
STARR COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR YEAR ENDED SEPTEMBER 30, 2022

ADRIAN WEBB
CERTIFIED PUBLIC ACCOUNTANT

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STARR COUNTY, TEXAS
 Audited Annual Financial Report
 For Year Ended September 30, 2022

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INTRODUCTORY SECTION

STARR COUNTY, TEXAS

PRINCIPAL OFFICIALS

For the Year Ended September 30, 2022

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

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INDEPENDENT AUDITORS' REPORT

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ADRIAN WEBB, CPA

**Certified Public Accountant
McAllen, 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, 2022, 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, 2022, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (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 30, 2023, 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
McAllen, Texas
June 30, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2022**

This section of the Starr County 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, 2022. 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 \$5,920,032. Net position from governmental activities increased \$5,814,496, while net position from business-type activities increased \$105,536.
- The General Fund ended the year with a fund balance of \$8,059,761, a \$1,248,808, increase from the prior year's balance of \$6,810,953.
- In comparing the General Fund's final budget to actual, revenues were \$220,134 less than the final budget, and expenditures were \$2,969,088 less than final budget. This resulted in a total positive budget to actual variance of \$2,748,954 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, 2022**

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 of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

Fund Financial Statements

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

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

The County has the following kinds of funds:

- *Governmental funds* – Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *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, 2022**

- *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 combined net position was \$93,127,233 as of September 30, 2022, an increase of \$7,977,846 or 8.57% more than the combined net position of \$85,149,387 as of September 30, 2021. This increase is mostly due to pension adjustments.

Changes in Net Position:

	<u>Governmental Activities</u>		<u>Increase /</u>
	<u>2022</u>	<u>2021</u>	<u>(Decrease)</u>
Assets:			
Current Assets	\$ 36,203,048	\$ 36,367,062	\$ (164,014)
Capital Assets, Net	71,154,684	61,639,141	9,515,543
Total Assets	<u>107,357,732</u>	<u>98,006,203</u>	<u>9,351,529</u>
Deferred Outflows of Resources	<u>1,957,191</u>	<u>2,103,153</u>	<u>(145,962)</u>
Total Assets and Deferred Outflows of Resources	<u>109,314,923</u>	<u>100,109,356</u>	<u>9,205,567</u>
Liabilities:			
Current Liabilities	10,666,678	8,566,228	2,100,450
Long-Term Liabilities	<u>995,622</u>	<u>4,798,244</u>	<u>(3,802,622)</u>
Total Liabilities	<u>11,662,300</u>	<u>13,364,472</u>	<u>(1,702,172)</u>
Deferred Inflows of Resources	<u>6,688,741</u>	<u>1,595,497</u>	<u>5,093,244</u>
Net Position:			
Net Invested in Capital Assets	62,831,787	60,733,538	2,098,249
Restricted for Capital Acquisition	587,080	-	587,080
Restricted for Debt Service	1,627,339	1,579,679	47,660
Restricted for Other Purposes	4,826,627	5,902,076	(1,075,449)
Unrestricted	<u>21,091,049</u>	<u>16,934,093</u>	<u>4,156,956</u>
Total Net Position	<u>90,963,882</u>	<u>85,149,387</u>	<u>5,814,495</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 109,314,923</u>	<u>\$ 100,109,356</u>	<u>\$ 9,205,567</u>

The County's total revenues were \$39,176,091. The total cost of all programs and services was \$33,382,442 of which 33% or \$10,951,884 of these costs are for public safety.

**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2022**

Governmental Activities

- Property tax revenues increased by 7.1%. Total revenues for the year ended September 30, 2022, increased to \$39,176,091 from \$31,788,316 the previous year, an increase of 8.86%.

	Governmental Activities		Increase / (Decrease)
	2022	2021	
Revenues:			
Program Revenues:			
Charges for Services	\$ 8,176,093	\$ 7,586,089	\$ 590,004
Operating Grants and Contributions	9,312,771	5,522,102	3,790,669
General Revenues:			
Property Taxes	19,039,222	17,684,158	1,355,064
Grants and Contributions	-	327,333	(327,333)
Interest	135,090	31,822	103,268
Transfers	482,100	243,000	239,100
Miscellaneous	2,030,815	393,812	1,637,003
Total Revenues	<u>39,176,091</u>	<u>31,788,316</u>	<u>7,387,775</u>
Expenditures			
Public Safety	10,951,884	10,316,104	635,780
Judicial	1,926,105	2,922,640	(996,535)
Highways and Streets	6,199,409	5,678,210	521,199
Public Facilities	-	419,593	(419,593)
Financial Administration	1,545,620	1,214,372	331,248
Legal	832,757	564,560	268,197
Health and Welfare	1,599,330	2,066,516	(467,186)
Agriculture Extension	144,408	142,127	2,281
General Government	10,103,265	6,847,825	3,255,440
Groundwater District	-	83,480	(83,480)
Debt Service-Interest on Debt	79,664	30,123	49,541
Total Expenditures	<u>33,382,442</u>	<u>30,285,550</u>	<u>3,096,892</u>
Net Change in Net Position	5,793,649	1,502,766	4,290,883
Beginning Net Position	<u>85,149,386</u>	<u>83,646,620</u>	<u>1,502,766</u>
Prior Period Adjustment	<u>20,847</u>	<u>-</u>	<u>20,847</u>
Ending Net Position	<u>\$ 90,963,882</u>	<u>\$ 85,149,386</u>	<u>\$ 5,793,649</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 \$33,382,442, a decrease of \$3,096,892 or 9.28% decrease compared to \$30,285,550 for the prior year.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$19,039,222.

**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2022**

- Some of the cost was paid by those who directly benefited from the programs and totaled \$8,176,093. This is an increase of \$590,004 from last year's revenues, which were \$7,586,089.
- Grants and contributions this year amounted to \$9,312,771, a increase of \$3,790,669 over last year's grants and contributions which totaled \$5,510,202.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues from governmental fund types totaled \$39,176,091 for the year ended September 30, 2022, 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 \$20,042,999, which was \$220,134 under the final budget amounts.

On the other hand, general fund expenditures were \$17,294,079, which was under the final budgeted amount by \$2,969,054.

CAPITAL ASSETS

At the end of 2022, the County had invested \$64,037,240 in a broad range of capital assets, including land, buildings, improvements, machinery, equipment, vehicles, and infrastructure. This amount represents an increase of \$2,398,099, a 3.74% increase from FY 2021. The increase is attributed mainly to the current year's machinery and equipment purchase.

	Primary Government		
	2022	2021	2022-2021 Increase/(Decrease)
Land	\$ 1,522,280	\$ 1,470,280	\$ 52,000
Building and Improvements	19,844,369	19,201,005	643,364
Machinery and Equipment	18,774,650	15,473,270	3,301,380
Infrastructure	55,890,187	55,808,075	82,112
Construction in Progress	467,839	463,542	4,297
Right to Use Asset	463,457	-	463,457
Total Historical Cost	96,962,782	92,416,172	4,546,610
Less: Accumulated Depreciation	(32,925,541)	(30,777,031)	(2,148,510)
Net Capital Assets	<u>\$ 64,037,240</u>	<u>\$ 61,639,141</u>	<u>\$ 2,398,099</u>

**STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2022**

LONG-TERM DEBT

As of September 30, 2022, the County has \$741,996 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 Balance 10/1/2021	Additions	Reductions	Ending Balance 9/30/2022
	Certificate of Obligation - 2019	\$ 416,667	\$ -	\$ 41,667
Purchase of Equipment Note - 2017	451,311	-	84,314	366,997
Capital Leases	37,625	-	37,625	-
Total	\$ 905,602	\$ -	\$ 163,606	\$ 741,996

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised values used for the 2023 budget preparation increased by approximately \$182,376,937.
- The property tax rates will decrease by \$0.0152 per \$100.00 of assessed valuation.
- Employees' group health insurance remained the same.
- There will be a 5% salary increase for FY 2023.

These indicators were taken into account when adopting the general fund budget for 2023. Amounts available for appropriation in the general fund budget are \$20,263,133, an increase of \$1,166,741, over the final 2021 budget of \$19,096,392. Property taxes will increase due to the increase in appraised values.

General fund expenditures are budgeted to increase in 2023 to \$22,348,639 an increase of \$2,085,472 from the 2022 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

FINANCIAL STATEMENTS

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STARR COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

EXHIBIT A-1

Data Control Codes	Primary Government		
	Governmental Activities	Business - Type Activities	Total
ASSETS			
1010 Cash and Cash Equivalents	\$ 15,919,249	\$ 572,176	\$ 16,491,425
1030 Investments - Current	3,353,358	106,538	3,459,896
1050 Taxes Receivable, Net	15,655,006	-	15,655,006
1150 Accounts Receivable, Net	434,816	185,462	620,278
1199 Lease Receivable	-	41,940	41,940
1300 Due from Other Funds	1,403,139	(1,403,139)	-
1300 Due from Fiduciary Funds	419,991	-	419,991
1390 Due from Others	2,281,874	-	2,281,874
1410 Inventories	-	46,236	46,236
1430 Prepaid Items	-	70,369	70,369
1611 Restricted Cash	669,278	-	669,278
Capital Assets:			
1770 Right-to-Use Lease Assets	463,457	-	463,457
1790 Capital Assets Not Being Depreciated	1,990,119	1,406,530	3,396,649
1791 Capital Assets Being Depreciated, Net	61,583,664	2,045,246	63,628,910
1800 Net Pension Asset	3,183,779	239,640	3,423,419
1811 Lease Receivable - Noncurrent	-	242,249	242,249
1000 Total Assets	<u>107,357,730</u>	<u>3,553,247</u>	<u>110,910,977</u>
DEFERRED OUTFLOWS OF RESOURCES			
1997 Deferred Outflow Related to Pension Plan	1,957,191	294,536	2,251,727
1500 Total Deferred Outflows of Resources	<u>1,957,191</u>	<u>294,536</u>	<u>2,251,727</u>
LIABILITIES			
2010 Accounts Payable	873,176	117,366	990,542
2020 Wages and Salaries Payable	664,109	68,079	732,188
2030 Compensated Absences Payable	547,935	43,626	591,561
2050 Contracts Payable	-	136,347	136,347
2090 Due to Others	21,597	419,688	441,285
2140 Accrued Interest Payable	10,833	-	10,833
2230 Unearned Revenues	8,225,076	-	8,225,076
2270 Other Current Liabilities	114,118	-	114,118
Noncurrent Liabilities:			
2501 Due Within One Year	209,831	-	209,831
Due in More Than One Year:			
2502 Debt Due More Than One Year	995,622	-	995,622
2000 Total Liabilities	<u>11,662,297</u>	<u>785,106</u>	<u>12,447,403</u>
DEFERRED INFLOWS OF RESOURCES			
2602 Deferred Inflow Related to Pension Plan	6,688,741	615,137	7,303,878
2606 Lease Receivable	-	284,189	284,189
2500 Total Deferred Inflows of Resources	<u>6,688,741</u>	<u>899,326</u>	<u>7,588,067</u>
NET POSITION			
3200 Net Investment in Capital Assets & Lease Assets	62,831,787	4,316,113	67,147,900
Restricted:			
3850 Restricted for Capital Acquisition	587,080	-	587,080
3860 Restricted for Debt Service	1,627,339	-	1,627,339
3870 Restricted for Special Purposes	4,826,627	-	4,826,627
3900 Unrestricted	21,091,049	(2,152,762)	18,938,287
3000 Total Net Position	<u>\$ 90,963,882</u>	<u>\$ 2,163,351</u>	<u>\$ 93,127,233</u>

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

STARR COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Data Control Codes	Expenses	Program Revenues <hr/> Charges for Services
Primary Government:		
GOVERNMENTAL ACTIVITIES:		
100 General Government	\$ 10,103,265	\$ 7,117,693
120 Judicial	1,926,105	239,084
130 Legal	832,757	-
150 Financial Administration	1,545,620	-
200 Public Safety	10,951,884	-
300 Highways and Streets	6,199,409	819,316
400 Health and Welfare	1,599,330	-
600 Agriculture Extension	144,408	-
720 Interest on Debt	27,584	-
790 Other Debt Service	52,080	-
Total Governmental Activities	33,382,442	8,176,093
BUSINESS-TYPE ACTIVITIES:		
701 International Toll Bridge	1,716,552	2,276,225
702 Gas System	1,019,013	1,026,396
703 Transfer Station	1,531,654	1,317,344
Total Business-Type Activities	4,267,219	4,619,965
TOTAL PRIMARY GOVERNMENT	\$ 37,649,661	\$ 12,796,058

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Grants and Contributions

Miscellaneous Revenue

Investment Earnings

Transfers In (Out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Prior Period Adjustment

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,985,572)	\$ -	\$ (2,985,572)
(1,687,021)	-	(1,687,021)
(832,757)	-	(832,757)
(1,545,620)	-	(1,545,620)
(10,951,884)	-	(10,951,884)
(5,380,093)	-	(5,380,093)
(1,599,330)	-	(1,599,330)
(144,408)	-	(144,408)
(27,584)	-	(27,584)
(52,080)	-	(52,080)
<u>(25,206,349)</u>	<u>-</u>	<u>(25,206,349)</u>
-	559,673	559,673
-	7,383	7,383
-	(214,310)	(214,310)
<u>-</u>	<u>352,746</u>	<u>352,746</u>
<u>(25,206,349)</u>	<u>352,746</u>	<u>(24,853,603)</u>
18,569,899	-	18,569,899
469,323	-	469,323
9,312,771	-	9,312,771
2,030,815	229,423	2,260,238
135,090	5,467	140,557
482,100	(482,100)	-
<u>30,999,998</u>	<u>(247,210)</u>	<u>30,752,788</u>
5,793,649	105,536	5,899,185
85,149,386	2,057,815	87,207,201
20,847	-	20,847
<u>\$ 90,963,882</u>	<u>\$ 2,163,351</u>	<u>\$ 93,127,233</u>

STARR COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

Data Control Codes	General Fund	Road and Bridge Fund	American Rescue Plan Fund
ASSETS			
1010 Cash and Cash Equivalents	\$ 3,773,100	\$ 61,159	\$ 8,095,381
1030 Investments - Current	-	-	-
1040 Interest Receivable - investments	-	-	-
1050 Taxes Receivable	10,418,085	4,617,411	-
1150 Accounts Receivable, Net	330,000	70,000	-
1300 Due from Other Funds	4,108,130	222,973	-
1390 Due from Others	1,295,808	-	-
1611 Restricted Cash	669,278	-	-
1000 Total Assets	<u>\$ 20,594,401</u>	<u>\$ 4,971,543</u>	<u>\$ 8,095,381</u>
LIABILITIES			
2010 Accounts Payable	\$ 322,832	\$ 146,887	\$ 40,074
2020 Wages and Salaries Payable	502,829	123,132	-
2080 Due to Other Funds	1,278,313	576,133	46,836
2090 Due to Others	8,181	-	-
2230 Unearned Revenues	4,400	-	8,008,471
2270 Other Current Liabilities	-	-	-
2000 Total Liabilities	<u>2,116,555</u>	<u>846,152</u>	<u>8,095,381</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	10,418,085	4,617,411	-
2600 Total Deferred Inflows of Resources	<u>10,418,085</u>	<u>4,617,411</u>	<u>-</u>
FUND BALANCES			
3450 Restricted	669,278	-	-
3460 Restricted for Debt Service	-	-	-
3470 Restricted for Capial Projects	-	-	-
3590 Restricted for Special Purpose	-	(492,020)	-
3600 Unassigned Fund Balance	7,390,483	-	-
3000 Total Fund Balances	<u>8,059,761</u>	<u>(492,020)</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 20,594,401</u>	<u>\$ 4,971,543</u>	<u>\$ 8,095,381</u>

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

Other Funds	Total Governmental Funds
\$ 3,984,814	\$ 15,914,455
3,353,358	3,353,358
593	593
619,510	15,655,006
	400,000
894,224	5,223,212
965,870	2,261,678
-	669,278
<u>\$ 9,818,370</u>	<u>\$ 43,479,695</u>
\$ 375,188	\$ 884,981
38,148	664,109
1,501,113	3,402,395
15,540	23,721
212,206	8,225,077
49,844	49,844
<u>2,192,039</u>	<u>13,250,127</u>
619,510	15,655,006
<u>619,510</u>	<u>15,655,006</u>
-	669,278
1,627,339	1,627,339
587,080	587,080
4,792,402	4,300,382
-	7,390,483
<u>7,006,821</u>	<u>14,574,562</u>
<u>\$ 9,818,370</u>	<u>\$ 43,479,695</u>

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STARR COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

Total Fund Balances - Governmental Funds	\$	14,574,562
<p>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.</p>		
		(25,158)
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.</p>		
		60,202,113
<p>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 including the 2022 capital outlays and debt principal payments is to increase (decrease) net position.</p>		
		4,361,328
<p>Included in the noncurrent assets/(liabilities) is the recognition of the County's net pension asset/(liability) required by GASB 68 in the amount of \$3,183,779 a deferred resource inflow in the amount of (\$1,595,497), and a deferred resource outflow in the amount of \$1,957,191. This resulted in an increase/(decrease) in net position by (\$1,547,771).</p>		
		(1,547,771)
<p>The 20212 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.</p>		
		(2,290,423)
<p>Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.</p>		
		15,689,231
Net Position of Governmental Activities	\$	90,963,882

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

STARR COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Road and Bridge Fund	American Rescue Plan Fund
REVENUES:			
Property Taxes	\$ 12,401,096	\$ 5,730,556	\$ -
Licenses and Permits	235,269	584,047	-
Intergovernmental Revenue and Grants	597,038	-	4,141,948
Charges for Services	-	109,356	-
Fines	6,515,827	260,086	-
Investment Earnings	103,069	5,713	-
Other Revenue	190,700	18,196	-
Total Revenues	20,042,999	6,707,954	4,141,948
EXPENDITURES:			
Current:			
General Government	4,919,801	-	4,141,948
Judicial	2,039,434	-	-
Legal	881,754	-	-
Financial Administration	1,495,412	-	-
Public Safety	8,092,088	-	-
Highways and Streets	-	6,547,734	-
Health and Welfare	1,660,602	-	-
Agriculture Extension	152,907	-	-
Debt Service:			
Principal on Debt	-	163,605	-
Interest on Debt	-	30,003	-
Other Debt Service	52,080	-	-
Total Expenditures	19,294,078	6,741,342	4,141,948
Excess (Deficiency) of Revenues Over (Under) Expenditures	748,921	(33,388)	-
OTHER FINANCING SOURCES (USES):			
Transfers In	482,100	-	-
Total Other Financing Sources (Uses)	482,100	-	-
Net Change in Fund Balances	1,231,021	(33,388)	-
Fund Balance - October 1 (Beginning)	6,810,953	(458,632)	-
Prior Period Adjustment	17,787	-	-
Fund Balance - September 30 (Ending)	\$ 8,059,761	\$ (492,020)	\$ -

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

Other Funds	Total Governmental Funds
\$ 469,323	\$ 18,600,975
-	819,316
4,578,580	9,317,566
129,728	239,084
341,780	7,117,693
26,308	135,090
12,169	221,065
5,557,888	36,450,789
1,147,620	10,209,369
-	2,039,434
-	881,754
141,149	1,636,561
3,543,208	11,635,296
16,440	6,564,174
32,830	1,693,432
-	152,907
-	163,605
-	30,003
-	52,080
4,881,247	35,058,615
676,641	1,392,174
-	482,100
-	482,100
676,641	1,874,274
6,327,120	12,679,441
3,060	20,847
\$ 7,006,821	\$ 14,574,562

STARR COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Total Net Change in Fund Balances - Governmental Funds	\$	1,874,274
 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.		(461,217)
 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 2022 capital outlays and debt principal payments is to increase (decrease) the change in net position.		4,361,328
 The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/21 cause the change in the ending net position. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. The County's reported TCDRS net pension income had to be recorded. The net pension income increased the change in net position by \$1,837,215.		1,837,215
 Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(2,290,423)
 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) the change in net position.		472,472
 Change in Net Position of Governmental Activities	\$	5,793,649

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

STARR COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds			Gov. Activities
	Starr County	Nonmajor	Total	Internal
	International Toll Bridge	Enterprise Funds	Enterprise Funds	
				Service Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 540,125	\$ 32,051	\$ 572,176	\$ 4,795
Investments - Current	-	106,538	106,538	-
Interest Receivable - investments	-	35	35	-
Accounts Receivable, Net	-	185,427	185,427	34,221
Lease Receivable	41,940	-	41,940	-
Due from Other Funds	-	5,558	5,558	101
Inventories	-	46,236	46,236	-
Prepaid Items	70,369	-	70,369	-
Total Current Assets	652,434	375,845	1,028,279	39,117
Noncurrent Assets:				
Capital Assets:				
Capital Assets Not Being Depreciated	1,396,530	10,000	1,406,530	-
Capital Assets Being Depreciated, Net	1,208,474	836,772	2,045,246	-
Net Pension Asset	135,182	104,458	239,640	-
Lease Receivable - Noncurrent	242,249	-	242,249	-
Total Noncurrent Assets	2,982,435	951,230	3,933,665	-
Total Assets	3,634,869	1,327,075	4,961,944	39,117
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow Related to Pension Plan	166,149	128,387	294,536	-
Total Deferred Outflows of Resources	166,149	128,387	294,536	-
LIABILITIES				
Current Liabilities:				
Accounts Payable	2,919	114,447	117,366	-
Wages and Salaries Payable	30,644	37,435	68,079	-
Compensated Absences Payable	34,146	9,480	43,626	-
Contracts Payable	-	136,347	136,347	-
Due to Other Funds	928	1,407,769	1,408,697	-
Due to Others	419,688	-	419,688	-
Other Current Liabilities	-	-	-	64,280
Total Liabilities	488,325	1,705,478	2,193,803	64,280
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow Related to Pension Plan	347,000	268,137	615,137	-
Lease Receivable	284,189	-	284,189	-
Total Deferred Inflows of Resources	631,189	268,137	899,326	-
NET POSITION				
Net Investment in Capital Assets & Lease Assets	2,605,004	1,711,109	4,316,113	-
Unrestricted	76,500	(2,229,262)	(2,152,762)	(25,163)
Total Net Position	\$ 2,681,504	\$ (518,153)	\$ 2,163,351	\$ (25,163)

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

STARR COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT D-2

	Business-Type Activities - Enterprise Funds			Governmental Activities -
	Starr County International Toll Bridge	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES:				
Charges for Services	\$ 2,276,225	\$ 2,343,740	\$ 4,619,965	\$ 3,017,672
Other Revenue	55,602	-	55,602	-
Total Operating Revenues	<u>2,331,827</u>	<u>2,343,740</u>	<u>4,675,567</u>	<u>3,017,672</u>
OPERATING EXPENSES:				
Personnel Services - Salaries and Wages	647,481	481,817	1,129,298	-
Personnel Services - Employee Benefits	162,526	133,769	296,295	-
Other Operating Costs	252,452	1,837,665	2,090,117	3,479,642
Depreciation	197,162	97,416	294,578	-
Total Operating Expenses	<u>1,259,621</u>	<u>2,550,667</u>	<u>3,810,288</u>	<u>3,479,642</u>
Operating Income (Loss)	<u>1,072,206</u>	<u>(206,927)</u>	<u>865,279</u>	<u>(461,970)</u>
NONOPERATING REVENUES (EXPENSES):				
Investment Earnings	4,031	1,436	5,467	748
Net Pension Income	98,054	75,767	173,821	-
Participation with Roma	(456,931)	-	(456,931)	-
Total Nonoperating Revenue (Expenses)	<u>(354,846)</u>	<u>77,203</u>	<u>(277,643)</u>	<u>748</u>
Income (Loss) Before Transfers	717,360	(129,724)	587,636	(461,222)
Transfers Out	(482,100)	-	(482,100)	-
Change in Net Position	235,260	(129,724)	105,536	(461,222)
Total Net Position - October 1 (Beginning)	<u>2,446,244</u>	<u>(388,429)</u>	<u>2,057,815</u>	<u>436,059</u>
Total Net Position - September 30 (Ending)	<u>\$ 2,681,504</u>	<u>\$ (518,153)</u>	<u>\$ 2,163,351</u>	<u>\$ (25,163)</u>

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, 2022

EXHIBIT D-3

	Business-Type Activities			Governmental Activities -
	Starr County International Toll Bridge	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
	<u>Cash Flows from Operating Activities:</u>			
Cash Received from User Charges	\$ 2,331,827	\$ 2,343,740	\$ 4,675,567	\$ 3,017,672
Cash Payments to Employees for Services	(689,511)	(615,586)	(1,305,097)	-
Cash Payments for Other Operating Expenses	(426,005)	(1,894,044)	(2,320,049)	(3,512,782)
Net Cash Provided by (Used for) Operating Activities	<u>1,216,311</u>	<u>(165,890)</u>	<u>1,050,421</u>	<u>(495,110)</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>				
Participation with Roma	(456,931)	-	(456,931)	-
Operating Transfer Out	(482,100)	-	(482,100)	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(939,031)</u>	<u>-</u>	<u>(939,031)</u>	<u>-</u>
<u>Cash Flows from Investing Activities:</u>				
Interest and Dividends on Investments	4,031	1,436	5,467	748
Net Increase (Decrease) in Cash and Cash Equivalents	281,311	(164,454)	116,857	(494,362)
Cash and Cash Equivalents at Beginning of Year	<u>257,743</u>	<u>196,505</u>	<u>454,248</u>	<u>499,157</u>
Cash and Cash Equivalents at End of Year	<u>\$ 539,054</u>	<u>\$ 32,051</u>	<u>\$ 571,105</u>	<u>\$ 4,795</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided by (Used for) Operating Activities:</u>				
Operating Income (Loss)	\$ 1,072,206	\$ (206,927)	\$ 865,279	\$ (461,970)
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:</u>				
Depreciation	197,162	97,416	294,578	-
<u>Effect of Increases and Decreases in Current Assets and Liabilities:</u>				
Decrease(Increase) in Net Pension Asset	(135,182)	(104,458)	(239,640)	-
Decrease (Increase) in Receivables	35,217	12,846	48,063	(30,649)
Decrease (Increase) in Inventories	(12,440)	10,025	(2,415)	-
Decrease (Increase) in Prepaid Expenses	(76,850)	7,257	(69,593)	-
Increase (Decrease) in Accounts Payable	1,008	(70,690)	(69,682)	(2,393)
Increase (Decrease) in Payroll Deductions	21,212	15,129	36,341	-
Increase (Decrease) in Due From Other Funds	-	52,032	52,032	(98)
Increase (Decrease) in Deferred Inflows/(Outflows)	279,257	149,195	428,452	-
Increase (Decrease) in Net Pension Liability	(165,279)	(127,715)	(292,994)	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,216,311</u>	<u>\$ (165,890)</u>	<u>\$ 1,050,421</u>	<u>\$ (495,110)</u>

The accompanying notes are an integral part of this statement.

STARR COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 6,710,067
Investments - Current	118,520
Accounts Receivable, Net	184,187
Due from Other Funds	671,116
Due from Others	10,508
Prepaid Items	282,403
Other Assets	5,673
Total Assets	7,982,474
LIABILITIES	
Accounts Payable	5,102
Due to Other Funds	1,091,104
Due to Others	3,580,273
Total Liabilities	4,676,479
NET POSITION	
Restricted for Other Purposes	3,305,995
Total Net Position	\$ 3,305,995

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

STARR COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Custodial Funds
<hr/>	
ADDITIONS:	
Intergovernmental Revenue and Grants	\$ 42,778,461
Total Additions	42,778,461
DEDUCTIONS:	
Other Operating Costs	42,664,722
Total Deductions	42,664,722
Net Change in Fiduciary Net Position	113,739
Total Net Position - October 1 (Beginning)	3,305,971
Prior Period Adjustment	(113,715)
Total Net Position - September 30 (Ending)	\$ 3,305,995

The notes to the 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, 2022

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, Starr 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 County No. 2
- Starr County Memorial Hospital
- All school counties in Starr County

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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, 2022

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 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.

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 principle 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 on a 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, 2022

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, 2022**

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 (expense/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, 2022

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 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 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 the governmental funds other than the general fund, if expenditures incurred for specific purposes exceeds 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, 2022

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, 2022, has not been accrued in the accompanying financial statements. The County's policy for vacation leave allows for 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 flows, 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, 2022

NOTE 3 – DEPOSITS AND INVESTMENTS

As of September 30, 2022, the carrying amount of the County's governmental activity deposits was \$15,919,251 and \$572,176 for business-type activities, resulting in a total bank balance of \$16,491,427. Bank balances of \$250,000 are covered by federal depository insurance and the remaining \$ 16,241,427 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, 2022, are summarized as follows:

	<u>Rate</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Measurement</u>
<u>Special Revenue</u>				
Certificate of Deposit- 5382	0.15%	1/13/2023	406,555	Level 2
Certificate of Deposit - 5383	0.15%	1/13/2023	406,555	Level 2
Certificate of Deposit- 5384	0.15%	1/13/2023	406,555	Level 2
Certificate of Deposit - 5385	0.15%	1/13/2023	406,555	Level 2
Certificate of Deposit - 4493	0.15%	3/25/2023	406,118	Level 2
Certificate of Deposit - 4494	0.15%	3/25/2023	406,118	Level 2
Certificate of Deposit - 4495	0.15%	3/25/2023	<u>406,118</u>	Level 2
			2,844,574	Level 2
<u>Debt Service</u>				
Certificate of Deposit- 3833	0.15%	2/2/2023	121,763	Level 2
Certificate of Deposit- 2913	0.15%	4/1/2023	<u>387,022</u>	Level 2
			508,785	Level 2
<u>Enterprise Funds</u>				
Certificate of Deposit - 0511	0.15%	1/13/2023	<u>106,538</u>	Level 2
			106,538	
<u>General Fund</u>				
Certificate of Deposit	0.15%	1/5/2023	<u>8,303</u>	Level 2
			<u>8,303</u>	
Total Certificate of Deposits			3,468,200	

The County was 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, 2022

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, 2022, 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 2022 fiscal year tax rate was .5259 per \$100 for the general fund, .2400 per \$100 for the FM and Lateral Road tax, and .0125 per \$100 for the Drainage County, for a total of .7784 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 persons 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 1, 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, 2022

NOTE 5 – CAPITAL ASSETS

Governmental Activities	Beginning Balance 10/1/2021	Additions	Retirements / Reclassifications	Ending Balance 9/30/2022
Capital Assets, not being depreciated				
Land	\$ 1,470,280	\$ 52,000	\$ -	\$ 1,522,280
Construction in Progress	463,542	480,749	(476,452)	467,839
Right to Use Asset	-	463,457	-	463,457
Total capital assets, not being depreciated	1,933,822	532,749	(476,452)	2,453,576
Capital Assets, being depreciated				
Buildings and Improvements	19,201,005	643,364	-	19,844,369
Machinery and Equipment	15,473,269	3,470,758	(169,378)	18,774,650
Infrastructure	55,808,075	82,112	-	55,890,187
Total capital assets, being depreciated	90,482,349	4,196,234	(169,378)	94,509,206
Less accumulated depreciation for:				
Buildings and Improvements	(10,161,185)	(425,393)	-	(10,586,578)
Machinery and Equipment	(11,440,654)	(1,139,356)	141,913	(12,438,097)
Infrastructure	(9,175,192)	(725,674)	-	(9,900,867)
Total accumulated depreciation	(30,777,031)	(2,290,423)	141,913	(32,925,541)
Total capital assets, being depreciated, net	59,705,318	1,905,812	(27,465)	61,583,665
Governmental activities capital assets, net	\$ 61,639,140	\$ 2,438,560	\$ (503,917)	\$ 64,037,240

Depreciation expense for year ended September 30, 2022, was charged to function/programs of the County as follows:

Governmental Activities:	
General Administration	\$ 480,255
Judicial	225,787
Legal	73,226
Financial Administration	88,010
Public Facilities	30,294
Public Safety	796,299
Health and Welfare	428,028
Conservation Agriculture	158,102
Highway and Streets	10,421
Total Depreciation Expense - Governmental Activities	<u>\$ 2,290,423</u>

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 6 – CAPITAL ASSETS OF PROPRIETARY FUNDS

Capital assets of Proprietary Funds (Enterprise Funds) as of September 30, 2022, consisted of the following:

INTERNATIONAL TOLL BRIDGE SYSTEM

	Beginning Balance 10/1/2021	Additions	Retirements / Reclassifications	Ending Balance 9/30/2022
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 1,396,530	\$ -	\$ -	\$ 1,396,530
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated	<u>1,396,530</u>	<u>-</u>	<u>-</u>	<u>1,396,530</u>
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	<u>7,235,208</u>	<u>-</u>	<u>-</u>	<u>7,235,208</u>
Less accumulated depreciation for:				
Total accumulated depreciation	<u>(5,829,572)</u>	<u>(197,162)</u>	<u>-</u>	<u>(6,026,734)</u>
Total capital assets, being depreciated, net	1,405,636	(197,162)	-	1,208,474
Business-Type activities capital assets, net	<u>\$ 2,802,166</u>	<u>\$ (197,162)</u>	<u>\$ -</u>	<u>\$ 2,605,004</u>

Business-Type Activities
Total Depreciation Expense - Business-Type Activities \$ 197,162

Depreciation expense for the year ended September 30, 2022, was \$197,162.

GAS SYSTEM

	Beginning Balance 10/1/2021	Additions	Retirements / Reclassifications	Ending Balance 9/30/2022
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
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	<u>817,898</u>	<u>-</u>	<u>-</u>	<u>817,898</u>
Less accumulated depreciation:				
Total accumulated depreciation	<u>(744,965)</u>	<u>(10,499)</u>	<u>-</u>	<u>(755,464)</u>
Total capital assets, being depreciated, net	72,933	(10,499)	-	62,434
Business-Type activities capital assets, net	<u>\$ 82,933</u>	<u>\$ (10,499)</u>	<u>\$ -</u>	<u>\$ 72,434</u>

Business-Type Activities
Total Depreciation Expense - Business-Type Activities \$ 10,499

Depreciation expense for the year ended September 30, 2022, was \$10,499.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 6 – CAPITAL ASSETS OF PROPRIETARY FUNDS (Continued)

TRANSFER STATION

	Beginning Balance 10/1/2021	Additions	Retirements / Reclassifications	Ending Balance 9/30/2022
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	21,000	-	-	21,000
Total capital assets, not being depreciated	21,000	-	-	21,000
Capital Assets, being depreciated				
Buildings and Improvements	-	-	-	-
Machinery and Equipment	420,830	-	-	420,830
Infrastructure	1,675,238	-	-	1,675,238
Total capital assets, being depreciated	2,096,068	-	-	2,096,068
Less accumulated depreciation:				
Total accumulated depreciation	(1,255,813)	(86,917)	-	(1,342,730)
Total capital assets, being depreciated, net	840,254	(86,917)	-	753,337
Business-Type activities capital assets, net	\$ 861,254	\$ (86,917)	\$ -	\$ 774,337
Business-Type Activities				
Total Depreciation Expense - Business-Type Activities		\$ 86,917		

Depreciation expense for the year ended September 30, 2022, was \$86,917.

NOTE 7 – LONG-TERM DEBT

The following schedule summarized the changes in long-term debt as of September 30, 2022.

Governmental Activities	Original Issue	Final Maturity	Interest Rate	Original Issue	Outstanding Balance 9/30/22
Certificates of Obligation, Series 2019	3/11/2019	2/15/2031	5.00%	\$500,000	\$ 375,000
Purchase of Equipment Note – 2017	6/21/2017	10/25/2025	3.35%	683,409	366,996
Capital Lease – John Deere Backhoe	8/7/2020	8/7/2023	N/A	100,250	-
				<u>\$1,283,659</u>	<u>\$ 741,996</u>

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 7 – LONG-TERM DEBT (Continued)

The following is a summary of Long-Term Debt and Revenue Bonds payable as of September 30, 2022, recorded under governmental activities and business-type activities:

Governmental Activities	Beginning Balance 10/1/2021	Additions	Reductions	Ending Balance 9/30/2022	Due Within One Year
Certificate of Obligations, Series 2019	\$ 416,667	\$ -	\$ 41,667	\$ 375,000	\$ -
Purchase of Equipment Note - 2017	451,310	-	84,314	366,996	-
Capital Leases	37,625	-	37,625	-	-
Total bonds and lease payables	905,602	-	163,606	741,996	-
Other long-term liabilities					
Accumulated compensated absences	518,173	-	-	518,173	-
Net pension liability	3,892,642	-	-	3,892,642	-
Total other long-term liabilities	4,410,815	-	-	4,410,815	-
Total Governmental Activities	\$ 5,316,417	\$ -	\$ -	\$ -	\$ -

Business-Type Activities	Beginning Balance 10/1/2021	Additions	Reductions	Ending Balance 9/30/2022	Due Within One Year
N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Total bonds and lease payables					
Other long-term liabilities					
Accumulated compensated absences	33,280	-	-	33,280	-
Net pension liability	292,994	-	-	292,994	-
Total other long-term liabilities	326,274	-	-	326,274	-
Total Business-Type Activities	\$ 326,274	\$ -	\$ -	\$ -	\$ -

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.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 of 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 June 30, 2022.

NOTE 10 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances, as of September 30, 2022, consisted of the following individual fund receivables and payables:

	Due From Other Funds	Due To Other Funds
General Fund:		
General Fund	\$ 888,948	\$ 888,948
Special Revenue Fund	1,369,302	166,310
Debt Service Fund	-	34,219
Enterprise Funds	1,116,693	5,659
Trust and Agency Funds	733,196	183,186
Total General Fund	4,108,138	1,278,321
Special Revenue Funds:		
General Fund	166,310	1,369,302
Special Revenue Funds	10,460	10,460
Enterprise Fund	83	-
Trust and Agency Funds	249,102	381,878
Total Special Revenue Fund	425,956	1,761,640
Debt Service:		
General Fund	34,219	-
Debt Service Fund	362,298	362,298
Trust and Agency Funds	2,802	45
Total Debt Service Fund	399,319	362,343
Capital Projects Fund:		
Enterprise Fund	291,921	-
Total Capital Project Fund	291,921	-
Enterprise Funds:		
General Fund	5,659	1,116,693
Special Revenue Funds	-	83
Capital Projects Fund	-	291,921
Total Enterprise Funds	5,659	1,408,697
Trust and Agency Funds:		
General Fund	183,186	733,196
Special Revenue Funds	381,878	249,102
Debt Service Fund	45	2,802
Trust and Agency Funds	106,004	106,004
Total Trust and Agency Funds	671,114	1,091,105
Total	\$ 5,902,106	\$ 5,902,106

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, 2022

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 a number of 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 PRONOUCEMENTS

Statement No. 87, Leases – This statement changes the recognition requirements to require recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2019. The effects of implementing GASB 87 have been reflected in the County's financial statements.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period – The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

GASB Statement No. 93, Interbank offered rates (LIBOR removal and lease modifications) – The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The requirements of this statement did not apply to the County for the current fiscal year.

GASB Statement No. 98, The Annual Comprehensive Financial Report – The objective of this Statement is to address references in authoritative literature to the term comprehensive annual financial report.

GASB Statement No. 99, Omnibus 2022 – The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this statement did not apply to the County for the current fiscal year.

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

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 2020 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.

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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 a 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 amounts 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, 2021, valuation and measurement date, the following employees were covered by the benefit terms:

<u>Members</u>	<u>December 31, 2020</u>	<u>December 31, 2021</u>
Number of inactive employees entitled to but not yet receiving benefits:	721	783
Number of active employees:	545	546
Average monthly salary*:	\$ 2,841	\$ 2,771
Average age*:	43	43
Average length of service in years*:	8.50	8.32
<u>Inactive Employees (or their Beneficiaries) Receiving Benefits</u>		
Number of benefit recipients:	189	204
Average monthly benefit:	\$ 832	\$ 844

*Averages reported for active employees

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

Members	December 31, 2020	December 31, 2021
Number of inactive employees entitled to but not yet receiving benefits:	721	783
Number of active employees:	545	546
Average monthly salary*:	\$ 2,841	\$ 2,771
Average age*:	43	43
Average length of service in years*:	8.50	8.32
<hr/>		
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	189	204
Average monthly benefit:	\$ 832	\$ 844

*Averages reported for active employees

C. Contributions

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

Employees for the County were required to contribute 5% of their annual gross earnings during the fiscal year. The contributions rates for the County were 7.61 % and 7.48% in the calendar year 2020 and 2021, respectively. The County's contributions to TCDRS for the year ended September 30, 2021, were \$159,319 and were equal to the required contributions.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

D. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2021, 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 12/31/20	\$ 52,785,655	\$ 48,600,019	\$ 4,185,636
Changes for the year:			-
Service cost	1,794,895		1,794,895
Interest	4,059,281		4,059,281
Change in benefit terms			-
Diff between expected/actual experience			-
Changes of assumptions	(671,910)		(671,910)
Contributions - employer		1,297,874	(1,297,874)
Contributions - employee		867,563	(867,563)
Net investment income		10,650,234	(10,650,234)
Benefit payments, including refunds of employee contributions	(2,381,517)	(2,381,517)	-
Administrative expenses		(31,925)	31,925
Other charges			
Net changes		7,575	(7,575)
Balance at 12/31/21	\$ 55,586,404	\$ 59,009,823	\$ (3,423,419)

Net Pension Liability / (Asset)	12/31/2020	12/31/2021
Total Pension Liability	\$ 52,785,655	\$ 55,586,404
Plan Fiduciary Net Position	48,600,019	59,009,823
Net Pension Liability	<u>\$ 4,185,636</u>	<u>\$ (3,423,419)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.07%	106.16%
Pension Covered Payroll	\$ 17,295,113	\$ 17,351,256
Net Pension Liability as a Percentage of Covered Payroll	24.20%	-19.73%

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

E. Actuarial assumptions

The Total Pension Liability in the December 31, 2021, 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	18.9 years (based on contribution rate calculated in 12/31/2021 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.
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.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions used in the December 31, 2021 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 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 2021 information for a 10-year time horizon. The valuation assumption for long-term expected return is reassessed at a minimum of every four years and is set based on a 30-year time horizon; the most recent analysis was performed in 2021.

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

Benchmark	Target Allocation	Geometric Real Rate of Return
Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
MSCI World (net) Index	2.50%	4.10%
MSCI World Ex USA (net) Index	5.00%	3.80%
MSCI EM Standard (net) index	6.00%	4.30%
Bloomberg Barclay U.S. Aggregate Bond Index	3.00%	-0.85%
FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
S&P/LSTA Leverage Loan Index	16.00%	6.25%
Cambridge Associates Distressed Securities Index	4.00%	4.50%
67% FTSE NAREIT Equity REITs	2.00%	3.10%
Index+ 33% S&P Global REIT (net) Index	2.00%	3.85%
Alerian MLP Index	2.00%	3.85%
Cambridge Associates Real Estate Index (5)	6.00%	5.10%
Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	6.80%
Hedge Fund research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
90-Day U.S. Treasury	2.00%	-1.05%

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 the 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 flows 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, 2022**

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.

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below:

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	18.9 years (based on contribution rate calculated in 12/31/2021 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.
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.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

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	\$ 63,617,186	\$ 55,586,404	\$ 48,958,202
Fiduciary Net Position	59,009,823	59,009,823	59,009,823
Net Pension Liability / (Asset)	\$ 4,607,363	\$ (3,423,419)	\$ (10,051,621)

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

As of December 31, 2021, 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	\$ -	\$ 531,600
Changes of assumptions	1,101,200	-
Net difference between projected and actual earnings	771,430	7,432,023
Contributions made subsequent to the measurement date	N/A	Employer Determined

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

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,	
2022	\$ (659,656)
2023	(2,448,628)
2024	(1,589,587)
2025	(1,393,122)
2026	-
Thereafter	-

NOTE 14 – CONTINGENCIES

The County is a party to various litigations under which it may be required to pay certain monies upon 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 insurances. 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, 2022.

NOTE 15 – DEFICIT FUND EQUITY

As of September 30, 2022, the Road and Bridge Fund had a deficit fund balance of (\$492,020), the Transfer Station had a deficit fund balance of (\$495,622), the Gas System had a deficit fund balance of (\$22,531), the Internal Service had a deficit fund balance of (\$25,163), the TDRA Contract #7217440 Grant Fund had a deficit fund balance of (\$5,850), the Self Help Center Contributions #711013 Grant Fund had a deficit fund balance of (\$42,461) and the Planning Department Fund had a deficit fund balance of (\$86).

**STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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	\$ 669,278
Restricted for Debt Service	1,627,339
Restricted for Capital Projects	587,080
Restricted for Special Purpose	4,334,607
Unassigned	<u>7,390,483</u>
Total fund Balance	<u>\$ 14,608,787</u>

NOTE 17 – SUBSEQUENT EVENTS

For the purposes of reporting subsequent events, management has considered events occurring up to June 30, 2023, 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, 2022

	Plan Year Ended December 31,			
	2021	2020	2019	2018
Total Pension Liability				
Service cost	\$ 1,794,895	\$ 1,476,709	\$ 1,359,508	\$ 1,322,698
Interest (on the total pension liability)	4,059,281	3,807,245	3,575,258	3,354,911
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(715,271)	(164,257)	(63,228)	(42,953)
Change of assumptions	43,361	3,216,881	-	-
Benefit payments, including refunds of employee contributions	(2,381,517)	(2,113,338)	(2,135,637)	(1,773,668)
Net Change in Total Pension Liability	2,800,749	6,223,240	2,735,901	2,860,988
Total Pension Liability - Beginning	52,785,655	\$ 46,562,415	43,826,514	40,965,526
Total Pension Liability - Ending	\$ 55,586,404	\$ 52,785,655	\$ 46,562,415	\$ 43,826,514
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,297,874	\$ 1,316,158	\$ 1,138,373	\$ 1,116,212
Contributions - employee	867,563	864,756	791,636	739,213
Net investment income	10,650,234	4,550,145	6,246,892	(720,080)
Benefit payments, including refunds of employee contributions	(2,381,517)	(2,100,662)	(2,135,637)	(1,773,668)
Administrative expense	(31,925)	(35,561)	(33,563)	(30,553)
Other	7,575	(26,446)	(1,905)	(6,338)
Net Change in Plan Fiduciary Net Position	10,409,804	4,568,390	6,005,796	(675,214)
Plan Fiduciary Net Position - Beginning	48,600,020	44,031,630	38,025,834	38,701,048
Plan Fiduciary Net Position - Ending	\$ 59,009,824	\$ 48,600,020	\$ 44,031,630	\$ 38,025,834
Net Pension Liability - Ending	\$ (3,423,421)	\$ 4,185,634	\$ 2,530,784	\$ 5,800,679
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.16%	92.07%	94.56%	86.76%
Covered Payroll	\$ 17,351,256	\$ 17,295,113	\$ 15,832,719	\$ 14,784,259
Net Pension Liability as a Percentage of Covered Payroll	-19.73%	24.20%	15.98%	39.24%
	2017	2016	2015	2014
Total Pension Liability				
Service cost	\$ 1,477,749	\$ 1,454,467	\$ 1,234,402	1,233,646
Interest (on the total pension liability)	3,180,024	2,937,528	2,752,024	\$ 2,558,600
Changes of benefit terms	-	-	(280,132)	-
Difference between expected and actual experience	(570,494)	(485,701)	60,500	21,362
Change of assumptions	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,772,619)	(1,585,393)	(1,526,926)	(1,385,724)
Net Change in Total Pension Liability	2,314,660	2,320,901	2,239,868	2,427,884
Total Pension Liability - Beginning	38,650,866	36,329,965	34,090,097	31,662,213
Total Pension Liability - Ending	\$ 40,965,526	\$ 38,650,866	\$ 36,329,965	\$ 34,090,097
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,157,528	\$ 1,226,470	\$ 1,125,290	\$ 1,133,421
Contributions - employee	767,072	793,343	725,994	687,176
Net investment income	4,915,296	2,292,766	(355,847)	1,929,958
Benefit payments, including refunds of employee contributions	(1,772,619)	(1,585,393)	(1,526,926)	(1,385,724)
Administrative expense	(25,737)	(24,973)	(22,353)	(23,013)
Other	1,794	(45,336)	26,980	38,336
Net Change in Plan Fiduciary Net Position	5,043,334	2,656,877	(26,862)	2,380,154
Plan Fiduciary Net Position - Beginning	33,657,714	31,000,837	31,027,699	28,647,545
Plan Fiduciary Net Position - Ending	\$ 38,701,048	\$ 33,657,714	\$ 31,000,837	\$ 31,027,699
Net Pension Liability - Ending	\$ 2,264,478	\$ 4,993,152	\$ 5,329,128	\$ 3,062,398
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.47%	87.08%	85.33%	91.02%
Covered Payroll	\$ 15,341,443	\$ 15,814,750	\$ 14,519,872	\$ 13,622,851
Net Pension Liability as a Percentage of Covered Payroll	14.76%	31.57%	36.70%	22.48%

STARR COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Fiscal Year Ended September 30,			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 1,364,742	\$ 1,316,158	\$ 1,138,373	\$ 1,116,212
Contributions in relation to actuarially determined contribution	<u>(1,364,742)</u>	<u>(1,316,158)</u>	<u>(1,138,373)</u>	<u>(1,116,212)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 17,351,256	\$ 17,295,113	\$ 15,832,719	\$ 14,784,259
Contributions as a percentage of covered payroll	7.87%	7.60%	7.20%	7.50%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,155,211	\$ 1,220,899	\$ 1,125,290	\$ 1,133,421
Contributions in relation to actuarially determined contribution	<u>(1,157,528)</u>	<u>(1,226,470)</u>	<u>(1,125,290)</u>	<u>(1,133,421)</u>
Contribution deficiency (excess)	<u>\$ (2,317)</u>	<u>\$ (5,571)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 15,341,443	\$ 15,814,750	\$ 14,519,872	\$ 13,622,851
Contributions as a percentage of covered payroll	7.50%	7.80%	7.70%	8.30%

STARR COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Appropriated Budget	Budgetary Basis Actual	Variances Favorable (Unfavorable)
REVENUES				-
Property Taxes	12,297,933	12,297,933	12,401,096	103,163
Licenses and Permits	105,200	105,200	235,270	130,070
Intergovernmental Revenue and Grants	620,000	620,000	597,038	(22,962)
State Funds	165,100	165,100		(165,100)
Fines	5,700,000	5,700,000	6,515,827	815,827
Investment Earnings	-	-	103,069	103,069
Rents and Royalties	500	500	-	(500)
Other Revenue	697,800	697,800	190,700	(507,100)
TOTAL REVENUES	<u>\$ 19,586,533</u>	<u>\$ 19,586,533</u>	<u>\$ 20,043,000</u>	<u>\$ 456,467</u>
EXPENDITURES				
County Judge	596,753	596,753	568,213	28,540
County Clerk	266,992	266,992	254,223	12,769
Veteran's Service Officer and Inv. Clerk	9,383	9,383	8,934	449
Personnel Department	193,881	193,881	184,609	9,272
Planning Department	208,523	208,523	198,550	9,973
Elections Administrator	203,753	203,753	194,009	9,745
General Fund County Wide	3,831,615	3,831,615	3,648,368	183,247
County Court-at-Law	385,694	385,694	367,248	18,446
229th District Court	387,780	387,780	369,234	18,546
381st District Court	388,913	388,913	370,313	18,600
District Clerk	355,873	355,873	338,854	17,020
Justice of the Peace Pct. 1	89,495	89,495	85,215	4,280
Justice of the Peace Pct. 2	83,547	83,547	79,552	3,996
Justice of the Peace Pct. 3	90,724	90,724	86,385	4,339
Justice of the Peace Pct. 4	88,324	88,324	84,100	4,224
Justice of the Peace Pct. 5	90,824	90,824	86,481	4,344
Justice of the Peace Pct. 6	91,230	91,230	86,867	4,363
Justice of the Peace Pct. 7	84,168	84,168	80,143	4,025
Justice of the Peace Pct. 8	89,405	89,405	85,129	4,276
County Attorney	363,949	363,949	346,543	17,406
District Attorney	611,438	611,438	582,196	29,242
County Auditor	495,878	495,878	472,162	23,715
County Treasurer	173,600	173,600	165,298	8,302
Tax Collector	451,009	451,009	429,440	21,570
Compliance and Collections	158,905	158,905	151,306	7,600
Buildng Maintenance	281,684	281,684	268,213	13,472
Fire Station Pct. 1	233,568	233,568	222,398	11,170
Fire Station Pct. 2	222,159	222,159	211,534	10,625
Fire Station Pct. 3	141,870	141,870	135,085	6,785
Fire Station Pct. 4	217,035	217,035	206,655	10,380
Constables	385,360	385,360	366,930	18,430
Sheriffs Department	2,849,981	2,849,981	2,713,680	136,301
229th District - Adult Probation	38,635	38,635	36,787	1,848
Detention Center	3,655,172	3,655,172	3,480,363	174,809
Juvenile Detention Center	407,760	407,760	388,259	19,501
9-1-1 Services	71,000	71,000	67,604	3,396
County Wide Services	58,049	58,049	55,272	2,776
Public Health and Welfare Aid	17,300	17,300	16,473	827
Federal and State Programs	262,715	262,715	250,151	12,564
Elderly Programs	72,585	72,585	69,113	3,471
Nutrition Program Pct. 1	320,333	320,333	305,013	15,320
Nutrition Program Pct 2	435,774	435,774	414,933	20,841
Nutrition Program Pct 3	195,091	195,091	185,761	9,330
Nutrition Program Pct 4	401,573	401,573	382,368	19,205
Agriculture Extension	144,409	144,409	137,503	6,906
Groundwater District	59,456	59,456	56,613	2,843
TOTAL EXPENDITURES	<u>20,263,167</u>	<u>20,263,167</u>	<u>19,294,079</u>	<u>969,088</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(676,634.19)</u>	<u>(676,634.19)</u>	<u>748,921</u>	<u>1,425,555</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	676,600	676,600	482,100	194,500
Total Other Financing Sources (Uses)	676,600	676,600	482,100	194,500
NET CHANGE IN FUND BALANCE	(34)	(34)	1,231,021	1,620,055
Fund Balance at Beginning of Period	6,810,953	6,810,953	6,810,953	-
Prior Period Adjustment	-	-	17,787	17,787
Fund Balance at End of Period	<u>\$ 6,810,919</u>	<u>\$ 6,810,919</u>	<u>\$ 8,059,761</u>	<u>\$ 1,248,842</u>

STARR COUNTY, TEXAS
Notes to Required Supplementary Information
As of December 31, 2022

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

OTHER SUPPLEMENTARY INFORMATION

STARR COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022

	Special Revenue Fund	HAVA Cares Act Grant Fund	TDEM - Cares Act Fund CRF	TDRA Contract #7419429
ASSETS				
Cash and Cash Equivalents	\$ 7,806	\$ 69,845	\$ 82,371	\$ -
Investments - Current	-	-	-	-
Interest Receivable - investments	-	-	-	-
Taxes Receivable	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Others	354,080	-	-	-
Total Assets	<u>\$ 361,886</u>	<u>\$ 69,845</u>	<u>\$ 82,371</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ 361,339	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	547	854	82,371	-
Due to Others	-	-	-	-
Unearned Revenues	-	68,991	-	-
Other Current Liabilities	-	-	-	-
Total Liabilities	<u>361,886</u>	<u>69,845</u>	<u>82,371</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Assigned Fund Balance:				
Restricted for Special Purpose	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 361,886</u>	<u>\$ 69,845</u>	<u>\$ 82,371</u>	<u>\$ -</u>

Courthouse Renovation Fund	Crime Victims Assistance Fund	DA's Border Prosecution Unit (BPU)	Victim Coord. Liasion 229th Court	CACST Section 5310	TDHCA OCC Program	TDHCA Program 2017-0040	Testing of Forensic Evid Grant
\$ 189,068	\$ 14,246	\$ 11,298	\$ 968	\$ 20,064	\$ 1	\$ 165	\$ 12,098
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,960	51,183	43,517	4,093	-	-	-	-
-	38,894	66,143	-	-	-	-	18,115
<u>\$ 191,028</u>	<u>\$ 104,323</u>	<u>\$ 120,958</u>	<u>\$ 5,061</u>	<u>\$ 20,064</u>	<u>\$ 1</u>	<u>\$ 165</u>	<u>\$ 30,213</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	10,352	19,698	-	-	-	-	-
-	93,971	99,145	5,061	20,064	1	164	30,213
-	-	2,115	-	-	-	1	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>104,323</u>	<u>120,958</u>	<u>5,061</u>	<u>20,064</u>	<u>1</u>	<u>165</u>	<u>30,213</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
191,028	-	-	-	-	-	-	-
<u>191,028</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>\$ 191,028</u></u>	<u><u>\$ 104,323</u></u>	<u><u>\$ 120,958</u></u>	<u><u>\$ 5,061</u></u>	<u><u>\$ 20,064</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 165</u></u>	<u><u>\$ 30,213</u></u>

STARR COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022

	HIDTA Task Force Grant-G-23	BEC/NADBANK SWEP Grant (RRR)	BEC/NADBANK SWEP (OMR) Grant	HIDTA Task Force Grant - G21
ASSETS				
Cash and Cash Equivalents	\$ (10,342)	\$ 43,600	\$ 18,930	\$ (3,284)
Investments - Current	-	-	-	-
Interest Receivable - investments	-	-	-	-
Taxes Receivable	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Others	10,342	-	-	3,284
Total Assets	\$ -	\$ 43,600	\$ 18,930	\$ -
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Others	-	-	-	-
Unearned Revenues	-	43,599	18,930	-
Other Current Liabilities	-	1	-	-
Total Liabilities	-	43,600	18,930	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Assigned Fund Balance:				
Restricted for Special Purpose	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities, Deferred Inflows & Fund Balances	\$ -	\$ 43,600	\$ 18,930	\$ -

HIDTA Task Force Grant G-22	HIDTA Task Force Grant G-20	Homeland Security Grants	Self Help Center	229TH DA's Pre-Trail Diversion Prg	Law Library Fund	Surcharge Fund	Courthouse Security Fund
\$ 28,814	\$ -	\$ 101,909	\$ 441	\$ 21,740	\$ 431,220	\$ 29,048	\$ 123,383
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,905	5,610	2,834
311,361	-	750	-	-	-	-	-
<u>\$ 340,175</u>	<u>\$ -</u>	<u>\$ 102,659</u>	<u>\$ 441</u>	<u>\$ 21,740</u>	<u>\$ 434,125</u>	<u>\$ 34,658</u>	<u>\$ 126,217</u>
\$ -	\$ -	\$ 999	\$ -	\$ -	\$ 304	\$ -	\$ -
-	-	-	-	-	-	-	-
318,871	-	76,861	37,725	1,197	-	22	-
8,424	-	-	-	-	-	-	-
12,880	-	24,799	5,177	-	-	-	-
-	-	-	-	-	-	-	-
<u>340,175</u>	<u>-</u>	<u>102,659</u>	<u>42,902</u>	<u>1,197</u>	<u>304</u>	<u>22</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(42,461)	20,543	433,821	34,636	126,217
-	-	-	(42,461)	20,543	433,821	34,636	126,217
<u>\$ 340,175</u>	<u>\$ -</u>	<u>\$ 102,659</u>	<u>\$ 441</u>	<u>\$ 21,740</u>	<u>\$ 434,125</u>	<u>\$ 34,658</u>	<u>\$ 126,217</u>

STARR COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022

	Archives Mgmt Fund County Clerk	Records Mgmt & Pres Fund District Cler	Records Mgmt & Pres Fund County Clerk	LEOSE Fund
ASSETS				
Cash and Cash Equivalents	\$ 82,075	\$ 63,174	\$ 16,201	\$ 36,055
Investments - Current	-	-	-	-
Interest Receivable - investments	-	-	-	-
Taxes Receivable	-	-	-	-
Due from Other Funds	7,605	3,101	36	-
Due from Others	-	-	-	553
Total Assets	<u>\$ 89,680</u>	<u>\$ 66,275</u>	<u>\$ 16,237</u>	<u>\$ 36,608</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	3	5,325	-	237
Due to Others	-	-	-	-
Unearned Revenues	-	-	-	-
Other Current Liabilities	-	-	-	-
Total Liabilities	<u>3</u>	<u>5,325</u>	<u>-</u>	<u>237</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Assigned Fund Balance:				
Restricted for Special Purpose	<u>89,677</u>	<u>60,950</u>	<u>16,237</u>	<u>36,371</u>
Total Fund Balances	<u>89,677</u>	<u>60,950</u>	<u>16,237</u>	<u>36,371</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 89,680</u>	<u>\$ 66,275</u>	<u>\$ 16,237</u>	<u>\$ 36,608</u>

Olmitos Garcí Creek Watersh Site 7	TCEQ - Local Emergency Pln Committee Grn	Starr County Drainage District	Starr Co Judg Vending Machine Acct	Victims of Domestic Violence	San Isidro Project	Texas A&M Forest Serv Grant 102783	TDA TxCDBG Contract #7217440
\$ 28,050	\$ 101	\$ 828,403	\$ 4,135	\$ 17,935	\$ 4,871	\$ -	\$ 614
-	-	2,844,573	-	-	-	-	-
-	-	563	-	-	-	-	-
-	-	221,685	-	-	-	-	-
-	-	3,265	-	14,690	-	-	-
-	-	-	-	41,879	-	500	-
<u>\$ 28,050</u>	<u>\$ 101</u>	<u>\$ 3,898,489</u>	<u>\$ 4,135</u>	<u>\$ 74,504</u>	<u>\$ 4,871</u>	<u>\$ 500</u>	<u>\$ 614</u>
\$ -	\$ -	\$ -	\$ -	\$ 10,647	\$ -	\$ -	\$ -
-	-	-	-	5,868	-	-	-
28,050	101	-	-	33,016	31	500	6,463
-	-	-	-	-	-	-	-
-	-	-	-	24,973	-	-	-
-	-	-	-	-	4,840	-	1
<u>28,050</u>	<u>101</u>	<u>-</u>	<u>-</u>	<u>74,504</u>	<u>4,871</u>	<u>500</u>	<u>6,464</u>
-	-	221,685	-	-	-	-	-
-	-	221,685	-	-	-	-	-
-	-	3,676,804	4,135	-	-	-	(5,850)
-	-	3,676,804	4,135	-	-	-	(5,850)
<u>\$ 28,050</u>	<u>\$ 101</u>	<u>\$ 3,898,489</u>	<u>\$ 4,135</u>	<u>\$ 74,504</u>	<u>\$ 4,871</u>	<u>\$ 500</u>	<u>\$ 614</u>

STARR COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022

	CDBG Emergen Services Help #7219153	Memorial Cemetary Fund	Starr County Border Interd Unit	Starr County Violent Crime Unit
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 39,555	\$ 2,061	\$ 20,860
Investments - Current	-	-	-	-
Interest Receivable - investments	-	-	-	-
Taxes Receivable	-	-	-	-
Due from Other Funds	-	-	-	51,349
Due from Others	-	-	3,885	6,182
Total Assets	<u>\$ -</u>	<u>\$ 39,555</u>	<u>\$ 5,946</u>	<u>\$ 78,391</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	-	10,372	5,946	21,500
Due to Others	-	-	-	5,000
Unearned Revenues	-	-	-	6,889
Other Current Liabilities	-	-	-	45,002
Total Liabilities	<u>-</u>	<u>10,372</u>	<u>5,946</u>	<u>78,391</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Assigned Fund Balance:				
Restricted for Special Purpose	-	29,183	-	-
Total Fund Balances	<u>-</u>	<u>29,183</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ -</u>	<u>\$ 39,555</u>	<u>\$ 5,946</u>	<u>\$ 78,391</u>

Starr Co Crim Victims Donation Fund	Chapter 19 Fund	JP's Justice Court Tech Fund	Juvenile Interv Serv Program Grant	CSCD Bond Supervision Program	Title IV-E Dept of Fam Protective Sv	Joint Investigation ICE&Sheriff	School Resource Fund
\$ 10,588	\$ -	\$ 2,559	\$ 635	\$ 117,953	\$ 7,939	\$ 1,832	\$ 6,981
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	432	-	-	-	1,750	-
-	-	-	3,106	-	14,954	-	658
<u>\$ 10,588</u>	<u>\$ -</u>	<u>\$ 2,991</u>	<u>\$ 3,741</u>	<u>\$ 117,953</u>	<u>\$ 22,893</u>	<u>\$ 3,582</u>	<u>\$ 7,639</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
10,402	-	19	3,741	-	22,893	1,764	7,639
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,818	-
-	-	-	-	-	-	-	-
<u>10,402</u>	<u>-</u>	<u>19</u>	<u>3,741</u>	<u>-</u>	<u>22,893</u>	<u>3,582</u>	<u>7,639</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
186	-	2,972	-	117,953	-	-	-
<u>186</u>	<u>-</u>	<u>2,972</u>	<u>-</u>	<u>117,953</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 10,588</u>	<u>\$ -</u>	<u>\$ 2,991</u>	<u>\$ 3,741</u>	<u>\$ 117,953</u>	<u>\$ 22,893</u>	<u>\$ 3,582</u>	<u>\$ 7,639</u>

STARR COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022

	Starr County Attorney Investigator	Joint Investigation DA & ICE	Homeland Secu DA SLOT Overtime	Crime Against Women Divisio VAWA Grant
ASSETS				
Cash and Cash Equivalents	\$ 5,338	\$ 1,812	\$ 2,350	\$ 7,053
Investments - Current	-	-	-	-
Interest Receivable - investments	-	-	-	-
Taxes Receivable	-	-	-	-
Due from Other Funds	-	2,281	729	-
Due from Others	3,247	-	-	5,283
Total Assets	<u>\$ 8,585</u>	<u>\$ 4,093</u>	<u>\$ 3,079</u>	<u>\$ 12,336</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 1,899
Wages and Salaries Payable	1,025	-	-	1,073
Due to Other Funds	7,560	-	3,079	9,364
Due to Others	-	-	-	-
Unearned Revenues	-	4,093	-	-
Other Current Liabilities	-	-	-	-
Total Liabilities	<u>8,585</u>	<u>4,093</u>	<u>3,079</u>	<u>12,336</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Assigned Fund Balance:				
Restricted for Special Purpose	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 8,585</u>	<u>\$ 4,093</u>	<u>\$ 3,079</u>	<u>\$ 12,336</u>

Homeland Security SLO Grant	Joint Law Enf Oper Sheriff & US Marsh	LBSP Sheriff FY 20	LBSP Sheriff FY 21	Local Border Secure Program 2022	Starr County 2018 OPSG	Starr County 2019 OPSG	Starr County 2020 OPSG
\$ 2,426	\$ 338	\$ -	\$ -	\$ 30,662	\$ -	\$ -	\$ 5,112
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
24	5,620	-	-	-	-	-	-
161	346	-	-	-	-	-	-
<u>\$ 2,611</u>	<u>\$ 6,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,112</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	132	-	-	-	-	-	-
2,611	6,115	-	-	30,662	-	-	5,112
-	-	-	-	-	-	-	-
-	57	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,611</u>	<u>6,304</u>	<u>-</u>	<u>-</u>	<u>30,662</u>	<u>-</u>	<u>-</u>	<u>5,112</u>
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,611</u>	<u>\$ 6,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,112</u>

STARR COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022

	Starr - 2021 OPSG	Total Nonmajor Special Revenue Funds	Debt Service Fund	Starr County I & S Fund 2004
ASSETS				
Cash and Cash Equivalents	\$ 67,051	\$ 2,608,108	\$ 714,134	\$ 367,414
Investments - Current	-	2,844,573	508,785	-
Interest Receivable - investments	-	563	30	-
Taxes Receivable	-	221,685	397,825	-
Due from Other Funds	-	202,984	362,298	37,021
Due from Others	82,147	965,870	-	-
Total Assets	<u>\$ 149,198</u>	<u>\$ 6,843,783</u>	<u>\$ 1,983,072</u>	<u>\$ 404,435</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 375,188	\$ -	\$ -
Wages and Salaries Payable	-	38,148	-	-
Due to Other Funds	149,198	1,138,770	45	362,298
Due to Others	-	15,540	-	-
Unearned Revenues	-	212,206	-	-
Other Current Liabilities	-	49,844	-	-
Total Liabilities	<u>149,198</u>	<u>1,829,696</u>	<u>45</u>	<u>362,298</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	221,685	397,825	-
Total Deferred Inflows of Resources	<u>-</u>	<u>221,685</u>	<u>397,825</u>	<u>-</u>
FUND BALANCES				
Assigned Fund Balance:				
Restricted for Special Purpose	-	4,792,402	1,585,202	42,137
Total Fund Balances	<u>-</u>	<u>4,792,402</u>	<u>1,585,202</u>	<u>42,137</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 149,198</u>	<u>\$ 6,843,783</u>	<u>\$ 1,983,072</u>	<u>\$ 404,435</u>

Total Nonmajor Debt Service Fund	Starr County Construction 2004	Total Nonmajor Governmental Funds
\$ 1,081,548	\$ 295,159	\$ 3,984,815
508,785	-	3,353,358
30	-	593
397,825	-	619,510
399,319	291,921	894,224
-	-	965,870
<u>\$ 2,387,507</u>	<u>\$ 587,080</u>	<u>\$ 9,818,370</u>
\$ -	\$ -	\$ 375,188
-	-	38,148
362,343	-	1,501,113
-	-	15,540
-	-	212,206
-	-	49,844
<u>362,343</u>	<u>-</u>	<u>2,192,039</u>
397,825	-	619,510
<u>397,825</u>	<u>-</u>	<u>619,510</u>
1,627,339	587,080	7,006,821
<u>1,627,339</u>	<u>587,080</u>	<u>7,006,821</u>
<u>\$ 2,387,507</u>	<u>\$ 587,080</u>	<u>\$ 9,818,370</u>

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Fund	HAVA Cares Act Grant Fund	TDEM - Cares Act Fund CRF	TDRA Contract #7419429
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	967,874	51,009	-	16,440
Charges for Services	-	-	-	-
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	967,874	51,009	-	16,440
EXPENDITURES:				
Current:				
General Government	967,874	51,009	-	-
Financial Administration	-	-	-	-
Public Safety	-	-	-	-
Highways and Streets	-	-	-	16,440
Health and Welfare	-	-	-	-
Total Expenditures	967,874	51,009	-	16,440
Net Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	-	-	-	-
Prior Period Adjustment	-	-	-	-
Fund Balance - September 30 (Ending)	\$ -	\$ -	\$ -	\$ -

Courthouse Renovation Fund	Crime Victims Assistance Fund	DA's Border Prosecution Unit (BPU)	Victim Coord. Liasion 229th Court	CACST Section 5310	TDHCA OCC Program	TDHCA Program 2017-0040	Testing of Forensic Evid Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	316,991	603,439	-	-	-	-	18,115
28,730	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,163	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>29,893</u>	<u>316,991</u>	<u>603,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,115</u>
-	-	-	-	-	-	-	18,115
-	-	-	-	-	-	-	-
-	316,991	603,439	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>316,991</u>	<u>603,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,115</u>
29,893	-	-	-	-	-	-	-
161,136	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 191,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	HIDTA Task Force Grant-G-23	BEC/NADBANK SWEP Grant (RRR)	BEC/NADBANK SWEP (OMR) Grant	HIDTA Task Force Grant - G21
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	10,342	-	-	227,154
Charges for Services	-	-	-	-
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	10,342	-	-	227,154
EXPENDITURES:				
Current:				
General Government	10,342	-	-	-
Financial Administration	-	-	-	-
Public Safety	-	-	-	227,154
Highways and Streets	-	-	-	-
Health and Welfare	-	-	-	-
Total Expenditures	10,342	-	-	227,154
Net Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	-	-	-	-
Prior Period Adjustment	-	-	-	-
Fund Balance - September 30 (Ending)	\$ -	\$ -	\$ -	\$ -

HIDTA Task Force Grant G-22	HIDTA Task Force Grant G-20	Homeland Security Grants	Self Help Center	229TH DA's Pre-Trail Diversion Prg	Law Library Fund	Surcharge Fund	Courthouse Security Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
396,964	26,283	4,795	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	17,500	37,415	77,683	34,158
-	-	-	-	129	2,734	139	740
-	-	-	-	-	-	-	-
<u>396,964</u>	<u>26,283</u>	<u>4,795</u>	<u>-</u>	<u>17,629</u>	<u>40,149</u>	<u>77,822</u>	<u>34,898</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	1,094	59,364	67
396,964	26,283	4,795	-	23,650	-	-	-
-	-	-	-	-	-	-	-
-	-	-	29,209	-	-	-	-
<u>396,964</u>	<u>26,283</u>	<u>4,795</u>	<u>29,209</u>	<u>23,650</u>	<u>1,094</u>	<u>59,364</u>	<u>67</u>
-	-	-	(29,209)	(6,021)	39,055	18,458	34,831
-	-	-	(13,252)	26,564	394,766	16,178	91,386
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,461)</u>	<u>\$ 20,543</u>	<u>\$ 433,821</u>	<u>\$ 34,636</u>	<u>\$ 126,217</u>

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Archives Mgmt Fund County Clerk	Records Mgmt & Pres Fund District Cler	Records Mgmt & Pres Fund County Clerk	LEOSE Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	6,782
Charges for Services	-	-	-	-
Fines	74,808	36,319	1,058	-
Investment Earnings	478	342	104	-
Other Revenue	-	-	-	-
Total Revenues	75,286	36,661	1,162	6,782
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Financial Administration	68,605	-	-	-
Public Safety	-	-	-	3,876
Highways and Streets	-	-	-	-
Health and Welfare	-	-	-	-
Total Expenditures	68,605	-	-	3,876
Net Change in Fund Balance	6,681	36,661	1,162	2,906
Fund Balance - October 1 (Beginning)	82,996	24,288	15,075	33,465
Prior Period Adjustment	-	-	-	-
Fund Balance - September 30 (Ending)	\$ 89,677	\$ 60,949	\$ 16,237	\$ 36,371

Olmitos Garcí Creek Watersh Site 7	TCEQ - Local Emergency Pln Committee Grn	Starr County Drainage District	Starr Co Judg Vending Machine Acct	Victims of Domestic Violence	San Isidro Project	Texas A&M Forest Serv Grant 102783	TDA TxCDBG Contract #7217440
\$ -	\$ -	\$ 404,365	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	139,768	-	500	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	9,823	30	-	-	-	-
-	-	-	3,089	-	-	-	-
-	-	414,188	3,119	139,768	-	500	-
-	-	-	7,228	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	139,768	-	500	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	7,228	139,768	-	500	-
-	-	414,188	(4,109)	-	-	-	-
-	-	3,259,556	8,244	-	-	-	(5,850)
-	-	3,060	-	-	-	-	-
\$ -	\$ -	\$ 3,676,804	\$ 4,135	\$ -	\$ -	\$ -	\$ (5,850)

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	CDBG Emergen Services Help #7219153	Memorial Cemetery Fund	Starr County Border Interd Unit	Starr County Violent Crime Unit
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	3,621	-	49,957	51,937
Charges for Services	-	88,250	-	-
Fines	-	-	-	-
Investment Earnings	-	233	-	-
Other Revenue	-	-	-	-
Total Revenues	3,621	88,483	49,957	51,937
EXPENDITURES:				
Current:				
General Government	-	93,052	-	-
Financial Administration	-	-	-	-
Public Safety	-	-	49,957	51,937
Highways and Streets	-	-	-	-
Health and Welfare	3,621	-	-	-
Total Expenditures	3,621	93,052	49,957	51,937
Net Change in Fund Balance	-	(4,569)	-	-
Fund Balance - October 1 (Beginning)	-	33,752	-	-
Prior Period Adjustment	-	-	-	-
Fund Balance - September 30 (Ending)	\$ -	\$ 29,183	\$ -	\$ -

Starr Co Crim Victims Donation Fund	Chapter 19 Fund	JP's Justice Court Tech Fund	Juvenile Interv Serv Program Grant	CSCD Bond Supervision Program	Title IV-E Dept of Fam Protective Sv	Joint Investigation ICE&Sheriff	School Resource Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	41,562	-	48,986	1,750	20,953
-	12,019	-	-	-	-	-	-
-	-	5,463	-	57,376	-	-	-
-	-	-	-	662	-	-	-
9,080	-	-	-	-	-	-	-
<u>9,080</u>	<u>12,019</u>	<u>5,463</u>	<u>41,562</u>	<u>58,038</u>	<u>48,986</u>	<u>1,750</u>	<u>20,953</u>
-	-	-	-	-	-	-	-
-	12,019	-	-	-	-	-	-
8,894	-	9,301	41,562	82	41,265	1,750	20,953
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>8,894</u>	<u>12,019</u>	<u>9,301</u>	<u>41,562</u>	<u>82</u>	<u>41,265</u>	<u>1,750</u>	<u>20,953</u>
186	-	(3,838)	-	57,956	7,721	-	-
-	-	6,810	-	59,997	(7,721)	-	-
-	-	-	-	-	-	-	-
<u>\$ 186</u>	<u>\$ -</u>	<u>\$ 2,972</u>	<u>\$ -</u>	<u>\$ 117,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Starr County Attorney Investigator	Joint Investigation DA & ICE	Homeland Secu DA SLOT Overtime	Crime Against Women Divisio VAWA Grant
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	28,097	-	3,585	40,534
Charges for Services	-	-	729	-
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	28,097	-	4,314	40,534
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Financial Administration	-	-	-	-
Public Safety	28,097	-	4,314	40,534
Highways and Streets	-	-	-	-
Health and Welfare	-	-	-	-
Total Expenditures	28,097	-	4,314	40,534
Net Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	-	-	-	-
Prior Period Adjustment	-	-	-	-
Fund Balance - September 30 (Ending)	\$ -	\$ -	\$ -	\$ -

Homeland Security SLO Grant	Joint Law Enf Oper Sheriff & US Marsh	LBSP Sheriff FY 20	LBSP Sheriff FY 21	Local Border Secure Program 2022	Starr County 2018 OPSG	Starr County 2019 OPSG	Starr County 2020 OPSG
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
185	2,731	-	-	249,978	-	-	615,377
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>185</u>	<u>2,731</u>	<u>-</u>	<u>-</u>	<u>249,978</u>	<u>-</u>	<u>-</u>	<u>615,377</u>
-	-	-	-	-	-	-	-
185	2,731	-	-	249,978	-	-	615,377
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>185</u>	<u>2,731</u>	<u>-</u>	<u>-</u>	<u>249,978</u>	<u>-</u>	<u>-</u>	<u>615,377</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Starr - 2021 OPSG	Total Nonmajor Special Revenue Funds	Debt Service Fund	Starr County I & S Fund 2004
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ 404,365	\$ -	\$ 64,958
Intergovernmental Revenue and Grants	639,912	4,578,580	-	-
Charges for Services	-	129,728	-	-
Fines	-	341,780	-	-
Investment Earnings	-	16,577	5,523	2,290
Other Revenue	-	12,169	-	-
Total Revenues	639,912	5,483,199	5,523	67,248
EXPENDITURES:				
Current:				
General Government	-	1,147,620	-	-
Financial Administration	-	141,149	-	-
Public Safety	639,912	3,543,208	-	-
Highways and Streets	-	16,440	-	-
Health and Welfare	-	32,830	-	-
Total Expenditures	639,912	4,881,247	-	-
Net Change in Fund Balance	-	601,952	5,523	67,248
Fund Balance - October 1 (Beginning)	-	4,187,390	1,579,679	(25,111)
Prior Period Adjustment	-	3,060	-	-
Fund Balance - September 30 (Ending)	\$ -	\$ 4,792,402	\$ 1,585,202	\$ 42,137

Total Nonmajor Debt Service Fund	Starr County Construction 2004	Total Nonmajor Governmental Funds
\$ 64,958	\$ -	\$ 469,323
-	-	4,578,580
-	-	129,728
-	-	341,780
7,813	1,918	26,308
-	-	12,169
72,771	1,918	5,557,888
-	-	1,147,620
-	-	141,149
-	-	3,543,208
-	-	16,440
-	-	32,830
-	-	4,881,247
72,771	1,918	676,641
1,554,568	585,162	6,327,120
-	-	3,060
\$ 1,627,339	\$ 587,080	\$ 7,006,821

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBITH-6

ASSETS	Gas System	Transfer Station	Total Nonmajor Enterprise Funds
Current Assets:			
Cash and Cash Equivalents	\$ 4,814	\$ 27,237	\$ 32,051
Investments - Current	106,538	-	106,538
Interest Receivable - investments	35	-	35
Accounts Receivable, Net	85,558	99,869	185,427
Due from Other Funds	5,558	-	5,558
Inventories	46,236	-	46,236
Total Current Assets	248,739	127,106	375,845
Noncurrent Assets:			
Capital Assets:			
Capital Assets Not Being Depreciated	10,000	-	10,000
Capital Assets Being Depreciated, Net	62,435	774,337	836,772
Net Pension Asset	104,458	-	104,458
Total Noncurrent Assets	176,893	774,337	951,230
Total Assets	425,632	901,443	1,327,075
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow Related to Pension Plan	128,387	-	128,387
Total Deferred Outflows of Resources	128,387	-	128,387
LIABILITIES			
Current Liabilities:			
Accounts Payable	55,632	58,815	114,447
Wages and Salaries Payable	27,659	9,776	37,435
Compensated Absences Payable	9,480	-	9,480
Contracts Payable	136,347	-	136,347
Due to Other Funds	79,295	1,328,474	1,407,769
Total Liabilities	308,413	1,397,065	1,705,478
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to Pension Plan	268,137	-	268,137
Total Deferred Inflows of Resources	268,137	-	268,137
NET POSITION			
Net Investment in Capital Assets & Lease Assets	936,772	774,337	1,711,109
Unrestricted	(959,303)	(1,269,959)	(2,229,262)
Total Net Position	\$ (22,531)	\$ (495,622)	\$ (518,153)

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT H-7

	Gas System	Transfer Station	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Charges for Services	\$ 1,026,396	\$ 1,317,344	\$ 2,343,740
Total Operating Revenues	<u>1,026,396</u>	<u>1,317,344</u>	<u>2,343,740</u>
OPERATING EXPENSES:			
Personnel Services - Salaries and Wages	287,302	194,515	481,817
Personnel Services - Employee Benefits	79,066	54,703	133,769
Other Operating Costs	642,146	1,195,519	1,837,665
Depreciation	10,499	86,917	97,416
Total Operating Expenses	<u>1,019,013</u>	<u>1,531,654</u>	<u>2,550,667</u>
Operating Income (Loss)	<u>7,383</u>	<u>(214,310)</u>	<u>(206,927)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Earnings	802	634	1,436
Net Pension Income	75,767	-	75,767
Total Nonoperating Revenue (Expenses)	<u>76,569</u>	<u>634</u>	<u>77,203</u>
Change in Net Position	83,952	(213,676)	(129,724)
Total Net Position - October 1 (Beginning)	<u>(106,483)</u>	<u>(281,946)</u>	<u>(388,429)</u>
Total Net Position - September 30 (Ending)	<u>\$ (22,531)</u>	<u>\$ (495,622)</u>	<u>\$ (518,153)</u>

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STARR COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Gas System	Transfer Station	Total Nonmajor Enterprise Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from User Charges	\$ 1,026,396	\$ 1,317,344	\$ 2,343,740
Cash Payments to Employees for Services	(366,368)	(249,218)	(615,586)
Cash Payments for Other Operating Expenses	(738,670)	(1,155,374)	(1,894,044)
Net Cash Provided by (Used for) Operating Activities	<u>(78,642)</u>	<u>(87,248)</u>	<u>(165,890)</u>
<u>Cash Flows from Investing Activities:</u>			
Interest and Dividends on Investments	802	634	1,436
Net Increase (Decrease) in Cash and Cash Equivalents	(77,840)	(86,614)	(164,454)
Cash and Cash Equivalents at Beginning of the Period	<u>82,654</u>	<u>113,851</u>	<u>196,505</u>
Cash and Cash Equivalents at End of the Period	<u>\$ 4,814</u>	<u>\$ 27,237</u>	<u>\$ 32,051</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by (Used for) Operating Activities:</u>			
Operating Income (Loss)	\$ 7,383	\$ (214,310)	\$ (206,927)
Adjustments to Reconcile Operating Income			
to Net Cash Provided by (Used For) Operating Activities:			
Depreciation	10,499	86,917	97,416
Effect of Increases and Decreases in Current			
Assets and Liabilities:			
Decrease(Increase) in Net Pension Asset	(104,458)	-	(104,458)
Decrease (Increase) in Receivables	(11,025)	23,871	12,846
Decrease (Increase) in Inventories	10,025	-	10,025
Decrease (Increase) in Prepaid Expenses	7,257	-	7,257
Increase (Decrease) in Accounts Payable	(34,932)	(35,758)	(70,690)
Increase (Decrease) in Payroll Deductions	15,129	-	15,129
Increase (Decrease) in Due From Other Funds	-	52,032	52,032
Increase (Decrease) in Deferred Inflows/(Outflows)	149,195	-	149,195
Increase (Decrease) in	(127,715)	-	(127,715)
Net Cash Provided by (Used for)			
Operating Activities	<u>\$ (78,642)</u>	<u>\$ (87,248)</u>	<u>\$ (165,890)</u>

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 SEPTEMBER 30, 2022

	Constable Vehicle Forfeiture	229th Probation Unit	Juvenile Probation & Restitution F	County Attorney Fund	District Attorney
ASSETS					
Cash and Cash Equivalents	\$ -	\$ 25,886	\$ 22,610	\$ 111,683	\$ 1,225,219
Investments - Current	-	-	-	-	-
Accounts Receivable, Net	-	-	50	-	-
Due from Other Funds	-	-	2,946	3,052	386,587
Due from Others	-	-	-	-	10,508
Prepaid Items	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Assets	\$ -	\$ 25,886	\$ 25,606	\$ 114,735	\$ 1,622,314
LIABILITIES					
Accounts Payable	-	-	-	1,699	2,082
Due to Other Funds	-	-	-	32,880	161,798
Due to Others	-	21,102	-	-	434,250
Total Liabilities	-	21,102	-	34,579	598,130
NET POSITION					
Restricted for Other Purposes	-	4,784	25,606	80,156	1,024,184
Total Net Position	\$ -	\$ 4,784	\$ 25,606	\$ 80,156	\$ 1,024,184

County Clerk Fund	Detention Center Fund	Motor Vehicle & Special Inventory	Tax Assessor & Collector Fund	Justice of the Peace Fund	District Clerk-Investe Trust Fund	District Clerk Fund	Sheriff's Department Fund
\$ 842,239	\$ 438,952	\$ 542,766	\$ 773,765	\$ 90,206	\$ 639,247	\$ 1,037,167	\$ 764,817
-	-	-	-	-	-	-	118,520
-	-	182,549	-	-	-	-	-
-	-	182	70,001	-	-	-	9,241
-	-	-	-	-	-	-	-
-	-	-	282,403	-	-	-	-
-	-	-	5,673	-	-	-	-
<u>842,239</u>	<u>438,952</u>	<u>725,497</u>	<u>1,131,842</u>	<u>90,206</u>	<u>639,247</u>	<u>1,037,167</u>	<u>892,578</u>
-	-	255	-	-	-	-	-
67,000	-	168,013	518,933	36,942	-	30,424	641
<u>304,505</u>	<u>128,341</u>	<u>484,987</u>	<u>181,052</u>	<u>-</u>	<u>639,247</u>	<u>1,006,743</u>	<u>158,073</u>
<u>371,505</u>	<u>128,341</u>	<u>653,255</u>	<u>699,985</u>	<u>36,942</u>	<u>639,247</u>	<u>1,037,167</u>	<u>158,714</u>
<u>470,734</u>	<u>310,611</u>	<u>72,242</u>	<u>431,857</u>	<u>53,264</u>	<u>-</u>	<u>-</u>	<u>733,864</u>
<u>\$ 470,734</u>	<u>\$ 310,611</u>	<u>\$ 72,242</u>	<u>\$ 431,857</u>	<u>\$ 53,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 733,864</u>

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 SEPTEMBER 30, 2022

	Compliance & Collections	Retirement System Fund	Jury Fund	Health Inspection Fund	Consolidated Courts Cost Fund
ASSETS					
Cash and Cash Equivalents	\$ 33,766	\$ 233	\$ 4,903	\$ 8,020	\$ 116,441
Investments - Current	-	-	-	-	-
Accounts Receivable, Net	1,588	-	-	-	-
Due from Other Funds	-	180,240	-	-	18,397
Due from Others	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Assets	<u>35,354</u>	<u>180,473</u>	<u>4,903</u>	<u>8,020</u>	<u>134,838</u>
LIABILITIES					
Accounts Payable	\$ 1,066	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	9,274	3,392	1,413	8,020	47,571
Due to Others	44	180,240	-	-	40,699
Total Liabilities	<u>10,384</u>	<u>183,632</u>	<u>1,413</u>	<u>8,020</u>	<u>88,270</u>
NET POSITION					
Restricted for Other Purposes	24,970	(3,159)	3,490	-	46,568
Total Net Position	<u>\$ 24,970</u>	<u>\$ (3,159)</u>	<u>\$ 3,490</u>	<u>\$ -</u>	<u>\$ 46,568</u>

TNRCC Insp Fee Fund	Fourth Court of Appeals Civil Suits F	Tertiary Care Trauma Fund	Planning Department Fund	Scholarship Fund	Total Custodial Funds
\$ 5,319	\$ 656	\$ 5,475	\$ 72	\$ 20,625	\$ 6,710,067
-	-	-	-	-	118,520
-	-	-	-	-	184,187
-	410	60	-	-	671,116
-	-	-	-	-	10,508
-	-	-	-	-	282,403
-	-	-	-	-	5,673
<u>5,319</u>	<u>1,066</u>	<u>5,535</u>	<u>72</u>	<u>20,625</u>	<u>7,982,474</u>
-	-	-	-	-	5,102
-	10	4,635	158	-	1,091,104
90	-	900	-	-	3,580,273
<u>90</u>	<u>10</u>	<u>5,535</u>	<u>158</u>	<u>-</u>	<u>4,676,479</u>
<u>5,229</u>	<u>1,056</u>	<u>-</u>	<u>(86)</u>	<u>20,625</u>	<u>3,305,995</u>
<u>\$ 5,229</u>	<u>\$ 1,056</u>	<u>\$ -</u>	<u>\$ (86)</u>	<u>\$ 20,625</u>	<u>\$ 3,305,995</u>

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Constable Vehicle Forfeiture	229th Probation Unit	Juvenile Probation & Restitution F	County Attorney Fund	District Attorney
ADDITIONS:					
Charges for Services	\$ -	\$ 308,631	\$ 2,393	\$ 159,176	\$ 459,988
Total Additions	<u>-</u>	<u>308,631</u>	<u>2,393</u>	<u>159,176</u>	<u>459,988</u>
DEDUCTIONS:					
Other Operating Costs	-	310,580	1	104,648	331,063
Total Deductions	<u>-</u>	<u>310,580</u>	<u>1</u>	<u>104,648</u>	<u>331,063</u>
Change in Net Position	-	(1,949)	2,392	54,528	128,925
Total Net Position - October 1 (Beginning)	-	6,734	23,214	50,468	1,032,147
Prior Period Adjustment	-	-	-	(24,840)	(136,887)
Total Net Position - September 30 (Ending)	<u>\$ -</u>	<u>\$ 4,785</u>	<u>\$ 25,606</u>	<u>\$ 80,156</u>	<u>\$ 1,024,185</u>

County Clerk Fund	Detention Center Fund	Motor Vehicle & Special Inventory	Tax Assessor & Collector Fund	Justice of the Peace Fund	District Clerk-Investe Trust Fund	District Clerk Fund	Sheriff's Department Fund
\$ 432,483	\$ 352,847	\$ 9,329,248	\$ 30,301,548	\$ 404,135	\$ -	\$ -	\$ 549,605
<u>432,483</u>	<u>352,847</u>	<u>9,329,248</u>	<u>30,301,548</u>	<u>404,135</u>	<u>-</u>	<u>-</u>	<u>549,605</u>
409,330	390,170	9,520,964	30,216,693	397,624	-	-	500,563
<u>409,330</u>	<u>390,170</u>	<u>9,520,964</u>	<u>30,216,693</u>	<u>397,624</u>	<u>-</u>	<u>-</u>	<u>500,563</u>
23,153	(37,323)	(191,716)	84,855	6,511	-	-	49,042
447,581	347,934	263,958	347,001	44,103	-	-	684,822
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,651</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 470,734</u>	<u>\$ 310,611</u>	<u>\$ 72,242</u>	<u>\$ 431,856</u>	<u>\$ 53,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 733,864</u>

STARR COUNTY, TEXAS
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS AND FUND BALANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Compliance & Collections	Retirement System Fund	Jury Fund	Health Inspection Fund	Consolidated Courts Cost Fund
ADDITIONS:					
Charges for Services	\$ 203,885	\$ -	\$ 21,620	\$ -	\$ 242,032
Total Additions	<u>203,885</u>	<u>-</u>	<u>21,620</u>	<u>-</u>	<u>242,032</u>
DEDUCTIONS:					
Other Operating Costs	206,575	-	22,301	-	240,825
Total Deductions	<u>206,575</u>	<u>-</u>	<u>22,301</u>	<u>-</u>	<u>240,825</u>
Change in Net Position	(2,690)	-	(681)	-	1,207
Total Net Position - October 1 (Beginning)	27,659	(3,159)	4,170	-	-
Prior Period Adjustment	-	-	-	-	45,361
Total Net Position - September 30 (Ending)	<u>\$ 24,969</u>	<u>\$ (3,159)</u>	<u>\$ 3,489</u>	<u>\$ -</u>	<u>\$ 46,568</u>

TNRCC Insp Fee Fund	Fourth Court of Appeals Civil Suits F	Tertiary Care Trauma Fund	Planning Department Fund	Scholarship Fund	Total Custodial Funds
\$ 910	\$ 6,315	\$ 1,799	\$ 463	\$ 3,645	\$ 42,780,723
<u>910</u>	<u>6,315</u>	<u>1,799</u>	<u>463</u>	<u>3,645</u>	<u>42,780,723</u>
959	5,340	1,799	549	7,000	42,666,984
<u>959</u>	<u>5,340</u>	<u>1,799</u>	<u>549</u>	<u>7,000</u>	<u>42,666,984</u>
(49)	975	-	(86)	(3,355)	113,739
5,278	81	-	-	23,980	3,305,971
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(113,715)</u>
<u>\$ 5,229</u>	<u>\$ 1,056</u>	<u>\$ -</u>	<u>\$ (86)</u>	<u>\$ 20,625</u>	<u>\$ 3,305,995</u>

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COMPLIANCE SECTION

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ADRIAN WEBB, CPA

Certified Public Accountant

McAllen, 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 Judge
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, 2022, and the related notes to the financial statements, which collectively comprise Starr County, Texas's, basic financial statements and have issued our report thereon dated June 30, 2023.

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 a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001.

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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*.

Starr County, Texas's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Starr County, Texas's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Starr County, Texas response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
McAllen, Texas
June 30, 2023

ADRIAN WEBB, CPA

Certified Public Accountant

McAllen, Texas

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH 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 Program

We have audited the Starr County, Texas compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Starr County, Texas major federal programs for the year ended September 30, 2022. Starr County, Texas major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Starr County, Texas major federal programs based on our audit of the types of compliance requirements referred to above. 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Starr County, Texas compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Starr County, Texas compliance.

Opinion on Each Major Federal Program

In our opinion, the 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 programs for the year ended September 30, 2022.

Report on Internal Control over Compliance

The management of Starr County, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Starr County, Texas internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Starr County, Texas 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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. Accordingly, this report is not suitable for any other purpose.

Adrian Webb, CPA

ADRIAN WEBB, CPA
McAllen, Texas
June 30, 2023

STARR COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR SEPTEMBER 30, 2022

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? | Yes |
| 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 <i>State of Texas Single Audit Circular</i> ? | No/No |
| G. Identification of major programs: | |
| <u>Federal:</u> | |
| CFDA 21.027 American Rescue Plan Act 2021 | |
| <u>State:</u> | |
| Contract#SG-22-622 | Starr County Public Defender FY22 |
| Contract#2536110 | Region 3-Border Prosecution Unit 2022 |
| H. Dollar threshold to distinguish between type A and type B programs; | |
| <u>Federal:</u> | <u>State:</u> |
| \$750,000 | \$300,000 |
| I. Did auditee qualify as a low-risk auditee within the context of the Uniform Guidance or the <i>State of Texas Single Audit Circular</i> ?? | No/No |

STARR COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR SEPTEMBER 30, 2022

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

Finding 2022-001 Controls Over Compliance with Financial Reporting

Criteria: All transaction types occurring in the course of business should be timely and properly coded in the general ledger. Preparation of year-end adjusting journal entries, reconciliations, reviews and other general ledger tests for agreement to underlying journals, and third parties should be performed in readiness for the reports to the County Commission, and preparation of the County's annual financial statements.

Condition: There was inconsistent use of the chart of accounts for coding purposes. Specifically, codes related to capital outlay expenditures were not followed consistently by all departments.

Effect: The Auditor's office was unable to reconcile capital outlay expenditures against new capital purchases on a periodic basis.

Cause: Some capital outlay expenditures were not properly coded.

Recommendation: The Auditor's office should provided department personnel with ongoing training regarding the coding of expenditures.

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

None

STARR COUNTY, TEXAS
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED SEPTEMBER 30, 2022

SUMMARY OF AUDITOR RESULTS – PRIOR FISCAL YEAR

Schedule Reference: (2021-1) Controls over Compliance with Year-End Closing
Type of Finding: Significant Deficiency

Status: Corrected

Schedule Reference: (2021-2) Controls Over Compliance with Governmental Auditing Standards
Type of Finding: Significant Deficiency

Status: Corrected

Federal and State Awards Findings:

Schedule Reference: (2021-3) Controls Over Compliance with Federal Reporting Requirements

Status: Corrected.

**STARR COUNTY, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Finding 2022-001 Controls Over Compliance with Financial Reporting

The County Auditor's Office has developed procedures and scheduled training to ensure that all departments utilize the appropriate coding for all capital asset purchases. The County Auditor, Leticia P. Alaniz, has established a timeline of September 2023 for implementation. Her contact number is (956)716-4800.

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STARR COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2022

Federal Grantor / Pass Through Entity	CFDA Number	Contract Number	<u>Total Expenditures</u>
FEDERAL AWARDS			
U.S. Department of Justice			
<i>Pass through the Office of the Governor - Criminal Justice Division</i>			
Crime Victims Assistance Program	16.575	1903413	308,048
Victims of Domestic Violence Assistance Program	16.575	2877505	111,919
Crimes Against Women Division	16.588	4273701	40,535
Total Office of the Governor- Criminal Justice Division			<u>460,501</u>
<i>Pass through the Office of the Governor - Bureau of Justice Assistance</i>			
Violent Crime Prosecutor Program	16.738	2281913	51,937
County Attorney Investigator	16.738	4019802	28,097
Total Office of the Governor - Bureau of Justice Assistance			<u>80,034</u>
<i>Other U.S. Department of Justice</i>			
Equitable Sharing Program - United States Marshals Service (Sheriff)	16.922	M-22-D79-O-000205	2,347
Total Other U.S. Department of Justice			<u>2,347</u>
Total U.S. Department of Justice			<u>542,883</u>
U.S. Department of Health and Human Services			
<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	48,986
Total U.S. Department of Health and Human Services			<u>48,986</u>
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 - 2020	95.001	G20SS0004A	26,283
HIDTA Task Force Grant - 2021	95.001	G21SS0004A	227,154
HIDTA Task Force Grant - 2022	95.001	G22SS0004A	396,964
HIDTA Task Force Grant - 2023	95.001	G23SS0004A	10,343
Total Executive Office of the President			<u>660,744</u>
U.S. Department of Treasury			
<i>Direct Program:</i>			
American Rescue Plan Act 2021	21.027	SLT-7752	4,141,948
Total U.S. Department of Treasury			<u>4,141,948</u>
U.S. Election Assistance Commission			
<i>Pass through the Texas Secretary of State</i>			
2020 Help America Vote Act (HAVA) CARES Act	90.404	TX20101CARES-214	51,009
Total U.S. Election Assistance Commission			<u>51,009</u>
U.S. Department of Housing and Urban Development			
<i>Pass through the Texas Department of Agriculture:</i>			
Emergency Services-Help for Colonias Program	14.228	7219153	3,621
Total U.S. Department of Housing and Urban Development			<u>3,621</u>

U.S. Department of Homeland Security

Pass through Office of the Governor-Homeland Security Grants Division

Homeland Security Grants - OPSG 20 (Sheriff)	97.067	3193406	601,386
Homeland Security Grants - OPSG 21 (Sheriff)	97.067	3193407	590,478
Homeland Security Grants - OPSG 20 (DA)	97.067	3685804	13,991
Homeland Security Grants - OPSG 21 (DA)	97.067	3685805	49,435
Total U.S. Department of Homeland Security			<u>1,255,289</u>

TOTAL FEDERAL AWARDS 6,704,480

STATE AWARDS

Texas Department of Public Safety

Pass through Texas Homeland Security State Administrative Agency

Local Border Security Program - 2022 (SO)	N/A	2994707	199,978
Local Border Security Program - 2022 (DA)	N/A	2993107	50,000
Total Texas Department of Public Safety			<u>249,978</u>

Texas Comptroller of Public Accounts, Judiciary Section

Pass through the Services Division

Law Enforcement Officers Standards and Education (LEOSE)	N/A	N/A	<u>6,782</u>
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Pass through the Judiciary Section

District Attorney's Office Apportionment 2022	N/A	N/A	<u>22,500</u>
Total Texas Comptroller of Public Accounts			<u>29,282</u>

Texas Indigent Defense Commission

Direct Program:

Formula Grant FY 2022	N/A	212-22-214	44,834
Starr County Regional Public Defender FY22	N/A	SG-22-622	645,249
Total Texas Indigent Defense Commission			<u>690,083</u>

Texas Department of Agriculture

Direct Program:

Texans Feeding Texans: Home Delivered Meals 2022	N/A	HDM2022208	43,638
Total Texas Department of Agriculture			<u>43,638</u>

Texas Office of the Governor

Pass through Office of the Governor-Criminal Justice Division

School Resource Officer 2022	N/A	4019902	20,953
Juvenile Intervention Service Program 2022	N/A	3870303	39,677
Juvenile Intervention Service Program 2023	N/A	3870304	1,886
Testing of Forensic Evidence	N/A	3942303	18,115
Total Office of the Governor - Criminal Justice Division			<u>80,631</u>

Pass through Office of the Governor-Homeland Security Grants Division

Region 3- Border Prosecution Unit 2022	N/A	2536110	603,439
Local Border Security Program - Border Interdiction Unit 2022	N/A	3673004	47,598
Local Border Security Program - Border Interdiction Unit 2023	N/A	3673005	2,358
BG Rifle Resistance Body Armor Program 2022	N/A	4273501	3,795
BC Body Worn Camera Program 2022	N/A	4384201	1,000
Total Office of the Governor - Homeland Security Grants Division			<u>658,191</u>
Total Texas Office of the Governor			<u>738,821</u>

Texas Secretary of State

Direct Funding:

Chapter 19 Voter Registration	N/A	N/A	12,019
Total Texas Secretary of State			<u>12,019</u>

Texas A&M Forest Service

Direct Funding:

Rural Volunteer Fire Department Assistance Program	N/A	E203341	500
Total Texas A&M Forest Service			<u>500</u>

Texas Commission on State Emergency Communications

Pass through City of Laredo:

9-1-1 Addressing-Regional Administration	N/A	FY 2022	38,941
Total Texas Commission on State Emergency Communications			<u>38,941</u>

TOTAL STATE AWARDS 1,803,262

OTHER AWARDS

U.S. Department of Homeland Security

Pass through Homeland Security Investigations

State and Local Overtime Program 2022 - Sheriff	N/A	N/A	1,522
State and Local Overtime Program 2022 - DA	N/A	N/A	3,585
State and Local Overtime Program 2022 - CA	N/A	N/A	161
Total U.S. Department of Homeland Security			<u>5,268</u>

Dorothy Louise Kyler Foundation

Direct Funding:

Dorothy Louise Kyler Foundation	N/A	N/A	3,000
Total Dorothy Louise Kyler Foundation			<u>3,000</u>

Area Agency on Aging

Pass through South Texas Development Council:

Nutrition Program	N/A	N/A	459,230
Total Area Agency on Aging			<u>459,230</u>

United Way of South Texas

Pass through United Way of South Texas Serving Hidalgo & Starr County

United Way of South Texas - Community Impact	N/A	N/A	4,200
United Way of South Texas	N/A	N/A	27,849
Total United Way of South Texas			<u>32,049</u>

TOTAL OTHER AWARDS 494,279

TOTAL FEDERAL, STATE AND OTHER AWARDS 9,002,021

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STARR COUNTY, TEXAS
NOTES TO THE SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 Report 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 considered to be 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 minimus indirect cost rate. For the year ended September 30, 2022, the County did not elect to use this rate.

Sub-recipients:

During the year ended September 30, 2022, the County had no sub-recipients.

Federal Loans and Loan Guarantees:

During the year ended September 30, 2022, the County had no outstanding federal loans payable or loan guarantees.

Federally Funded Insurance:

During the year ended September 30, 2022, the County had no federally funded insurance.

Noncash awards:

During the year ended September 30, 2022, the County did not have any federal awards in the form of noncash assistance.