equipment	10
Automotive	8
Computer Equipment	5

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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

J. NET POSITION AND FUND BALANCES

NET POSITION CLASSIFICATIONS

Net position in the proprietary fund financial statements and the government-wide financial statements are classified in three categories: 1) Net investment in capital assets, 2) Restricted net position, and 3) Unrestricted net position.

FUND BALANCE 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.

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, 2023

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

K. COMPENSATED ABSENCES

Vacation and sick leave benefits are accrued by County employees according to guidelines established in the County's personnel policies. Said 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, 2023, 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.

L. STATEMENT OF CASH FLOWS

For purposes of cash flow, the County considers cash equivalents to include all highly liquid investments (including restricted) with a maturity of three months or less when purchased.

M. USE OF ESTIMATES

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

N. LEASES

At the commencement of a lease, the lease receivable is measured 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 determination on (1) the discount rate used to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

1. An estimated incremental borrowing rate is used as the discount rate for leases.
2. The lease term includes the non-cancellable period of the lease.
3. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS

As of September 30, 2023, the carrying amount of the County's governmental activity deposits was \$15,606,966 and \$1,003,979 for business-type activities, resulting in a total bank balance of \$ 16,610,945. Bank balances of \$250,000 are covered by federal depository insurance and the remaining \$16,360,945 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, 2023, are summarized as follows:

Description	Rate	Maturity	Fair Value	Measurement
Special Revenue				
Certificate of Deposit - 5382	2.25%	1/13/2024	\$ 409,979	Level 2
Certificate of Deposit - 5383	2.25%	1/13/2024	409,979	Level 2
Certificate of Deposit - 5384	2.25%	1/13/2024	409,979	Level 2
Certificate of Deposit - 5385	2.25%	1/13/2024	409,979	Level 2
Certificate of Deposit - 4493	3.25%	3/25/2024	413,038	Level 2
Certificate of Deposit - 4494	3.25%	3/25/2024	413,038	Level 2
Certificate of Deposit - 4495	3.25%	3/25/2024	<u>413,038</u>	Level 2
			2,879,030	
Debt Service				
Certificate of Deposit - 3833	2.25%	2/2/2024	122,929	Level 2
Certificate of Deposit - 2913	3.25%	4/1/2024	<u>393,669</u>	Level 2
			516,599	
Enterprise Fund				
Certificate of Deposit - 0511	2.25%	1/13/2024	<u>107,436</u>	Level 2
			107,436	
General Fund				
Certificate of Deposit - 4636	0.15%	1/5/2024	<u>8,316</u>	Level 2
			8,316	
Total Investments			<u>\$ 3,511,381</u>	

The County is in compliance with the Investment Act.

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.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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, 2023, the County's investments were secured by U.S. Government Securities.

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.

NOTE 4 – 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 2023 fiscal year tax rate was 0.5050 per \$100 for the general fund, 0.2160 per \$100 for the FM and Lateral Road tax, and .0014 per \$100 for the Drainage County, for a total of 0.7224 per \$100 assessed valuation.

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 makes an effort 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 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.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 – CAPITAL ASSETS

Capital assets of Governmental Activities as of September 30, 2023, consisted of the following:

	Beginning Balances 10/1/2022	Additions	Retirements	Adjustments / Transfers	Ending Balances 9/30/2023
Governmental Activities					
Capital Assets, not being depreciated/amortized					
Land	\$ 1,522,280	\$ -	\$ -	\$ -	\$ 1,522,280
Construction in Progress	467,839	548,435	-	(306,047)	710,226
Right of Use Assets	463,457	-	-	(463,457)	-
Total capital assets, not being depreciated/amortized	<u>2,453,576</u>	<u>548,435</u>	<u>-</u>	<u>(769,504)</u>	<u>2,232,506</u>
Capital Assets, being depreciated/amortized					
Buildings and Improvements	19,844,369	168,254	-	225,661	20,238,283
Machinery and Equipment	18,774,650	3,090,207	(171,283)	-	21,693,573
Infrastructure	55,890,187	537,318	-	109,677	56,537,182
Right of Use Assets	-	224,931	-	463,457	688,388
Software-Based Assets	-	105,652	-	-	105,652
Total capital assets, being depreciated/amortized	<u>94,509,206</u>	<u>4,126,361</u>	<u>(171,283)</u>	<u>798,795</u>	<u>99,263,078</u>
Less accumulated depreciation/amortization for:					
Buildings and Improvements	(10,586,578)	(435,451)	-	-	(11,022,029)
Machinery and Equipment	(12,438,097)	(1,416,531)	114,024	-	(13,740,603)
Infrastructure	(9,900,867)	(734,730)	-	-	(10,635,597)
Right of Use Assets	-	(101,291)	-	-	(101,291)
Software-Based Assets	-	(54,316)	-	-	(54,316)
Total accumulated depreciation/amortization	<u>(32,925,541)</u>	<u>(2,742,319)</u>	<u>114,024</u>	<u>-</u>	<u>(35,553,836)</u>
Total capital assets, being depreciated/amortized, net	<u>61,583,665</u>	<u>1,384,042</u>	<u>(57,259)</u>	<u>798,795</u>	<u>63,709,243</u>
Governmental activities capital assets, net	<u>\$ 64,037,240</u>	<u>\$ 1,932,477</u>	<u>\$ (57,259)</u>	<u>\$ 29,291</u>	<u>\$ 65,941,748</u>

Depreciation expense for the year ended September 30, 2023, was charged to the following function/programs of the County as summarized by the following table:

Governmental Activities:	Amount
General Administration	\$ 801,591
Judicial	351,342
Legal	155,688
Financial Administration	166,993
Public Facilities	42,759
Public Safety	1,044,290
Health and Welfare	157,505
Conservation Agriculture	22,152
Total Depreciation/Amortization Expense	<u>\$ 2,742,319</u>

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – CAPITAL ASSETS OF PROPRIETARY FUNDS

Capital assets of Proprietary Funds (Enterprise Funds) as of September 30, 2023, consisted of the following:

INTERNATIONAL TOLL BRIDGE SYSTEM	Beginning Balances 10/1/2022	Additions	Retirements/ Reclassifications	Ending Balances 9/30/2023
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	-	-	4,999,133
Machinery and Equipment	873,400	-	-	873,400
Infrastructure	1,362,675	-	-	1,362,675
Total capital assets, being depreciated	7,235,208	-	-	7,235,208
Less: Accumulated Depreciation	(6,026,734)	(197,162)	-	(6,223,896)
Total capital assets, being depreciated, net	1,208,474	(197,162)	-	1,011,312
 Business-Type activities capital assets, net	 \$ 2,605,004	 \$ (197,162)	 \$ -	 \$ 2,407,842

Depreciation expense for the year ended September 30, 2023, was \$197,162.

GAS SYSTEM	Beginning Balances 10/1/2022	Additions	Retirements/ Reclassifications	Ending Balances 9/30/2023
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	-	-	162,578
Infrastructure	634,930	-	-	634,930
Total capital assets, being depreciated	817,898	-	-	817,898
Less: Accumulated Depreciation	(755,464)	(10,499)	-	(765,963)
Total capital assets, being depreciated, net	62,434	(10,499)	-	51,935
 Business-Type activities capital assets, net	 \$ 72,434	 \$ (10,499)	 \$ -	 \$ 61,935

Depreciation expense for the year ended September 30, 2023, was \$10,499.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – CAPITAL ASSETS OF PROPRIETARY FUNDS (Continued)

TRANSFER STATION	Beginning Balances 10/1/2022	Additions	Retirements/ Reclassifications	Ending Balances 9/30/2023
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	(1,342,730)	(86,917)	-	(1,429,647)
Total capital assets, being depreciated, net	753,337	(86,917)	-	666,420
Business-Type activities capital assets, net	\$ 774,337	\$ (86,917)	\$ -	\$ 687,420

Depreciation expense for the year ended September 30, 2023, was \$86,917.

NOTE 7 – LONG-TERM DEBT

The following is a summary of the changes in Long-Term Obligations as of September 30, 2023, recorded under governmental and business-type activities:

Governmental Activities	Original Issue	Maturity Date	Interest Rate	Beginning Balance 10/1/2022	Additions	Retirements	Adjustments	Ending Balance 9/30/2023	Due Within One Year
Bonds Payable									
Certificate of Obligations, Series 2019	500,000	2/15/2031	5.00%	\$ 375,000	\$ -	\$ (41,667)	\$ -	\$ 333,333	\$ 41,667
Certificate of Obligations, Series 2023	2,480,000	8/15/2038	5.25%	-	2,480,000	-	-	2,480,000	815,000
Notes Payable									
KS State Bank	683,409	10/25/2025	3.35%	366,996	-	(87,188)	-	279,808	90,161
Other Payables									
Financed Purchases	570,916	4/1/2028	3.00%	-	570,916	(53,361)	-	517,555	99,845
Subscription-Based Information Technology Arrangements	162,950	6/1/2025	3.00%	-	162,950	(54,401)	(55,935)	52,614	37,620
Lease Liabilities	664,376	4/10/2027	3.00%	463,457	-	(43,917)	(344,009)	75,531	34,192
Total Bonds, Notes, and Other Payables				1,205,453	3,213,866	(280,533)	(399,944)	3,738,841	1,118,485
Other Long-Term Obligations									
Accumulated Compensated Absences				547,935	22,623	-	-	570,558	-
Net Pension Liability				-	3,183,779	-	-	3,183,779	-
Total Governmental Activities' Long-Term Debt				\$ 1,753,388	\$ 6,420,268	\$ (280,533)	\$ -	\$ 7,493,178	\$ 1,118,485

Business-Type Activities	Beginning Balance 10/1/2022	Additions	Ending Balance 9/30/2023	Due Within One Year
Other Long-Term Obligations				
Accumulated Compensated Absences	\$ 33,280	\$ 29,994	\$ 63,274	\$ -
Net Pension Liability	-	210,223	210,223	-
Total Other Long-Term Obligations	33,280	240,217	273,497	-
Total Business-Type Activities	\$ 33,280	\$ 240,217	\$ 273,497	\$ -

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 7 – LONG-TERM DEBT (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, Notes, and Other Payables		
	Principal	Interest	Payments
2024	\$ 1,118,485	\$ 151,902	\$ 1,270,387
2025	366,493	120,290	486,783
2026	364,206	106,512	470,718
2027	256,944	92,521	349,465
2028	207,714	87,203	294,917
2029-2033	695,000	297,243	992,243
2034-2038	730,000	118,913	848,913
Total	\$ 3,738,841	\$ 974,584	\$ 4,713,425

NOTE 8 – BUDGET RESULTS RECONCILED TO RESULTS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The budgetary process is based upon accounting for certain transactions on a basis other than generally accepted accounting principles (GAAP basis). The results of operations as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual, are in accordance with budgetary process to provide a meaningful comparison with the budget.

The major differences between the budgetary basis "actual" and the GAAP basis are as follows:

- A. Basis differences – revenues and expenditures are budgeted on a cash basis while accounts shown in the combined Statement of Revenues, Expenditures and Changes in Fund Balance - All governmental fund types are presented under the modified accrual basis of accounting.
- B. Entity difference – budgets were not legally adopted for capital projects fund and the federal and state grants. As previously stated in Note 1 part D to the combined financial statements, the federal and state grants have already been excluded from the budgetary and actual figures shown on the Statement of Revenues, Expenditures, and Changes in Fund Balance under Special Revenue Funds. Consequently, the amounts shown in the said statement represent those of the Road and Bridge Fund only.

NOTE 9 – COMMITMENTS

Federal and State Funds

The County received significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability for the General Fund. However, in the opinion of management, such disallowed claims, if any, will not have a material effect on any financial statements of the individual fund types included herein or on the overall financial position of the County as of the date of this report.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 10 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances, as of September 30, 2023, consisted of the following individual fund receivables and payables:

<u>Description</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund:		
Special Revenue Fund	\$ 2,289,327	\$ 19,698
Debt Service Fund	-	34,219
Enterprise Funds	2,206,328	5,930
Trust and Agency Funds	883,127	181,381
Total General Fund	<u>5,378,783</u>	<u>241,228</u>
Special Revenue Funds:		
General Fund	19,698	2,289,327
Enterprise Funds	83	-
Trust and Agency Funds	204,134	293,426
Total Special Revenue Fund	<u>223,915</u>	<u>2,582,754</u>
Debt Service:		
General Fund	34,219	-
Trust and Agency Funds	2,692	45
Total Debt Service Fund	<u>36,911</u>	<u>45</u>
Capital Projects Fund:		
Enterprise Funds	291,921	-
Total Capital Project Fund	<u>291,921</u>	<u>-</u>
Enterprise Funds:		
General Fund	5,930	2,206,328
Special Revenue Fund	-	83
Capital Projects Fund	-	291,921
Total Enterprise Funds	<u>5,930</u>	<u>2,498,332</u>
Trust and Agency Funds:		
General Fund	183,793	885,540
Special Revenue Funds	364,044	274,751
Debt Service Fund	45	2,692
Total Trust and Agency Funds	<u>547,883</u>	<u>1,162,983</u>
Total Interfund Payables	<u>\$ 6,485,342</u>	<u>\$ 6,485,342</u>

Balances resulted from the time lag between the dates that 1) Interfund goods and services are provided and/or reimbursement expenditures occur, 2) payments between funds are made. Balances also result from interfund patrol transactions and end of the year reclassifications made between funds.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 11 – 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.

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 91, Conduit Debt Obligations – The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements – This statement was issued in May 2021 and provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

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

GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62 – (“GASB 100”), The primary 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. GASB Statement No.100 will be implemented by the County in the fiscal year ending September 30, 2024, and the impact has not yet been determined.

GASB Statement No. 101, Compensated Absences – (“GASB 101”), The primary 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. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB Statement No. 101 will be implemented by the County in the fiscal year ending September 30, 2025, and the impact has not yet been determined.

GASB Statement No. 102, Certain Risk Disclosures – (“GASB 102”), 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. GASB Statement No.102 will be implemented by the County in the fiscal year ending September 30, 2025, and the impact has not yet been determined.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 13 – DEFINED BENEFIT PENSION PLAN

A. Plan Description

The County provides pension, disability, and death benefits for all of 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.

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, 2022, valuation and measurement date, the following employees were covered by the benefit terms:

Members	December 31, 2021	December 31, 2022
Number of inactive employees entitled to but not yet receiving benefits:	783	779
Number of active employees:	546	599
Average monthly salary*:	\$ 2,771	\$ 2,837
Average age*:	43	42
Average length of service in years*:	8.32	8.04
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	204	205
Average monthly benefit:	\$ 844	\$ 849

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 7.48% and 7.10% in the calendar year 2022 and 2023, respectively. The County's contributions to TCDRS for the year ending September 30, 2023, were \$1,380,075 and were equal to the required contributions.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

D. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/21	\$ 55,586,404	\$ 59,009,823	\$ (3,423,419)
Changes for the year:			-
Service cost	1,678,178		1,678,178
Interest	4,256,862		4,256,862
Change in benefit terms			-
Diff between expected/actual experience			-
Changes of assumptions	(57,598)		(57,598)
Contributions - employer		1,396,077	(1,396,077)
Contributions - employee		925,780	(925,780)
Net investment income		(3,439,604)	3,439,604
Benefit payments, including refunds of employee contributions	(2,087,276)	(2,087,276)	-
Administrative expenses		(32,421)	32,421
Other charges		17,948	(17,948)
Net changes	3,790,166	(3,219,496)	7,009,662
Balance at 12/31/22	\$ 59,376,570	\$ 55,790,327	\$ 3,586,243

Net Pension Liability / (Asset)	12/31/2021	12/31/2022
Total Pension Liability	\$ 55,586,404	\$ 58,910,605
Plan Fiduciary Net Position	59,009,823	55,324,362
Net Pension Liability	<u>\$ (3,423,419)</u>	<u>\$ 3,586,243</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.16%	93.91%
Pension Covered Payroll	\$ 17,351,256	\$ 18,515,606
Net Pension Liability as a Percentage of Covered Payroll	-19.73%	19.37%

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

E. Actuarial assumptions

The Total Pension Liability as of December 31, 2022, 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.

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	18.0 years (based on contribution rate calculated in 12/31/2022 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.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions used in the December 31, 2022, valuation was based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2013, through December 31, 2016, except where required to be different by GASB 68. TC DRS' 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.

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 2022 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 30-year time horizon; the most recent analysis was performed in 2022.

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%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
International equities – Developed	MSCI World Ex USA (net) Index	5.00%	4.95%
International equities – Emerging	MSCI EM Standard (net) index	6.00%	4.95%
Investment-grade bonds	Bloomberg Barclay U.S. Aggregate Bond Index	3.00%	2.40%
Strategic credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct lending	S&P/LSTA Leverage Loan Index	16.00%	6.95%
Distressed debt	Cambridge Associates Distressed Securities Index	4.00%	7.60%
REIT equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
(MLPs)	Alerian MLP Index	2.00%	5.30%
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%	7.95%
Hedge funds	Hedge Fund research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 13 – DEFINED BENEFIT PENSION PLAN (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.
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.

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

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	\$ 67,376,709	\$ 58,910,606	\$ 51,920,669
Fiduciary Net Position	55,324,362	55,324,363	55,324,362
Net Pension Liability / (Asset)	\$ 12,052,347	\$ 3,586,243	\$ (3,403,693)

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

As of December 31, 2022, 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	\$ 276,822	\$ -
Changes of assumptions	-	14,453
Net difference between projected and actual earnings	-	1,124,776
Contributions made subsequent to the measurement date	N/A	987,305

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
2023	\$ (884,791)
2024	(25,751)
2025	189,914
2026	1,583,035
2027	-
Thereafter	-

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 14 – CONTINGENCIES

The County is a party to various litigations under which it may be required to pay certain monies upon the decision of the courts. The County's attorney reports various possible contingent liabilities based on the amount of damages alleged in various cases. However, it is the opinion of the County's attorney that these cases are covered by liability insurance. In the opinion of the County's management, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and, accordingly, no provisions or losses have been recorded as of September 30, 2023.

NOTE 15 – DEFICIT FUND EQUITY

As of September 30, 2023, the Road and Bridge Fund had a deficit fund balance of (\$1,109,893), the Transfer Station had a deficit fund balance of (\$988,826), the Internal Service had a deficit fund balance of (\$640,967), the TDRA Contract #7217440 Grant Fund had a deficit fund balance of (\$5,850), and the Memorial Cemetery had a deficit fund balance of (\$5,815).

NOTE 16 – FUND BALANCE RESTRICTED OR COMMITTED TO OTHER PURPOSES

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

Restricted Fund Balance:	
Restricted Cash	\$ 673,838
Restricted for Debt Service	1,703,182
Restricted for Special Purpose	4,122,297
Committed for Construction	2,994,021
Unassigned	8,239,732
Total fund Balance	\$ 17,733,070

NOTE 17 – SUBSEQUENT EVENTS

For the purpose of reporting subsequent events, management has considered events occurring up to June 26, 2024, the date of the report was available to be issued. No subsequent events were noted.

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REQUIRED SUPPLEMENTARY INFORMATION

STARR COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Plan Year Ended December 31,			
	2022	2021	2020	2019
Total Pension Liability				
Service cost	\$ 1,678,178	\$ 1,794,895	\$ 1,476,709	\$ 1,359,508
Interest (on the total pension liability)	4,256,862	4,059,281	3,807,245	3,575,258
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(57,598)	(715,271)	(164,257)	(63,228)
Change of assumptions	-	43,361	3,216,881	-
Benefit payments, including refunds of employee contributions	(2,553,241)	(2,381,517)	(2,113,338)	(2,135,637)
Net Change in Total Pension Liability	3,324,201	2,800,749	6,223,240	2,735,901
Total Pension Liability - Beginning	55,586,404	\$ 52,785,655	46,562,415	43,826,514
Total Pension Liability - Ending	\$ 58,910,605	\$ 55,586,404	\$ 52,785,655	\$ 46,562,415
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,396,077	\$ 1,297,874	\$ 1,316,158	\$ 1,138,373
Contributions - employee	925,780	867,563	864,756	791,636
Net investment income	(3,439,604)	10,650,234	4,550,145	6,246,892
Benefit payments, including refunds of employee contributions	(2,553,241)	(2,381,517)	(2,100,662)	(2,135,637)
Administrative expense	(32,421)	(31,925)	(35,561)	(33,563)
Other	17,948	7,575	(26,446)	(1,905)
Net Change in Plan Fiduciary Net Position	(3,685,461)	10,409,804	4,568,390	6,005,796
Plan Fiduciary Net Position - Beginning	59,009,825	48,600,021	44,031,631	38,025,835
Plan Fiduciary Net Position - Ending	\$ 55,324,364	\$ 59,009,825	\$ 48,600,021	\$ 44,031,631
Net Pension Liability - Ending	\$ 3,586,240	\$ (3,423,422)	\$ 4,185,633	\$ 2,530,783
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.91%	106.16%	92.07%	94.56%
Covered Payroll	\$ 18,515,606	\$ 17,351,256	\$ 17,295,113	\$ 15,832,719
Net Pension Liability as a Percentage of Covered Payroll	19.37%	-19.73%	24.20%	15.98%
	2018	2017	2016	2015
Total Pension Liability				
Service cost	\$ 1,322,698	\$ 1,477,749	\$ 1,454,467	\$ 1,234,402
Interest (on the total pension liability)	3,354,911	3,180,024	2,937,528	2,752,024
Changes of benefit terms	-	-	-	(280,132)
Difference between expected and actual experience	(42,953)	(570,494)	(485,701)	60,500
Change of assumptions	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,773,668)	(1,772,619)	(1,585,393)	(1,526,926)
Net Change in Total Pension Liability	2,860,988	2,314,660	2,320,901	2,239,868
Total Pension Liability - Beginning	40,965,526	38,650,866	36,329,965	34,090,097
Total Pension Liability - Ending	\$ 43,826,514	\$ 40,965,526	\$ 38,650,866	\$ 36,329,965
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,116,212	\$ 1,157,528	\$ 1,226,470	\$ 1,125,290
Contributions - employee	739,213	767,072	793,343	725,994
Net investment income	(720,080)	4,915,296	2,292,766	(355,847)
Benefit payments, including refunds of employee contributions	(1,773,668)	(1,772,619)	(1,585,393)	(1,526,926)
Administrative expense	(30,553)	(25,737)	(24,973)	(22,353)
Other	(6,338)	1,794	(45,336)	26,980
Net Change in Plan Fiduciary Net Position	(675,214)	5,043,334	2,656,877	(26,862)
Plan Fiduciary Net Position - Beginning	38,701,049	33,657,715	31,000,838	31,027,700
Plan Fiduciary Net Position - Ending	\$ 38,025,835	\$ 38,701,049	\$ 33,657,715	\$ 31,000,838
Net Pension Liability - Ending	\$ 5,800,679	\$ 2,264,477	\$ 4,993,151	\$ 5,329,127
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.76%	94.47%	87.08%	85.33%
Covered Payroll	\$ 14,784,259	\$ 15,341,443	\$ 15,814,750	\$ 14,519,872
Net Pension Liability as a Percentage of Covered Payroll	39.24%	14.76%	31.57%	36.70%

STARR COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	As of December 31,			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 1,396,077	\$ 1,297,874	\$ 1,316,158	\$ 1,138,373
Contributions in relation to actuarially determined contribution	<u>(1,396,077)</u>	<u>(1,297,874)</u>	<u>(1,316,158)</u>	<u>(1,138,373)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 18,515,606	\$ 17,351,256	\$ 17,295,113	\$ 15,832,719
Contributions as a percentage of covered payroll	7.54%	7.48%	7.61%	7.19%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,116,212	\$ 1,155,211	\$ 1,220,899	\$ 1,125,290
Contributions in relation to actuarially determined contribution	<u>(1,116,212)</u>	<u>(1,157,528)</u>	<u>(1,226,470)</u>	<u>(1,125,290)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (2,317)</u>	<u>\$ (5,571)</u>	<u>\$ -</u>
Covered payroll	\$ 14,784,259	\$ 15,341,443	\$ 15,814,750	\$ 14,519,872
Contributions as a percentage of covered payroll	7.55%	7.53%	7.72%	7.75%

STARR COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN GENERAL FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ 13,653,139	\$ 13,207,634	\$ 12,819,962	\$ (387,672)
Licenses and Permits	185,000	185,000	1,541,037	1,356,037
Intergovernmental Revenue and Grants	650,100	650,100	825,226	175,126
Fines	6,660,000	6,660,000	5,916,270	(743,730)
Investment Earnings	-	-	376,349	376,349
Other Revenue	650,900	650,900	183,482	(467,418)
Total Revenues	21,799,139	21,353,634	21,662,326	308,692
EXPENDITURES				
County Judge	627,254	627,254	547,383	79,871
County Clerk	333,146	333,146	321,451	11,696
Veteran's Service Officer and Inv. Clerk	9,860	9,860	9,847	13
Planning Department	219,523	219,523	203,024	16,500
Personnel Department	209,245	209,245	183,307	25,939
Federal and State Programs	276,875	276,875	236,395	40,480
County Wide General Fund	4,371,100	4,101,100	3,903,981	197,119
Contract for 9-1-1 Services	66,892	66,892	57,953	8,939
County Court-at-Law	401,934	401,934	392,596	9,337
229th District Court	393,170	393,170	389,979	3,190
381st District Court	402,446	402,446	399,186	3,260
District Clerk	373,008	373,008	337,008	35,999
Justice of the Peace Pct. #1	122,153	122,153	90,044	32,109
Justice of the Peace Pct. #2	93,183	93,183	93,114	69
Justice of the Peace Pct. #3	94,961	94,961	93,996	965
Justice of the Peace Pct. #4	92,561	92,561	90,846	1,714
Justice of the Peace Pct. #5	96,061	96,061	91,508	4,553
Justice of the Peace Pct. #6	95,878	95,878	95,656	222
Justice of the Peace Pct. #7	88,357	88,357	86,972	1,385
Justice of the Peace Pct. #8	90,831	90,831	90,645	186
County Attorney	418,769	418,769	418,661	108
District Attorney	642,352	642,352	622,619	19,733
Elections Administrator	213,174	213,174	212,358	817
County Auditor	509,308	509,308	447,604	61,704
County Treasurer	183,904	183,904	179,811	4,092
Tax Collector	464,710	464,710	441,355	23,354
Compliance and Collections	166,173	166,173	163,370	2,803
Building Maintenance	305,632	305,632	294,976	10,656
Detention Center	4,110,135	4,110,135	4,108,902	1,234
Starr County Juvenile Detention Center	426,541	426,541	380,645	45,896
County Wide Services	60,694	60,694	60,630	63
Fire Station Pct. #1	242,696	242,696	242,284	412
Fire Station Pct. #2	236,099	236,099	234,815	1,284
Fire Station Pct. #3	217,620	217,620	214,875	2,745
Fire Station Pct. #4	241,643	241,643	239,014	2,629
Constable Pct. #1-8	365,389	365,389	348,369	17,020
Sheriffs' Department	3,273,097	3,273,097	3,211,429	61,668
Adult Probation	79,927	79,927	77,573	2,354
Health and Welfare	17,300	17,300	2,400	14,900
Elderly Program	89,124	89,124	84,795	4,329
Starr Co. Groundwater District	70,509	70,509	62,960	7,549
Emergency Management	36,223	36,223	29,085	7,138
Agriculture Extension Service	154,592	154,592	153,349	1,243
Nutrition Program Pct. #1	334,748	334,748	333,661	1,087
Nutrition Program Pct. #2	487,786	487,786	487,583	203
Nutrition Program Pct. #3	202,947	202,947	202,029	919
Nutrition Program Pct. #4	339,105	339,105	329,415	9,690
Total Expenditures	22,348,639	22,078,634	21,299,459	779,175
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(549,500)	(725,000)	362,867	1,087,867
OTHER FINANCING SOURCES (USES)				
Transfers In- International Bridge	510,000	510,000	510,000	-
Transfers In- Gas System Transfers	38,500	38,500	-	(38,500)
Transfer from Fund Balance	-	175,500	-	(175,500)
Contribution-Courthouse Security	1,000	1,000	-	(1,000)
Total Other Financing Sources (Uses)	549,500	725,000	510,000	(215,000)
Net Change in Fund Balances	-	-	872,867	872,867
FUND BALANCE, BEGINNING - October 1	8,059,761	8,059,761	8,059,761	-
Prior Period Adjustment	-	-	(19,057)	(19,057)
FUND BALANCE, ENDING - September 30	\$ 8,059,761	\$ 8,059,761	\$ 8,913,570	\$ 853,809

STARR COUNTY, TEXAS
Notes to Required Supplementary Information
As of September 30, 2023

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.

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SUPPLEMENTARY INFORMATION

STARR COUNTY, TEXAS
Balance Sheet - Governmental Funds
As of September 30, 2023

EXHIBIT H-1

	Starr Co. Regional Public Defender Grant	HAVA Cares Act Sub- Grant	TDEM-COVID19 Cares Act CRF	Courthouse Renovation Fund	Crime Victim's Assistance Fund
ASSETS:					
1010 Cash and Cash Equivalents	\$ 72,482	\$ 71,434	\$ 116,080	\$ 216,655	\$ 6,330
1030 Investments - Current	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-
1150 Accounts Receivable, Net	-	-	-	-	-
1300 Due from Other Funds	-	-	-	2,136	34,435
1390 Due from Others	173,411	-	-	-	55,758
TOTAL ASSETS	\$ 245,893	\$ 71,434	\$ 116,080	\$ 218,791	\$ 96,523
LIABILITIES:					
2010 Accounts Payable	241,968	-	-	-	1,709
2020 Payroll Liabilities	-	-	-	-	9,162
2080 Due to Other Funds	3,924	2,443	116,080	-	85,653
2090 Due to Others	-	-	-	-	-
2230 Unearned Revenues	-	68,991	-	-	-
2270 Other Current Liabilities	-	-	-	-	-
TOTAL LIABILITIES	245,893	71,434	116,080	-	96,523
2601 Deferred Resource Inflow - Property Taxes	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-
FUND BALANCES:					
3480 Restricted for Debt Service	-	-	-	-	-
3490 Restricted for Special Purposes	-	-	-	218,791	-
3550 Committed for Construction	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	218,791	-
TOTAL LIABILITIES, DEFERRED LIABILITIES & FUND BALANCES	245,893	71,434	116,080	218,791	96,523

STARR COUNTY, TEXAS
 Balance Sheet - Governmental Funds
 As of September 30, 2023

EXHIBIT H-1 (Cont.)

	DA's Border Prosecution Fund - 2023	DA's Border Prosecution Fund - 2025	CACST Section 5310	Detention Facility Covid - 19, Testing and Prevention	Southwest Border Rural Law Enforcement Assistance	Testing of Forensic Evidence
ASSETS:						
1010 Cash and Cash Equivalents	\$ 28,844	\$ (18,968)	\$ 20,437	\$ 205,189	\$ 3,891	\$ 15,397
1030 Investments - Current	-	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-	-
1150 Accounts Receivable, Net	-	-	-	-	-	-
1300 Due from Other Funds	41,402	1	-	36,704	-	-
1390 Due from Others	24,542	36,110	-	11,220	-	-
TOTAL ASSETS	\$ 94,788	\$ 17,142	\$ 20,437	\$ 253,113	\$ 3,891	\$ 15,397
LIABILITIES:						
2010 Accounts Payable	-	-	-	267	-	-
2020 Payroll Liabilities	-	17,030	-	-	-	-
2080 Due to Other Funds	94,788	112	20,437	252,846	3,891	15,397
2090 Due to Others	-	-	-	-	-	-
2230 Unearned Revenues	-	-	-	-	-	-
2270 Other Current Liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	94,788	17,142	20,437	253,113	3,891	15,397
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 LIABILITIES & FUND BALANCES	94,788	17,142	20,437	253,113	3,891	15,397

STARR COUNTY, TEXAS
Balance Sheet - Governmental Funds
As of September 30, 2023

EXHIBIT H-1 (Cont.)

	Starr Co. HIDTA Task Force G23	BEC/NADBANK SWEP Grant #TX0360 (OMR)	Homeland Security Grants	BEC/NADBANK SWEP Grant #TX0360 (RRR)	Self Help Center Contract #711013	229th DA's Pre Trial Diversion Program
ASSETS:						
1010 Cash and Cash Equivalents	\$ 42,755	\$ 44,554	\$ 308,299	\$ 19,344	\$ 438	\$ 34,235
1030 Investments - Current	-	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-	-
1150 Accounts Receivable, Net	-	-	-	-	-	-
1300 Due from Other Funds	-	-	-	-	2	-
1390 Due from Others	298,189	-	-	-	-	-
TOTAL ASSETS	\$ 340,945	\$ 44,554	\$ 308,299	\$ 19,344	\$ 439	\$ 34,235
LIABILITIES:						
2010 Accounts Payable	-	-	-	-	-	-
2020 Payroll Liabilities	-	-	-	-	-	-
2080 Due to Other Funds	327,381	-	308,299	-	-	1,192
2090 Due to Others	-	-	-	-	-	-
2230 Unearned Revenues	13,564	44,553	-	19,344	438	-
2270 Other Current Liabilities	-	1	-	-	-	-
TOTAL LIABILITIES	340,945	44,554	308,299	19,344	438	1,192
2601 Deferred Resource Inflow - Property Taxes	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
FUND BALANCES:						
3480 Restricted for Debt Service	-	-	-	-	-	-
3490 Restricted for Special Purposes	-	-	0	-	2	33,043
3550 Committed for Construction	-	-	-	-	-	-
TOTAL FUND BALANCES	-	-	0	-	2	33,043
TOTAL LIABILITIES, DEFERRED LIABILITIES & FUND BALANCES	340,945	44,554	308,299	19,344	439	34,235

STARR COUNTY, TEXAS
 Balance Sheet - Governmental Funds
 As of September 30, 2023

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
ASSETS:						
1010 Cash and Cash Equivalents	\$ 477,895	\$ 31,672	\$ 160,944	\$ 107,390	\$ 102,314	\$ 17,060
1030 Investments - Current	-	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-	-
1150 Accounts Receivable, Net	-	-	-	-	-	-
1300 Due from Other Funds	3,675	5,758	3,141	5,570	3,467	25
1390 Due from Others	-	-	-	-	-	-
TOTAL ASSETS	\$ 481,570	\$ 37,430	\$ 164,085	\$ 112,960	\$ 105,782	\$ 17,085
LIABILITIES:						
2010 Accounts Payable	167	-	-	190	-	-
2020 Payroll Liabilities	-	-	-	-	-	-
2080 Due to Other Funds	-	16	-	16	5,325	-
2090 Due to Others	-	-	-	-	-	-
2230 Unearned Revenues	-	-	-	-	-	-
2270 Other Current Liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	167	16	-	206	5,325	-
2601 Deferred Resource Inflow - Property Taxes	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
FUND BALANCES:						
3480 Restricted for Debt Service	-	-	-	-	-	-
3490 Restricted for Special Purposes	481,403	37,415	164,085	112,754	100,457	17,085
3550 Committed for Construction	-	-	-	-	-	-
TOTAL FUND BALANCES	481,403	37,415	164,085	112,754	100,457	17,085
TOTAL LIABILITIES, DEFERRED LIABILITIES & FUND BALANCES	481,570	37,430	164,085	112,960	105,782	17,085

STARR COUNTY, TEXAS
 Balance Sheet - Governmental Funds
 As of September 30, 2023

EXHIBIT H-1 (Cont.)

	LEOSE Fund	Starr Co Judge- Vending Machine Act	Victims of Domestic Violence	Victim Coordinator & Liaison	TDRA TxCDBG Contract #7217440	Starr Co. HIDTA Task Force G22
ASSETS:						
1010 Cash and Cash Equivalents	\$ 37,265	\$ 5,513	\$ (299)	\$ 928	\$ 628	\$ (35,501)
1030 Investments - Current	-	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-	-
1150 Accounts Receivable, Net	-	195	-	-	-	-
1300 Due from Other Funds	-	-	14,690	4,093	-	-
1390 Due from Others	553	-	55,020	-	-	61,679
TOTAL ASSETS	\$ 37,818	\$ 5,708	\$ 69,411	\$ 5,020	\$ 628	\$ 26,178
LIABILITIES:						
2010 Accounts Payable	-	209	5,177	-	-	305
2020 Payroll Liabilities	-	-	6,655	-	-	-
2080 Due to Other Funds	813	-	35,355	5,020	6,477	8,677
2090 Due to Others	-	-	-	-	-	17,196
2230 Unearned Revenues	-	-	22,223	-	-	-
2270 Other Current Liabilities	-	-	-	-	1	-
TOTAL LIABILITIES	813	209	69,411	5,020	6,478	26,178
2601 Deferred Resource Inflow - Property Taxes	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
FUND BALANCES:						
3480 Restricted for Debt Service	-	-	-	-	-	-
3490 Restricted for Special Purposes	37,004	5,499	-	-	(5,850)	-
3550 Committed for Construction	-	-	-	-	-	-
TOTAL FUND BALANCES	37,004	5,499	-	-	(5,850)	-
TOTAL LIABILITIES, DEFERRED LIABILITIES & FUND BALANCES	37,818	5,708	69,411	5,020	628	26,178

STARR COUNTY, TEXAS
 Balance Sheet - Governmental Funds
 As of September 30, 2023

EXHIBIT H-1 (Cont.)

	TDHCA RSP HOME 2017-040	Memorial Cemetery	United Way Domestic Violence Program	Starr Co Border Interdiction Unit	Starr Co Violnt Crime Unit	Starr Co Crime Victims Donation Fund
ASSETS:						
1010 Cash and Cash Equivalents	\$ 2	\$ 14,250	\$ 2,039	\$ 1,725	\$ 18,616	\$ 1,741
1030 Investments - Current	-	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-	-
1150 Accounts Receivable, Net	-	-	-	-	-	-
1300 Due from Other Funds	-	-	2,123	5	58,221	-
1390 Due from Others	-	-	-	4,594	-	-
TOTAL ASSETS	\$ 2	\$ 14,250	\$ 4,162	\$ 6,323	\$ 76,837	\$ 1,741
LIABILITIES:						
2010 Accounts Payable	-	-	218	-	-	123
2020 Payroll Liabilities	-	-	-	874	-	-
2080 Due to Other Funds	2	20,065	67	5,449	26,777	1,555
2090 Due to Others	-	-	-	-	5,000	-
2230 Unearned Revenues	-	-	3,878	-	58	-
2270 Other Current Liabilities	-	-	-	-	45,002	-
TOTAL LIABILITIES	2	20,065	4,162	6,323	76,837	1,678
2601 Deferred Resource Inflow - Property Taxes	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
FUND BALANCES:						
3480 Restricted for Debt Service	-	-	-	-	-	-
3490 Restricted for Special Purposes	-	(5,815)	-	-	(0)	63
3550 Committed for Construction	-	-	-	-	-	-
TOTAL FUND BALANCES	-	(5,815)	-	-	(0)	63
TOTAL LIABILITIES, DEFERRED LIABILITIES & FUND BALANCES	2	14,250	4,162	6,323	76,837	1,741

STARR COUNTY, TEXAS
Balance Sheet - Governmental Funds
As of September 30, 2023

EXHIBIT H-1 (Cont.)

	Project Safe Neighborhood Grant	JP's Justice Court Technology Fund	County Attorney LBSP - FY23	Juvenile Intervention Serv Prg Grant	CSCD Bond Supervision Program	Title IV - E Department of Family Protective Serv
ASSETS:						
1010 Cash and Cash Equivalents	\$ 754	\$ 6,582	\$ 4,232	\$ 7,592	\$ 216,658	\$ 4,217
1030 Investments - Current	-	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-	-
1150 Accounts Receivable, Net	-	-	-	-	4,078	-
1300 Due from Other Funds	155	341	-	2,366	-	-
1390 Due from Others	12,977	-	-	1,389	-	36,220
TOTAL ASSETS	\$ 13,886	\$ 6,923	\$ 4,232	\$ 11,347	\$ 220,736	\$ 40,437
LIABILITIES:						
2010 Accounts Payable	-	-	-	-	3,485	-
2020 Payroll Liabilities	4,029	-	-	-	-	-
2080 Due to Other Funds	9,857	98	4,232	6,247	-	40,437
2090 Due to Others	-	-	-	5,100	-	-
2230 Unearned Revenues	-	-	-	-	-	-
2270 Other Current Liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	13,886	98	4,232	11,347	3,485	40,437
2601 Deferred Resource Inflow - Property Taxes	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
FUND BALANCES:						
3480 Restricted for Debt Service	-	-	-	-	-	-
3490 Restricted for Special Purposes	-	6,824	-	-	217,250	-
3550 Committed for Construction	-	-	-	-	-	-
TOTAL FUND BALANCES	-	6,824	-	-	217,250	-
TOTAL LIABILITIES, DEFERRED LIABILITIES & FUND BALANCES	13,886	6,923	4,232	11,347	220,736	40,437

STARR COUNTY, TEXAS
 Balance Sheet - Governmental Funds
 As of September 30, 2023

EXHIBIT H-1 (Cont.)

	Joint Investigation - ICE & Sheriff	School Resource Officer 4019901/4019902	Starr Co Attourney Investigator 4019801	Homeland Security DA - SLOT Grant Overtime	Crime Against Women Division / VAWA Grant	Homeland Security CA - SLOT Grant Overtime
ASSETS:						
1010 Cash and Cash Equivalents	\$ 3,637	\$ 394	\$ 1,623	\$ 4,249	\$ 120	\$ 2,671
1030 Investments - Current	-	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-	-
1150 Accounts Receivable, Net	-	-	-	-	-	-
1300 Due from Other Funds	-	-	-	-	-	-
1390 Due from Others	-	-	4,300	-	-	-
TOTAL ASSETS	\$ 3,637	\$ 394	\$ 5,923	\$ 4,249	\$ 120	\$ 2,671
LIABILITIES:						
2010 Accounts Payable	-	-	-	-	-	-
2020 Payroll Liabilities	-	-	1,433	-	-	-
2080 Due to Other Funds	1,818	394	4,490	157	120	2,671
2090 Due to Others	-	-	-	-	-	-
2230 Unearned Revenues	1,818	-	-	4,093	-	-
2270 Other Current Liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	3,637	394	5,923	4,249	120	2,671
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 LIABILITIES & FUND BALANCES	3,637	394	5,923	4,249	120	2,671

STARR COUNTY, TEXAS
Balance Sheet - Governmental Funds
As of September 30, 2023

EXHIBIT H-1 (Cont.)

	Joint Law Enforcement Operations Sheriff & US Mars	LBSP FY2023 - Sheriff's	DA's Lobal Border Security FY23	DA's OPSG - FY22 (Grant#3685806)	OPSG (Starr 2022) Sheriff
ASSETS:					
1010 Cash and Cash Equivalents	\$ 1,865	\$ 1,906	\$ 25,402	\$ 4,657	\$ 3,020
1030 Investments - Current	-	-	-	-	-
1040 Interest Receivable - Investments	-	-	-	-	-
1050 Taxes Receivable	-	-	-	-	-
1150 Accounts Receivable, Net	-	-	-	-	-
1300 Due from Other Funds	1,451	-	-	-	-
1390 Due from Others	577	-	-	17,865	127,438
TOTAL ASSETS	\$ 3,893	\$ 1,906	\$ 25,402	\$ 22,522	\$ 130,458
LIABILITIES:					
2010 Accounts Payable	-	-	-	-	-
2020 Payroll Liabilities	-	-	-	5,661	40,038
2080 Due to Other Funds	3,835	1,906	25,402	16,861	90,420
2090 Due to Others	-	-	-	-	-
2230 Unearned Revenues	58	-	-	-	-
2270 Other Current Liabilities	-	-	-	-	-
TOTAL LIABILITIES	3,893	1,906	25,402	22,522	130,458
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 LIABILITIES & FUND BALANCES	3,893	1,906	25,402	22,522	130,458

STARR COUNTY, TEXAS
Balance Sheet - Governmental Funds
As of September 30, 2023

EXHIBIT H-1 (Cont.)

	Debt Service Funds		Capital Project Funds		Total
	Debt Service Fund	Starr County I&S Fund 2004	Starr County Construction 2004	Starr County Construction Series 2023	
ASSETS:					
1010 Cash and Cash Equivalents	\$ 729,734	\$ 419,565	\$ 301,607	\$ 2,400,493	\$ 6,272,555
1030 Investments - Current	516,599	-	-	-	516,599
1040 Interest Receivable - Investments	418	-	-	-	418
1050 Taxes Receivable	329,386	-	-	-	329,386
1150 Accounts Receivable, Net	-	-	-	-	4,273
1300 Due from Other Funds	362,298	36,911	291,921	-	910,890
1390 Due from Others	-	-	-	-	921,840
TOTAL ASSETS	\$ 1,938,435	\$ 456,476	\$ 593,528	\$ 2,400,493	\$ 8,955,961
LIABILITIES:					
2010 Accounts Payable	-	-	-	-	253,817
2020 Payroll Liabilities	-	-	-	-	84,882
2080 Due to Other Funds	45	362,298	-	-	1,919,345
2090 Due to Others	-	-	-	-	27,296
2230 Unearned Revenues	-	-	-	-	179,017
2270 Other Current Liabilities	-	-	-	-	45,004
TOTAL LIABILITIES	45	362,298	-	-	2,509,361
2601 Deferred Resource Inflow - Property Taxes	329,386	-	-	-	329,386
TOTAL DEFERRED INFLOWS OF RESOURCES	329,386	-	-	-	329,386.24
FUND BALANCES:					
3480 Restricted for Debt Service	1,609,004	94,178	-	-	1,703,182
3490 Restricted for Special Purposes	-	-	-	-	1,420,011
3550 Committed for Construction	-	-	593,528	2,400,493	2,994,021
TOTAL FUND BALANCES	1,609,004	94,178	593,528	2,400,493	6,117,214
TOTAL LIABILITIES, DEFERRED LIABILITIES & FUND BALANCES	1,938,435	456,476	593,528	2,400,493	\$ 8,955,961

STARR COUNTY, TEXAS

EXHIBIT H - 2

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
For the year ended September 30, 2023

		Starr Co. Regional Public Defender Grant	Courthouse Renovation Fund	Crime Victim's Assistance Fund	DA's Border Prosecution Fund - 2023	DA's Border Prosecution Fund - 2025
REVENUES:						
5110	Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
5300	Intergovernmental Revenue and Grants	967,874	-	335,607	527,471	36,110
5400	Charges for Services	-	23,352	-	-	-
5510	Fines	-	-	-	-	-
5610	Investment Earnings	-	4,412	-	-	-
5700	Other Revenue	-	-	-	-	-
	TOTAL REVENUES	967,874	27,763	335,607	527,471	36,110
100	General Government	967,874	-	-	-	-
150	Financial Administration	-	-	-	-	-
200	Public Safety	-	-	319,652	527,471	36,110
400	Health and Welfare	-	-	-	-	-
710	Principal on Debt	-	-	816	-	-
720	Interest on Debt	-	-	88	-	-
790	Other Debt Service	-	-	-	-	-
800	Capital Outlay	-	-	15,052	-	-
	TOTAL EXPENDITURES	967,874	-	335,607	527,471	36,110
Excess(Deficiency) of Revenues Over(Under)						
	Expenditures	-	27,763	-	-	-
	7911 Issuance of Bonds	-	-	-	-	-
	7915 Transfers In	-	-	-	-	-
	8911 Transfers Out	-	-	-	-	-
	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
	Net Change in Fund Balances	\$ -	\$ 27,763	\$ -	\$ -	\$ -
3600	Fund Balance - Beginning	\$ -	\$ 191,028	\$ -	\$ -	\$ -
3700	Prior Period Adjustment	-	-	-	-	-
3900	Fund Balance - Ending	\$ -	\$ 218,791	\$ -	\$ -	\$ -

STARR COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
For the year ended September 30, 2023

EXHIBIT H - 2 (Cont.)

		Detention Facility Covid - 19, Testing and Prevention	Southwest Border Rural Law Enforcement Assistance	Testing of Forensic Evidence	Starr Co. HIDTA Task Force G23	Homeland Security Grants	Starr Co HIDTA Task Force #G21
REVENUES:							
5110	Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5300	Intergovernmental Revenue and Grants	60,520	93,496	13,849	298,189	327,741	7,754
5400	Charges for Services	-	-	-	-	-	-
5510	Fines	-	-	-	-	-	-
5610	Investment Earnings	-	-	-	-	-	-
5700	Other Revenue	-	-	-	-	-	-
	TOTAL REVENUES	60,520	93,496	13,849	298,189	327,741	7,754
100	General Government	-	-	13,849	298,189	-	-
150	Financial Administration	-	-	-	-	-	-
200	Public Safety	-	-	-	-	116,482	7,754
400	Health and Welfare	60,520	66,866	-	-	-	-
710	Principal on Debt	-	-	-	-	-	-
720	Interest on Debt	-	-	-	-	-	-
790	Other Debt Service	-	-	-	-	-	-
800	Capital Outlay	-	26,630	-	-	211,259	-
	TOTAL EXPENDITURES	60,520	93,496	13,849	298,189	327,741	7,754
Excess(Deficiency) of Revenues Over(Under)							
	Expenditures	-	-	-	-	-	-
	7911 Issuance of Bonds	-	-	-	-	-	-
	7915 Transfers In	-	-	-	-	-	-
	8911 Transfers Out	-	-	-	-	-	-
	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
	Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3600	Fund Balance - Beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3700	Prior Period Adjustment	-	-	-	-	-	-
3900	Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STARR COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
For the year ended September 30, 2023

EXHIBIT H - 2 (Cont.)

		Self Help Center Contract #711013	229th DA's Pre Trial Diversion Program	Law Library Fund	Surcharge Fund	Courthouse Security Fund	Archives Mgmt Fund - Co Clerk
REVENUES:							
5110	Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5300	Intergovernmental Revenue and Grants	2	-	-	-	-	-
5400	Charges for Services	-	12,000	38,780	73,477	34,773	70,500
5510	Fines	-	-	-	-	-	-
5610	Investment Earnings	-	589	9,853	652	3,095	2,204
5700	Other Revenue	-	-	-	-	-	-
	TOTAL REVENUES	2	12,589	48,633	74,129	37,868	72,704
100	General Government	-	-	-	-	-	-
150	Financial Administration	-	-	1,051	71,351	-	49,626
200	Public Safety	-	89	-	-	-	-
400	Health and Welfare	-	-	-	-	-	-
710	Principal on Debt	-	-	-	-	-	-
720	Interest on Debt	-	-	-	-	-	-
790	Other Debt Service	-	-	-	-	-	-
800	Capital Outlay	-	-	-	-	-	-
	TOTAL EXPENDITURES	-	89	1,051	71,351	-	49,626
Excess(Deficiency) of Revenues Over(Under)							
	Expenditures	2	12,500	47,582	2,778	37,868	23,077
7911	Issuance of Bonds	-	-	-	-	-	-
7915	Transfers In	-	-	-	-	-	-
8911	Transfers Out	-	-	-	-	-	-
	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
	Net Change in Fund Balances	\$ 2	\$ 12,500	\$ 47,582	\$ 2,778	\$ 37,868	\$ 23,077
3600	Fund Balance - Beginning	\$ (42,461)	\$ 20,543	\$ 433,821	\$ 34,636	\$ 126,217	\$ 89,677
3700	Prior Period Adjustment	42,461	0	0	0	(0)	(0)
3900	Fund Balance - Ending	\$ 2	\$ 33,043	\$ 481,403	\$ 37,415	\$ 164,085	\$ 112,754

STARR COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
For the year ended September 30, 2023

EXHIBIT H - 2 (Cont.)

		Records Mgmt & Pres Fund District Clerk	Records Mgmt & Pres Fund County Clerk	LEOSE Fund	Starr Co Judge-Vending Machine Act
REVENUES:					
5110	Property Taxes	\$ -	\$ -	\$ -	\$ -
5300	Intergovernmental Revenue and Grants	-	-	6,673	-
5400	Charges for Services	37,686	489	-	-
5510	Fines	-	-	-	-
5610	Investment Earnings	1,820	359	-	112
5700	Other Revenue	-	-	-	3,343
	TOTAL REVENUES	39,507	848	6,673	3,455
100	General Government	-	-	-	2,091
150	Financial Administration	-	-	-	-
200	Public Safety	-	-	6,040	-
400	Health and Welfare	-	-	-	-
710	Principal on Debt	-	-	-	-
720	Interest on Debt	-	-	-	-
790	Other Debt Service	-	-	-	-
800	Capital Outlay	-	-	-	-
	TOTAL EXPENDITURES	-	-	6,040	2,091
Excess(Deficiency) of Revenues Over(Under)					
	Expenditures	39,507	848	633	1,364
7911	Issuance of Bonds	-	-	-	-
7915	Transfers In	-	-	-	-
8911	Transfers Out	-	-	-	-
	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
	Net Change in Fund Balances	\$ 39,507	\$ 848	\$ 633	\$ 1,364
3600	Fund Balance - Beginning	\$ 60,950	\$ 16,237	\$ 36,371	\$ 4,135
3700	Prior Period Adjustment	(0)	0	0	0
3900	Fund Balance - Ending	\$ 100,457	\$ 17,085	\$ 37,004	\$ 5,499

STARR COUNTY, TEXAS

EXHIBIT H - 2 (Cont.)

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
For the year ended September 30, 2023

		Victims of Domestic Violence		TDRA TxCDBG Contract #7217440		Starr Co. HIDTA Task Force G22		Memorial Cemetary
REVENUES:								
5110	Property Taxes	\$	-	\$	-	\$	-	-
5300	Intergovernmental Revenue and Grants		198,563		-		297,854	-
5400	Charges for Services		-		-		-	77,750
5510	Fines		-		-		-	-
5610	Investment Earnings		-		-		-	1,058
5700	Other Revenue		-		-		-	9,693
	TOTAL REVENUES		198,563		-		297,854	88,501
100	General Government		-		-		-	18,364
150	Financial Administration		-		-		-	-
200	Public Safety		198,563		-		297,854	-
400	Health and Welfare		-		-		-	-
710	Principal on Debt		-		-		-	-
720	Interest on Debt		-		-		-	-
790	Other Debt Service		-		-		-	-
800	Capital Outlay		-		-		-	95,441
	TOTAL EXPENDITURES		198,563		-		297,854	113,806
Excess(Deficiency) of Revenues Over(Under)								
	Expenditures		-		-		-	(25,305)
7911	Issuance of Bonds		-		-		-	-
7915	Transfers In		-		-		-	-
8911	Transfers Out		-		-		-	-
	TOTAL OTHER FINANCING SOURCES (USES)		-		-		-	-
	Net Change in Fund Balances	\$	-	\$	-	\$	-	(25,305)
3600	Fund Balance - Beginning	\$	-	\$	(5,850)	\$	-	29,183
3700	Prior Period Adjustment		-		-		-	(9,693)
3900	Fund Balance - Ending	\$	-	\$	(5,850)	\$	-	(5,815)

STARR COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
For the year ended September 30, 2023

EXHIBIT H - 2 (Cont.)

		United Way Domestic Violence Program	Starr Co Border Interdiction Unit	Starr Co Violnt Crime Unit	Starr Co Crime Victims Donation Fund	Project Safe Neighborhood Grant
REVENUES:						
5110	Property Taxes	\$ -	\$ -	\$ -	\$ -	-
5300	Intergovernmental Revenue and Grants	26,122	52,235	35,680	-	61,525
5400	Charges for Services	-	-	-	-	-
5510	Fines	-	-	-	-	-
5610	Investment Earnings	-	-	-	-	-
5700	Other Revenue	500	-	-	-	-
	TOTAL REVENUES	26,622	52,235	35,680	-	61,525
100	General Government	-	-	-	-	-
150	Financial Administration	-	-	-	-	-
200	Public Safety	26,622	52,235	35,680	123	61,525
400	Health and Welfare	-	-	-	-	-
710	Principal on Debt	-	-	-	-	-
720	Interest on Debt	-	-	-	-	-
790	Other Debt Service	-	-	-	-	-
800	Capital Outlay	-	-	-	-	-
	TOTAL EXPENDITURES	26,622	52,235	35,680	123	61,525
Excess(Deficiency) of Revenues Over(Under)						
	Expenditures	-	-	-	(123)	-
	7911 Issuance of Bonds	-	-	-	-	-
	7915 Transfers In	-	-	-	-	-
	8911 Transfers Out	-	-	-	-	-
	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
	Net Change in Fund Balances	\$ -	\$ -	\$ -	(123) \$	-
3600	Fund Balance - Beginning	\$ -	\$ -	\$ -	186 \$	-
3700	Prior Period Adjustment	-	-	-	0	-
3900	Fund Balance - Ending	\$ -	\$ -	\$ -	63 \$	-

STARR COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
For the year ended September 30, 2023

EXHIBIT H - 2 (Cont.)

		Chapter 19 Fund	JP's Justice Court Technology Fund	County Attorney LBSP - FY23	Juvenile Intervention Serv Prg Grant
REVENUES:					
5110	Property Taxes	\$ -	\$ -	\$ -	\$ -
5300	Intergovernmental Revenue and Grants	-	-	9,994	41,172
5400	Charges for Services	-	3,852	-	-
5510	Fines	-	-	-	-
5610	Investment Earnings	-	-	-	-
5700	Other Revenue	2,652	-	-	-
	TOTAL REVENUES	2,652	3,852	9,994	41,172
100	General Government	-	-	-	-
150	Financial Administration	2,652	-	-	-
200	Public Safety	-	-	9,994	41,172
400	Health and Welfare	-	-	-	-
710	Principal on Debt	-	-	-	-
720	Interest on Debt	-	-	-	-
790	Other Debt Service	-	-	-	-
800	Capital Outlay	-	-	-	-
	TOTAL EXPENDITURES	2,652	-	9,994	41,172
Excess(Deficiency) of Revenues Over(Under)					
	Expenditures	-	3,852	-	-
7911	Issuance of Bonds	-	-	-	-
7915	Transfers In	-	-	-	-
8911	Transfers Out	-	-	-	-
	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
	Net Change in Fund Balances	\$ -	\$ 3,852	\$ -	\$ -
3600	Fund Balance - Beginning	\$ -	\$ 2,972	\$ -	\$ -
3700	Prior Period Adjustment	-	0	-	-
3900	Fund Balance - Ending	\$ -	\$ 6,824	\$ -	\$ -

STARR COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
For the year ended September 30, 2023

EXHIBIT H - 2 (Cont.)

		CSCD Bond Supervision Program	Title IV - E Department of Family Protective Serv	Starr Co Attorney Investigator 4019801	Homeland Security DA - SLOT Grant Overtime
REVENUES:					
5110	Property Taxes	\$ -	\$ -	\$ -	\$ -
5300	Intergovernmental Revenue and Grants	-	59,680	37,625	2,086
5400	Charges for Services	106,140	-	-	-
5510	Fines	-	-	-	-
5610	Investment Earnings	3,998	-	-	-
5700	Other Revenue	-	-	-	-
	TOTAL REVENUES	110,139	59,680	37,625	2,086
100	General Government	10,842	-	-	-
150	Financial Administration	-	-	-	-
200	Public Safety	-	59,680	37,625	2,086
400	Health and Welfare	-	-	-	-
710	Principal on Debt	-	-	-	-
720	Interest on Debt	-	-	-	-
790	Other Debt Service	-	-	-	-
800	Capital Outlay	-	-	-	-
	TOTAL EXPENDITURES	10,842	59,680	37,625	2,086
Excess(Deficiency) of Revenues Over(Under)					
	Expenditures	99,297	-	-	-
7911	Issuance of Bonds	-	-	-	-
7915	Transfers In	-	-	-	-
8911	Transfers Out	-	-	-	-
	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
	Net Change in Fund Balances	\$ 99,297	\$ -	\$ -	\$ -
3600	Fund Balance - Beginning	\$ 117,953	\$ -	\$ -	\$ -
3700	Prior Period Adjustment	0	-	-	-
3900	Fund Balance - Ending	\$ 217,250	\$ -	\$ -	\$ -

STARR COUNTY, TEXAS

EXHIBIT H - 2 (Cont.)

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
For the year ended September 30, 2023

		Crime Against Women Division /	Joint Law Enforcement Operations		DA's Lobal Border Security
		VAWA Grant	Sheriff & US Mars	LBSP FY2023 - Sheriff's	FY23
REVENUES:					
5110	Property Taxes	\$ -	\$ -	\$ -	\$ -
5300	Intergovernmental Revenue and Grants	4,306	1,682	200,000	50,000
5400	Charges for Services	-	-	-	-
5510	Fines	-	-	-	-
5610	Investment Earnings	-	-	-	-
5700	Other Revenue	-	-	-	-
	TOTAL REVENUES	4,306	1,682	200,000	50,000
100	General Government	-	-	-	-
150	Financial Administration	-	-	-	-
200	Public Safety	4,306	1,682	200,000	50,000
400	Health and Welfare	-	-	-	-
710	Principal on Debt	-	-	-	-
720	Interest on Debt	-	-	-	-
790	Other Debt Service	-	-	-	-
800	Capital Outlay	-	-	-	-
	TOTAL EXPENDITURES	4,306	1,682	200,000	50,000
Excess(Deficiency) of Revenues Over(Under)					
	Expenditures	-	-	-	-
	7911 Issuance of Bonds	-	-	-	-
	7915 Transfers In	-	-	-	-
	8911 Transfers Out	-	-	-	-
	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
	Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ -
3600	Fund Balance - Beginning	\$ -	\$ -	\$ -	\$ -
3700	Prior Period Adjustment	-	-	-	-
3900	Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

STARR COUNTY, TEXAS

EXHIBIT H - 2 (Cont.)

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
For the year ended September 30, 2023

	DA's OPSG - FY21 (Grant#3685805)	DA's OPSG - FY22 (Grant#3685806)	OPSG (Starr 2022) Sheriff	Starr - 2021 OPSG
REVENUES:				
5110	Property Taxes	\$ -	\$ -	\$ -
5300	Intergovernmental Revenue and Grants	24,476	69,062	697,829
5400	Charges for Services	-	-	-
5510	Fines	-	-	-
5610	Investment Earnings	-	-	-
5700	Other Revenue	-	-	-
	TOTAL REVENUES	24,476	69,062	697,829
100	General Government	-	-	-
150	Financial Administration	-	-	-
200	Public Safety	24,476	69,062	629,283
400	Health and Welfare	-	-	-
710	Principal on Debt	-	-	-
720	Interest on Debt	-	-	-
790	Other Debt Service	-	-	-
800	Capital Outlay	-	-	68,545
	TOTAL EXPENDITURES	24,476	69,062	697,829
Excess(Deficiency) of Revenues Over(Under)				
	Expenditures	-	-	-
	7911 Issuance of Bonds	-	-	-
	7915 Transfers In	-	-	-
	8911 Transfers Out	-	-	-
	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
	Net Change in Fund Balances	\$ -	\$ -	\$ -
3600	Fund Balance - Beginning	\$ -	\$ -	\$ -
3700	Prior Period Adjustment	-	-	-
3900	Fund Balance - Ending	\$ -	\$ -	\$ -

STARR COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
For the year ended September 30, 2023

EXHIBIT H - 2 (Cont.)

		Debt Service Funds		Capital Project Funds				
		Starr County I&S Fund		Starr County Construction 2004		Starr County Construction Series 2023		Total
		Debt Service Fund	2004	Starr County Construction 2004	Starr County Construction Series 2023			Total
REVENUES:								
5110	Property Taxes	\$ -	\$ 43,514	\$ -	\$ -			43,514
5300	Intergovernmental Revenue and Grants	-	-	-	-			4,890,916
5400	Charges for Services	-	-	-	-			478,800
5510	Fines	-	-	-	-			-
5610	Investment Earnings	23,802	8,527	6,448	493			67,422
5700	Other Revenue	-	-	-	-			16,188
TOTAL REVENUES		23,802	52,041	6,448	493			5,496,840
100	General Government	-	-	-	-			1,311,210
150	Financial Administration	-	-	-	-			124,680
200	Public Safety	-	-	-	-			3,161,306
400	Health and Welfare	-	-	-	-			127,386
710	Principal on Debt	-	-	-	-			816
720	Interest on Debt	-	-	-	-			88
790	Other Debt Service	-	80,000	-	-			80,000
800	Capital Outlay	-	-	-	-			416,927
TOTAL EXPENDITURES		-	80,000	-	-			5,222,413
Excess(Deficiency) of Revenues Over(Under)								
Expenditures		23,802	(27,959)	6,448	493			274,427
7911	Issuance of Bonds	-	2,480,000	-	-			2,480,000
7915	Transfers In	-	-	-	2,400,000			2,400,000
8911	Transfers Out	-	(2,400,000)	-	-			(2,400,000)
TOTAL OTHER FINANCING SOURCES (USES)		-	80,000	-	2,400,000			2,480,000
Net Change in Fund Balances		\$ 23,802	\$ 52,041	\$ 6,448	\$ 2,400,493			\$ 2,754,427
3600	Fund Balance - Beginning	\$ 1,585,202	\$ 42,137	\$ 587,080	\$ -			\$ 3,330,016
3700	Prior Period Adjustment	(0)	0	-	-			32,770
3900	Fund Balance - Ending	\$ 1,609,004	\$ 94,178	\$ 593,528	\$ 2,400,493			\$ 6,117,214

Combining statement of Net Position - Fiduciary Funds
As of September 30, 2023

	229th Probation Fund	Juvenile Probation & Resolution Fund	County Attorney Fund	District Attorney	County Clerk Fund
ASSETS:					
1010 Cash and Cash Equivalents	\$ 20,616	\$ 29,437	\$ 132,371	\$ 1,063,106	\$ 770,178
1030 Investments - Current	-	-	-	-	-
1150 Accounts Receivable, Net	1,190	-	9,272	-	-
1300 Due from Other Funds	-	2,946	4,504	310,630	-
1390 Due from Others	-	-	-	32,301	-
1430 Prepaid Items	-	-	-	-	-
TOTAL ASSETS	\$ 21,806	\$ 32,383	\$ 146,147	\$ 1,406,037	\$ 770,178
LIABILITIES:					
2010 Accounts Payable	-	-	20,480	3,163	-
2080 Due to Other Funds	-	2,366	32,856	154,123	78,812
2090 Due to Others	14,503	-	-	436,364	197,918
TOTAL LIABILITIES	14,503	2,366	53,336	593,650	276,730
NET POSITION:					
3009 Restricted for Fiduciary Purposes	7,303	30,017	92,811	812,387	493,448
TOTAL NET POSITION	7,303	30,017	92,811	812,387	493,448
TOTAL LIABILITIES & NET POSITION	\$ 21,806	\$ 32,383	\$ 146,147	\$ 1,406,037	\$ 770,178

Combining statement of Net Position - Fiduciary Funds
As of September 30, 2023

	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	\$ 627,474	\$ 450,319	\$ 818,837	\$ 86,822	\$ 704,024	\$ 2,433,631	\$ 856,098
1030 Investments - Current	-	-	-	-	-	-	121,110
1150 Accounts Receivable, Net	-	186,279	-	-	-	-	-
1300 Due from Other Funds	-	182	70,001	-	-	-	22,411
1390 Due from Others	-	-	-	-	-	-	-
1430 Prepaid Items	-	-	67,473	-	-	-	-
TOTAL ASSETS	\$ 627,474	\$ 636,780	\$ 956,311	\$ 86,822	\$ 704,024	\$ 2,433,631	\$ 999,619
LIABILITIES:							
2010 Accounts Payable	-	215	-	-	-	-	-
2080 Due to Other Funds	-	181,111	608,737	35,199	-	33,571	319
2090 Due to Others	114,950	570,282	213,659	-	704,024	2,400,060	149,610
TOTAL LIABILITIES	114,950	751,608	822,396	35,199	704,024	2,433,631	149,929
NET POSITION:							
3009 Restricted for Fiduciary Purposes	512,524	(114,828)	133,915	51,622	-	0	849,690
TOTAL NET POSITION	512,524	(114,828)	133,915	51,622	-	0	849,690
TOTAL LIABILITIES & NET POSITION	\$ 627,474	\$ 636,780	\$ 956,311	\$ 86,822	\$ 704,024	\$ 2,433,631	\$ 999,619

Combining statement of Net Position - Fiduciary Funds
As of September 30, 2023

	Compliance ad Collections	Retirement System Fund	Jury Fund	Health Inspection Fund	Consolidated Court Costs Fund	TNRCC Inspection Fee Fund
ASSETS:						
1010 Cash and Cash Equivalents	\$ 31,318	\$ 833	\$ 6,121	\$ 6,526	\$ 123,965	\$ 6,149
1030 Investments - Current	-	-	-	-	-	-
1150 Accounts Receivable, Net	3,149	-	-	-	360	-
1300 Due from Other Funds	-	180,847	-	-	14,784	-
1390 Due from Others	-	-	-	-	-	-
1430 Prepaid Items	-	-	-	-	-	-
TOTAL ASSETS	\$ 34,467	\$ 181,680	\$ 6,121	\$ 6,526	\$ 139,109	\$ 6,149
LIABILITIES:						
2010 Accounts Payable	2,466	-	-	-	-	-
2080 Due to Other Funds	8,892	3,992	1,591	6,526	43,266	120
2090 Due to Others	255	180,847	-	-	47,287	150
TOTAL LIABILITIES	11,613	184,839	1,591	6,526	90,553	270
NET POSITION:						
3009 Restricted for Fiduciary Purposes	22,854	(3,159)	4,529	-	48,556	5,879
TOTAL NET POSITION	22,854	(3,159)	4,529	-	48,556	5,879
TOTAL LIABILITIES & NET POSITION	\$ 34,467	\$ 181,680	\$ 6,121	\$ 6,526	\$ 139,109	\$ 6,149

Combining statement of Net Position - Fiduciary Funds
As of September 30, 2023

	Fourth Court of Appeals Civil Suits Fund	Border Area Narc Task Force Forfeiture	Tertiary Care Trauma Fund	Planning Department Fund	Scholarship Fund	Total
ASSETS:						
1010 Cash and Cash Equivalents	\$ 1,073	\$ 44,496	\$ 1,445	\$ 299	\$ 19,829	\$ 8,234,968
1030 Investments - Current	-	-	-	-	-	121,110
1150 Accounts Receivable, Net	-	-	-	-	-	200,250
1300 Due from Other Funds	525	43,500	71	-	-	650,402
1390 Due from Others	-	-	-	-	-	32,301
1430 Prepaid Items	-	-	-	-	-	67,473
TOTAL ASSETS	\$ 1,598	\$ 87,996	\$ 1,516	\$ 299	\$ 19,829	\$ 9,306,504
LIABILITIES:						
2010 Accounts Payable	-	-	-	188	-	26,511
2080 Due to Other Funds	42	-	787	161	-	1,192,472
2090 Due to Others	1,475	-	729	-	-	5,032,115
TOTAL LIABILITIES	1,517	-	1,516	348	-	6,251,098
NET POSITION:						
3009 Restricted for Fiduciary Purposes	81	87,996	(0)	(49)	19,829	3,055,406
TOTAL NET POSITION	81	87,996	(0)	(49)	19,829	3,055,406
TOTAL LIABILITIES & NET POSITION	\$ 1,598	\$ 87,996	\$ 1,516	\$ 299	\$ 19,829	\$ 9,306,504

STARR COUNTY, TEXAS

Exhibit H-10

Combining Statement of Revenues, Expenses, and Changes in Net
Position - Fiduciary Funds
As of September 30, 2023

		Juvenile Probation & Resolution		County Attorney		District Attorney		County Clerk Fund	
		229th Probation Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund
ADDITIONS:									
5201	Tax Collections for Other Governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5202	Held for Others	252,337	4,201	160,865	567,742	404,123			
5610	Investment Earnings	557	568	2,763	21,254	-			
	TOTAL ADDITIONS	\$ 252,894	\$ 4,769	\$ 163,628	\$ 588,996	\$ 404,123			
DEDUCTIONS:									
70	Payments to Other Governments	-	-	-	-	-	-	-	-
90	Payments to Individuals and Services	250,375	358	141,471	569,337	381,409			
710	Principal on Debt	-	-	3,406	-	-			
720	Interest on Debt	-	-	98	-	-			
800	Capital Outlay	-	-	5,998	144,412	-			
	TOTAL DEDUCTIONS	250,375	358	150,973	713,749	381,409			
	Net Change in Fiduciary Balances	\$ 2,519	\$ 4,411	\$ 12,655	\$ (124,753)	\$ 22,714			
3600	Net Position - Beginning	\$ 4,784	\$ 25,606	\$ 80,156	\$ 937,140	\$ 470,734			
3900	Net Position - Ending	\$ 7,303	\$ 30,017	\$ 92,811	\$ 812,387	\$ 493,448			

STARR COUNTY, TEXAS

EXHIBIT H-10 (Cont.)

Combining Statement of Revenues, Expenses, and Changes in Net
Position - Fiduciary Funds
As of September 30, 2023

		Detention Center Fund	Motor Vehicle & Special Inventory	Tax Assessor & Collector Fund	Justice of the Peace Fund	Sheriff's Office	Compliance ad Collections
ADDITIONS:							
5201	Tax Collections for Other Governments	\$ -	\$ -	\$ 31,526,468	\$ -	\$ -	\$ -
5202	Held for Others	530,241	9,341,501	-	224,148	424,440	160,569
5610	Investment Earnings	-	2,412	-	-	-	-
	TOTAL ADDITIONS	\$ 530,241	\$ 9,343,913	\$ 31,526,468	\$ 224,148	\$ 424,440	\$ 160,569
DEDUCTIONS:							
70	Payments to Other Governments	-	-	31,824,411	-	-	-
90	Payments to Individuals and Services	328,328	9,530,984	-	225,789	308,615	162,685
710	Principal on Debt	-	-	-	-	-	-
720	Interest on Debt	-	-	-	-	-	-
800	Capital Outlay	-	-	-	-	-	-
	TOTAL DEDUCTIONS	328,328	9,530,984	31,824,411	225,789	308,615	162,685
	Net Change in Fiduciary Balances	\$ 201,913	\$ (187,070)	\$ (297,943)	\$ (1,642)	\$ 115,826	\$ (2,116)
3600	Net Position - Beginning	\$ 310,611	\$ 72,242	\$ 431,857	\$ 53,264	\$ 733,864	\$ 24,970
3900	Net Position - Ending	\$ 512,524	\$ (114,828)	\$ 133,915	\$ 51,622	\$ 849,690	\$ 22,854

STARR COUNTY, TEXAS

EXHIBIT H-10 (Cont.)

Combining Statement of Revenues, Expenses, and Changes in Net
Position - Fiduciary Funds
As of September 30, 2023

		Retirement System Fund	Jury Fund	Health Inspection Fund	Consolidated Court Costs Fund	TNRCC Inspection Fee Fund	Fourth Court of Appeals Civil Suits Fund
ADDITIONS:							
5201	Tax Collections for Other Governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5202	Held for Others	2,351,847	24,000	6,400	185,573	1,320	5,540
5610	Investment Earnings	-	-	-	-	-	-
	TOTAL ADDITIONS	\$ 2,351,847	\$ 24,000	\$ 6,400	\$ 185,573	\$ 1,320	\$ 5,540
DEDUCTIONS:							
70	Payments to Other Governments	-	-	-	-	-	-
90	Payments to Individuals and Services	2,351,847	22,961	6,400	183,585	670	6,515
710	Principal on Debt	-	-	-	-	-	-
720	Interest on Debt	-	-	-	-	-	-
800	Capital Outlay	-	-	-	-	-	-
	TOTAL DEDUCTIONS	2,351,847	22,961	6,400	183,585	670	6,515
	Net Change in Fiduciary Balances	\$ -	\$ 1,039	\$ -	\$ 1,988	\$ 650	\$ (975)
3600	Net Position - Beginning	\$ (3,159)	\$ 3,490	\$ -	\$ 46,568	\$ 5,229	\$ 1,056
3900	Net Position - Ending	\$ (3,159)	\$ 4,529	\$ -	\$ 48,556	\$ 5,879	\$ 81

STARR COUNTY, TEXAS

EXHIBIT H-10 (Cont.)

Combining Statement of Revenues, Expenses, and Changes in Net
Position - Fiduciary Funds
As of September 30, 2023

		Border Area Narc Task Force Forfeiture	Tertiary Care Trauma Fund	Planning Department Fund	Scholarship Fund	Total
ADDITIONS:						
5201	Tax Collections for Other Governments	\$ -	\$ -	\$ -	\$ -	31,526,468
5202	Held for Others	-	1,458	338	5,000	14,651,643
5610	Investment Earnings	951	-	-	504	29,010
TOTAL ADDITIONS		\$ 951	\$ 1,458	\$ 338	\$ 5,504	46,207,121
DEDUCTIONS:						
70	Payments to Other Governments	-	-	-	-	31,824,411
90	Payments to Individuals and Services	-	1,458	300	6,300	14,479,386
710	Principal on Debt	-	-	-	-	3,406
720	Interest on Debt	-	-	-	-	98
800	Capital Outlay	-	-	-	-	150,410
TOTAL DEDUCTIONS		\$ -	\$ 1,458	\$ 300	\$ 6,300	46,457,710
Net Change in Fiduciary Balances		\$ 951	\$ -	\$ 38	\$ (796)	(250,589)
3600 Net Position - Beginning		\$ 87,044	\$ -	\$ (86)	\$ 20,625	\$ 3,305,995
3900 Net Position - Ending		\$ 87,996	\$ -	\$ (49)	\$ 19,829	3,055,406

STARR COUNTY, TEXAS

**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL COMPARISON**

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Favorable (Unfavorable)
	Original	Final		
REVENUES				
Property Taxes	5,955,678	5,751,451	5,571,730	(179,721)
Licenses and Permits	800,000	800,000	661,660	(138,340)
Charges for Services	229,500	229,500	115,759	(113,741)
Fines	225,000	225,000	121,356	(103,644)
Investments Earnings	-	-	23,173	23,173
Other Revenue	41,000	41,000	101,535	60,535
Total Revenues	<u>7,251,178</u>	<u>7,046,951</u>	<u>6,595,213</u>	<u>(451,738)</u>
EXPENDITURES				
Commissioner Pct. #1	1,346,408	1,346,408	1,378,360	(31,952)
Commissioner Pct. #2	1,228,952	1,228,952	1,229,984	(1,033)
Commissioner Pct. #3	1,769,939	1,769,939	1,811,148	(41,210)
Commissioner Pct. #4	1,342,083	1,342,083	1,327,578	14,505
County Wide Road and Bridge Fund	1,522,700	1,317,700	1,451,903	(134,203)
Flood Control	41,000	41,000	14,113	26,887
Total Expenditures	<u>7,251,081</u>	<u>7,046,081</u>	<u>7,213,086</u>	<u>(167,005)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>97</u>	<u>870</u>	<u>(617,873)</u>	<u>(618,743)</u>
FUND BALANCE, BEGINNING - October 1	<u>(492,020)</u>	<u>(492,020)</u>	<u>(492,020)</u>	<u>-</u>
FUND BALANCE, ENDING - September 30	<u>\$ (491,923)</u>	<u>\$ (491,150)</u>	<u>\$ (1,109,893)</u>	<u>\$ (618,743)</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 business type activities of the Starr County, Texas, as of and for the year ended September 30, 2023, 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 26, 2024.

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*.

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 26, 2024

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 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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal 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 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's Texas's compliance with the requirements of each major federal and state program.

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's 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's 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*, but not for the purpose of expressing an opinion on the effectiveness of Starr County's 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 and 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 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 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.

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 26, 2024

STARR COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR SEPTEMBER 30, 2023

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;
 - CFDA 21.027 American Rescue Plan Act 2021
 - CFDA 21.032 American Rescue Plan Act 2021 - LATCF

 - State;
 - Contract#SG-23-009 Starr County Public Defender FY23
 - Contract#2536110 Region 3-Border Prosecution Unit 2022

- H. Dollar threshold to distinguish between type A and type B programs;
 - Federal;
 - \$750,000
 - State;
 - \$300,000

- 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, 2023

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

STARR COUNTY, TEXAS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR SEPTEMBER 30, 2023

Schedule Reference: (2022-001) Controls Over Compliance with Financial Reporting

Type of Finding: Significant Deficiency

Status: Corrected.

STARR COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2023

Federal Grantor / Pass Through Entity	CFDA Number	Contract Number	Total Expenditures
FEDERAL AWARDS			
U.S. Department of Justice			
<i>Pass through the Office of the Governor - Criminal Justice Division</i>			
Crimes Against Women Division	16.588	4273702	\$ 4,306
Project Safe Neighborhood Program (South)	16.609	4441401	61,525
Total Office of the Governor- Criminal Justice Division			65,832
<i>Pass through the Office of the Governor - Bureau of Justice Assistance</i>			
Violent Crime Prosecutor Program	16.738	2281914	35,680
County Attorney Investigator	16.738	4019803	37,625
Total Office of the Governor - Bureau of Justice Assistance			73,305
<i>Pass through the Institute for Intergovernmental Research</i>			
Southeast Border Rural and Tribal Assistance Program	16.738	2019-MU-BX-K002	93,496
Total Institute for Intergovernmental Research			93,496
<i>Other U.S. Department of Justice</i>			
Equitable Sharing Program - United States Marshals Service (Sheriff)	16.922	M-23-D79-O-000220	1,393
Total Other U.S. Department of Justice			1,393
Total U.S. Department of Justice			140,530
U.S. Department of Health and Human Services			
<i>Pass through the Department of State Health Services</i>			
Detection and Mitigation of COVID-19 in Confinement Facilities	93.323	HHS001193700011	60,520
Total Department of State Health Services			60,520
<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	59,680
Total Texas Health & Human Service Commission DFPS			59,680
Total U.S. Department of Health and Human Services			120,199
Executive Office of the President			
<i>Pass through the Office of National Drug Control Policy:</i>			
<i>South Texas HIDTA Assistance Center</i>			
HIDTA Task Force Grant - 2021	95.001	G21SS0004A	7,754
HIDTA Task Force Grant - 2022	95.001	G22SS0004A	297,854
HIDTA Task Force Grant - 2023	95.001	G23SS0004A	298,189
Total Executive Office of the President			603,798
U.S. Department of Treasury			
<i>Direct Program:</i>			
American Rescue Plan Act 2021	21.027	SLT-7752	2,771,909
American Rescue Plan Act 2021 - LATCF	21.032	SLT-7752	22,665
			2,794,574
<i>Pass through the Office of the Governor - Criminal Justice Division</i>			
Crime Victim Center	21.027	1903414	335,600
Victims of Domestic Violence Assistance Program	21.027	2877506	195,813
Total Office of the Governor- Criminal Justice Division			531,414
Total U.S. Department of Treasury			2,990,387
U.S. Department of Homeland Security			
<i>Pass through Office of the Governor-Homeland Security Grants Division</i>			
Homeland Security Grants - OPSG 21 (Sheriff)	97.067	3193407	345,739
Homeland Security Grants - OPSG 22 (Sheriff)	97.067	3193408	697,829
Homeland Security Grants - OPSG 21 (DA)	97.067	3685805	24,476
Homeland Security Grants - OPSG 22 (DA)	97.067	3685806	69,062
Total U.S. Department of Homeland Security			1,137,104
TOTAL FEDERAL AWARDS			\$ 4,992,019

STARR COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2023

Federal Grantor / Pass Through Entity	CFDA Number	Contract Number	Total Expenditures
STATE AWARDS			
Texas Department of Public Safety			
<i>Pass through Texas Homeland Security State Administrative Agency</i>			
Local Border Security Program - 2023 (SO)	N/A	2994708	200,000
Local Border Security Program - 2023 (DA)	N/A	2993108	50,000
Local Border Security Program - 2023 (Co. Atty)	N/A	4551001	9,994
Total Texas Department of Public Safety			<u>259,994</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	6,673
<i>Pass through the Judiciary Section</i>			
District Attorney's Office Apportionment 2023	N/A	N/A	22,500
Total Texas Comptroller of Public Accounts			<u>29,173</u>
Texas Indigent Defense Commission			
<i>Direct Program:</i>			
Formula Grant FY 2023	N/A	212-23-214	41,986
Starr County Regional Public Defender FY23	N/A	SG-23-009	645,249
Total Texas Indigent Defense Commission			<u>687,235</u>
Texas Department of Agriculture			
<i>Direct Program:</i>			
Texans Feeding Texans: Home Delivered Meals 2023	N/A	HDM2023097	39,570
Total Texas Department of Agriculture			<u>39,570</u>
Texas Office of the Governor			
<i>Pass through Office of the Governor-Criminal Justice Division</i>			
Juvenile Intervention Service Program 2023	N/A	3870304	40,814
Testing of Forensic Evidence	N/A	3942304	13,849
Total Office of the Governor - Criminal Justice Division			<u>54,663</u>
<i>Pass through Office of the Governor-Homeland Security Grants Division</i>			
Region 3- Border Prosecution Unit 2022	N/A	2536110	525,356
Region 3- Border Prosecution Unit 2023	N/A	2536111	36,110
Local Border Security Program - Border Interdiction Unit 2023	N/A	3673005	47,642
Local Border Security Program - Border Interdiction Unit 2024	N/A	3673006	4,594
SH Bullet Resistant Shield Program 2023 - DA	N/A	4591201	51,817
SH Bullet Resistant Shield Program 2023 - SO	N/A	4600401	176,729
BC Body Worn Camera Program 2022	N/A	4384201	74,146
Total Office of the Governor - Homeland Security Grants Division			<u>916,393</u>
Total Texas Office of the Governor			<u>971,057</u>
Texas Secretary of State			
<i>Direct Funding:</i>			
Chapter 19 Voter Registration	N/A	N/A	2,652
Total Texas Secretary of State			<u>2,652</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>
TOTAL STATE AWARDS			\$ <u>2,038,844</u>

STARR COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2023

Federal Grantor / Pass Through Entity	CFDA Number	Contract Number	Total Expenditures
OTHER AWARDS			
U.S. Department of Homeland Security			
<i>Pass through Homeland Security Investigations</i>			
State and Local Overtime Program 2022 - Sheriff	N/A	N/A	-
State and Local Overtime Program 2022 - DA	N/A	N/A	1,788
State and Local Overtime Program 2022 - CA	N/A	N/A	-
Total U.S. Department of Homeland Security			<u>1,788</u>
Tocker Foundation			
<i>Direct Funding:</i>			
Tocker Foundation	N/A	22210	100,000
Total Tocker Foundation			<u>100,000</u>
Still Water Foundation			
<i>Direct Funding:</i>			
Still Water Foundation	N/A	N/A	40,000
Total Still Water Foundation			<u>40,000</u>
Area Agency on Aging			
<i>Pass through South Texas Development Council:</i>			
Nutrition Program	N/A	N/A	498,570
Total Area Agency on Aging			<u>498,570</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	26,122
Total United Way of South Texas			<u>30,322</u>
TOTAL OTHER AWARDS			<u>\$ 670,680</u>
TOTAL FEDERAL, STATE AND OTHER AWARDS			<u>\$ 7,701,542</u>

STARR COUNTY, TEXAS
NOTES TO THE SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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, 2023, the County did not elect to use this rate.

Sub-recipients:

During the year ended September 30, 2023, the County had no sub-recipients.

Federal Loans and Loan Guarantees:

During the year ended September 30, 2023, the County had no outstanding federal loans payable or loan guarantees.

Federally Funded Insurance:

During the year ended September 30, 2023, the County had no federally funded insurance.

Noncash awards:

During the year ended September 30, 2023, the County did not have any federal awards in the form of noncash assistance.