



**STARR COUNTY, TEXAS**  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

**Raul Hernandez & Company, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
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**STARR COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED**  
**SEPTEMBER 30, 2020**



STARR COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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**STARR COUNTY, TEXAS  
PRINCIPAL OFFICIALS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**COUNTY JUDGE**

Eloy Vera

**COUNTY COMMISSION**

Jaime Alvarez – Commissioner PCT. #1  
Raul Pena III – Commissioner PCT. #2  
Eloy Garza – Commissioner PCT. #3  
Ruben D. Saenz – Commissioner PCT. #4

**OTHER OFFICIALS**

Xavier Eli Perez, CPA – Starr County Auditor

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FINANCIAL SECTION

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**Raul Hernandez & Company, P.C.**

Certified Public Accountants  
5402 Holly Rd, Suite 102  
Corpus Christi, Texas 78411  
Office (361)980-0482 Fax (361)980-1002

**INDEPENDENT AUDITORS' REPORT**

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

**Report on 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 as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Starr County, Texas's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Starr County, Texas's preparation and fair presentation of the financial statements 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 Starr County, Texas's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Starr County, Texas as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison and schedule of the Star County, Texas's proportionate share of the net pension liability and schedule of Star County, Texas's pension contributions identified as Required Supplementary Information in the table of contents 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 opinions on the financial statements that collectively comprise Starr County, Texas' 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*, 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 27, 2022 on our consideration of the Starr County, Texas'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 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 the 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 Starr County, Texas's internal control over financial reporting and compliance.

*Raul Hernandez & Company, P.C.*

Corpus Christi, Texas  
June 27, 2022

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## MANAGEMENT DISCUSSION AND ANALYSIS

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**STARR COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

This section of the Starr County (County) annual financial report presents our discussion and analysis as an overview of the County's financial performance during the fiscal year ended September 30, 2020. Please read it in conjunction with the County's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The County's assets and deferred outflow of resources exceed its liabilities by \$83,646,630 (net position). Total assets and deferred outflow of resources were \$91,145,435 and total liabilities were \$7,498,805.
- The County's total net position decreased by (\$509,103) from current operations. This decrease is primarily related to the change in pension adjustments.
- The general fund reported a fund balance this year of \$6,277,241 of which \$5,616,164 is unassigned, a decrease in the unassigned fund balance of (\$846,955) from the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts—*management's 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 both *long-term* and *short-term* information about the County's overall financial status.
- 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 government-wide 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.

**STARR COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

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.

Figure A-1 summarizes the major features of the County's financial statements, including the portion of the County's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1. Major Features of the County's Government-Wide and Fund Financial Statements

Type of Statements	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds) and the Agency's component units	The activities of the County that are not proprietary or fiduciary	Activities the County operates similar to private businesses: International Bridge, Gas System, & Transfer	Instances in which the County is the trustee or agent for someone else's resources
Required financial statements	*Statement of net position *Statement of activities	*Balance Sheet *Statement of revenues, expenditures & changes in fund balance	*Statement of net position *Statement of revenues, expenses and changes in fund net position *Statement of cash flows	*Statement of fiduciary net position *Statement changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both financial and capital, short-term and long-term; the County's funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**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.

**STARR COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

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.
- *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 of 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.

**STARR COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

Net Position: The County's combined net position was \$83,646,630 at September 30, 2020, an decrease of (\$509,103) or (0.60%) less than the combined net position of \$84,155,733 at September 30, 2019. This decrease is mostly due to pension adjustments. (See Table A-1)

*Table A-1 Governmental Activities*

	<u>2020</u>	<u>2019</u>	<u>Increase/ (Decrease)</u>
<b>Assets:</b>			
Current and other assets	\$ 29,223,441	\$ 27,012,294	\$ 2,211,147
Capital assets (net of depreciation)	<u>61,874,077</u>	<u>62,292,274</u>	<u>(418,197)</u>
<b>Total Assets</b>	<u>91,097,518</u>	<u>89,304,568</u>	<u>1,792,950</u>
Deferred outflow of resources	<u>47,917</u>	<u>4,650,713</u>	<u>(4,602,796)</u>
<b>Liabilities:</b>			
Current and noncurrent liabilities	3,036,491	1,444,399	1,592,092
Long-term liabilities	<u>3,430,497</u>	<u>6,779,182</u>	<u>(3,348,685)</u>
<b>Total Liabilities</b>	<u>6,466,988</u>	<u>8,223,581</u>	<u>(1,756,593)</u>
Deferred inflows of resources	<u>1,031,817</u>	<u>1,575,976</u>	<u>(544,159)</u>
<b>Net Position:</b>			
Invested in capital assets, net of related debt	60,785,422	61,180,582	(395,160)
Restricted for Debt Service	1,582,325	1,424,179	158,146
Restricted for Other Purposes	5,870,087	1,211,198	4,658,889
Unrestricted	<u>15,408,796</u>	<u>20,339,774</u>	<u>(4,930,978)</u>
<b>Total Net Position</b>	<u>\$ 83,646,630</u>	<u>\$ 84,155,733</u>	<u>\$ (509,103)</u>

**STARR COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

**Changes in net position:**

The County's total revenues were \$30,136,768. (See Table A-2). The total cost of all programs and services was \$29,521,237 of which 35.91% or \$10,600,218 of these costs are for public safety.

**Governmental Activities**

- Property tax revenues increased by 8.8%. Tax revenues for the year ended September 30, 2020, increased to \$17,109,727 from \$15,712,787 the previous year, an increase of \$1,396,940.

*Table A-2 Governmental Activities*

	<u>2020</u>	<u>2019</u>	<u>Increase/ (Decrease)</u>
<b>Revenues:</b>			
<b>Program Revenues:</b>			
Charges for Services	\$ 6,200,010	\$ 3,227,479	\$ 2,972,531
Operating Grants and Contributions	5,672,621	9,285,223	(3,612,602)
<b>General Revenues:</b>			
Property Taxes	17,109,727	15,712,787	1,396,940
Grants and Contributions	336,051	-	336,051
Interest	105,557	236,183	(130,626)
Transfers	450,676	510,000	(59,324)
Miscellaneous	262,126	371,854	(109,728)
Total Revenues	<u>30,136,768</u>	<u>29,343,526</u>	<u>793,242</u>
<b>Expenditures:</b>			
Public Safety	10,600,218	10,052,056	548,162
Judicial	3,195,588	2,124,512	1,071,076
Highways and Streets	5,434,975	5,543,793	(108,818)
Public Facilities	458,783	490,837	(32,054)
Financial Administration	1,224,108	1,142,008	82,100
Legal	1,048,201	2,036,991	(988,790)
Health and Welfare	1,689,159	1,348,566	340,593
Conservation and Agriculture	151,030	149,076	1,954
General Government	5,648,864	6,933,438	(1,284,574)
Debt Service-Interest on Debt	70,311	42,855	27,456
Total Expenditures	<u>29,521,237</u>	<u>29,864,132</u>	<u>(342,895)</u>
Increase in Net Position	615,531	(520,606)	1,136,137
Net Position Beginning	84,155,733	95,723,626	(11,567,893)
Prior Period Adjustment	(1,124,634)	(11,047,287)	9,922,653
Net Position, Ending	<u>\$ 83,646,630</u>	<u>\$ 84,155,733</u>	<u>\$ (509,103)</u>

**STARR COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

Table A-3 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 \$29,521,237, a decrease of (\$342,895) or 1.1% decrease compared to \$29,864,132 for the prior year.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$17,109,727.
- Some of the cost was paid by those who directly benefited from the programs and totaled \$6,200,010. This is an increase of \$2,972,531 or 92.10% from last year's revenues, which were \$3,227,479.
- Grants and contributions this year amounted to \$5,672,621, a decrease of (\$3,612,602), or 38.9% over last year's grants and contributions which totaled \$9,285,223.

*Table A-3 Governmental*

	Total Expense	Program Revenue	Net Expense
Public Safety	\$ 10,600,218	\$ 3,000,216	\$ (7,600,002)
Highways and Streets	5,434,975	916,474	(4,518,501)
General Government	5,648,864	6,231,384	582,520

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

Revenues from governmental fund types totaled \$30,136,768 for the year ended September 30, 2020, an increase of \$793,242 or 2.7% over the preceding year's total governmental revenues of \$29,343,526. The increase in revenues is mainly from increase in property taxes.

**General Fund Budgetary Highlights**

Actual general fund expenditures were \$17,732,919, which was \$1,187,062 under the final budget amounts.

On the other hand, actual general fund resources available were \$17,554,297, which was under the final budgeted amount by \$1,365,719.

**STARR COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

**CAPITAL ASSETS**

At the end of 2020, the County had invested \$61,874,077 in a broad range of capital assets, including land, buildings, improvements, machinery, equipment, vehicles, and infrastructure. (See Table A-4.) This amount represents a decrease of (\$418,197), a 0.67% decrease from FY 2019. The decrease is attributed mainly to current year depreciation.

*Table A-4 Governmental*

	2020	2019	Increase/ (Decrease)
Land	\$ 1,454,880	\$ 1,436,880	\$ 18,000
Building and Improvements	18,889,443	18,694,714	194,729
Machinery and Equipment	14,460,911	13,243,608	1,217,303
Infrastructure	55,560,031	55,456,377	103,654
Construction in Progress	223,107	185,978	37,129
<b>Total at Historical Cost</b>	<b>90,588,371</b>	<b>89,017,557</b>	<b>1,570,814</b>
Less:			
Accumulated Depreciation	(28,714,294)	(26,725,283)	(1,989,011)
<b>Net Capital Assets</b>	<b>\$ 61,874,077</b>	<b>\$ 62,292,274</b>	<b>\$ (418,197)</b>

**LONG TERM DEBT**

At year end the County has \$1,088,655 in long-term debt outstanding as shown in Table A-5. More detailed information about the County's debt is presented in the notes to the financial statements.

*Table A-5 Governmental*

	Beginning Balance 10/1/2019	Additions	Reductions	Ending Balance 9/30/2020
Certificate of Obligation-2019	\$ 500,000	\$ -	\$ 41,667	\$ 458,333
Purchase of Equipment Note 2017	611,692	-	78,847	532,845
Capital Leases	-	215,166	117,689	97,477
<b>Total</b>	<b>1,111,692</b>	<b>215,166</b>	<b>238,203</b>	<b>1,088,655</b>
	Beginning Balance 10/1/2019	Additions	Reductions	Ending Balance 9/30/2020
Net Pension Liability	\$ 5,788,004	\$ -	\$ 3,446,162	\$ 2,341,842
Accumulated Compensated Absences	-	588,411	-	588,411
<b>Total</b>	<b>\$ 5,788,004</b>	<b>\$ 588,411</b>	<b>\$ 3,446,162</b>	<b>\$ 2,930,253</b>

**STARR COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Appraised values used for the 2021 budget preparation increased by approximately \$30,196,235.
- The property tax rates will decrease by \$0.0000 per \$100.00 of assessed valuation.
- Employees' group health insurance remained the same.
- There will be no salary increases for FY 2021.

These indicators were taken into account when adopting the general fund budget for 2021. Amounts available for appropriation in the general fund budget are \$19,096,392, an increase of \$176,376, over the final 2020 budget of \$18,920,016. Property taxes will increase due to the increase in appraised values.

General fund expenditures are budgeted to increase in 2021 to \$19,096,392 an increase of \$176,411 over the final 2020 budgeted expenditures of \$18,919,981.

If these estimates are realized, the County's budgetary general fund balance is not expected to change appreciably by the close of FY 2021.

**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

## BASIC FINANCIAL STATEMENTS

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STARR COUNTY, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2020

EXHIBIT A-1

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,297,605	\$ 286,630	\$ 7,584,235
Investments - Current	2,126,236	106,113	2,232,349
Taxes Receivable, Net	14,980,681	-	14,980,681
Accounts Receivable, Net	434,254	196,250	630,504
Due from Other Funds	1,546,608	(1,546,608)	-
Due from Others	2,176,980	-	2,176,980
Inventories	-	49,493	49,493
Prepaid Items	-	67,419	67,419
Restricted - Cash and Cash Equivalents	661,077	-	661,077
Capital Assets:			
Land	1,454,880	1,406,530	2,861,410
Infrastructure, Net	47,103,639	902,551	48,006,190
Buildings and Improvements, Net	9,124,059	1,563,509	10,687,568
Machinery and Equipment, Net	3,968,393	168,903	4,137,296
Construction in Progress	223,106	-	223,106
Total Assets	<u>91,097,518</u>	<u>3,200,790</u>	<u>94,298,308</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflow Related to Pension Plan	47,917	3,607	51,524
Total Deferred Outflows of Resources	<u>47,917</u>	<u>3,607</u>	<u>51,524</u>
<b>LIABILITIES</b>			
Accounts Payable	1,497,918	129,209	1,627,127
Wages and Salaries Payable	530,527	40,849	571,376
Compensated Absences Payable	588,411	43,324	631,735
Deposits Payable	-	124,499	124,499
Due to Others	55,244	730,712	785,956
Accrued Interest Payable	14,617	-	14,617
Unearned Revenues	229,114	-	229,114
Other Current Liabilities	120,660	-	120,660
Noncurrent Liabilities:			
Due Within One Year	183,053	-	183,053
Due in More Than One Year	905,602	-	905,602
Net Pension Liability	2,341,842	176,267	2,518,109
Total Liabilities	<u>6,466,988</u>	<u>1,244,860</u>	<u>7,711,848</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflow Related to Pension Plan	1,031,817	77,663	1,109,480
Total Deferred Inflows of Resources	<u>1,031,817</u>	<u>77,663</u>	<u>1,109,480</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	60,785,422	4,041,493	64,826,915
Restricted for:			
Restricted for Debt Service	1,582,325	-	1,582,325
Restricted for Other Purposes	5,870,087	-	5,870,087
Unrestricted	15,408,796	(2,159,619)	13,249,177
Total Net Position	<u>\$ 83,646,630</u>	<u>\$ 1,881,874</u>	<u>\$ 85,528,504</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, 2020

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
GOVERNMENTAL ACTIVITIES:			
General Government	\$ 5,648,864	\$ 5,050,432	\$ 1,180,952
Judicial	3,195,588	-	700,207
Legal	1,048,201	-	-
Financial Administration	1,224,108	-	-
Public Facilities	458,783	221,626	-
Public Safety	10,600,218	27,019	2,973,197
Highways and Streets	5,434,975	900,933	15,541
Health and Welfare	1,689,159	-	802,724
Conservation and Agriculture	151,030	-	-
Interest on Debt	70,311	-	-
Total Governmental Activities	29,521,237	6,200,010	5,672,621
BUSINESS-TYPE ACTIVITIES:			
International Toll Bridge System	1,450,850	1,827,400	-
Transfer Station	1,641,987	1,532,478	+
Gas System	743,859	966,849	-
Total Business-Type Activities	3,836,696	4,326,727	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 33,357,933</b>	<b>\$ 10,526,737</b>	<b>\$ 5,672,621</b>

General Revenues:

- Property Taxes, Levied for General Purposes
- 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
\$ 582,520	\$ -	\$ 582,520
(2,495,381)	-	(2,495,381)
(1,048,201)	-	(1,048,201)
(1,224,108)	-	(1,224,108)
(237,157)	-	(237,157)
(7,600,002)	-	(7,600,002)
(4,518,501)	-	(4,518,501)
(886,435)	-	(886,435)
(151,030)	-	(151,030)
(70,311)	-	(70,311)
<u>(17,648,606)</u>	<u>-</u>	<u>(17,648,606)</u>
-	376,551	376,551
-	(109,509)	(109,509)
-	222,990	222,990
<u>-</u>	<u>490,031</u>	<u>490,031</u>
<u>(17,648,606)</u>	<u>490,031</u>	<u>(17,158,575)</u>
17,109,727	-	17,109,727
336,051	-	336,051
262,126	61,765	323,891
105,558	4,653	110,211
450,676	(450,676)	-
<u>18,264,138</u>	<u>(384,258)</u>	<u>17,879,880</u>
615,532	105,773	721,305
84,155,732	2,087,657	86,243,389
(1,124,634)	(311,556)	(1,436,190)
<u>\$ 83,646,630</u>	<u>\$ 1,881,874</u>	<u>\$ 85,528,504</u>

STARR COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2020

EXHIBIT C-1

	General Fund	Road & Bridge Fund	Other Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,596,320	\$ 178,563	\$ 4,602,051	\$ 6,376,934
Investments - Current	-	-	2,126,236	2,126,236
Interest Receivable - investments	-	-	1,181	1,181
Taxes Receivable	10,036,448	4,324,167	620,066	14,980,681
Accounts Receivable, Net	320,000	70,000	43,073	433,073
Due from Other Funds	4,515,143	98,735	897,109	5,510,987
Due from Others	226,492	-	1,523,849	1,750,341
Restricted - Cash and Cash Equivalents	661,077	-	-	661,077
<b>Total Assets</b>	<b>\$ 17,355,480</b>	<b>\$ 4,671,465</b>	<b>\$ 9,813,565</b>	<b>\$ 31,840,510</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 487,840	\$ 128,554	\$ 881,524	\$ 1,497,918
Wages and Salaries Payable	420,796	96,161	13,570	530,527
Due to Other Funds	242,736	1,111,332	2,183,672	3,537,740
Due to Others	50,143	-	5,101	55,244
Unearned Revenues	4,400	-	224,714	229,114
Other Current Liabilities	-	-	49,844	49,844
<b>Total Liabilities</b>	<b>1,205,915</b>	<b>1,336,047</b>	<b>3,358,425</b>	<b>5,900,387</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	9,872,324	4,239,912	612,047	14,724,283
<b>Total Deferred Inflows of Resources</b>	<b>9,872,324</b>	<b>4,239,912</b>	<b>612,047</b>	<b>14,724,283</b>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	1,582,325	1,582,325
Other Restricted Fund Balance	661,077	-	4,359,155	5,020,232
Unassigned Fund Balance	5,616,164	(904,494)	(98,387)	4,613,283
<b>Total Fund Balances</b>	<b>6,277,241</b>	<b>(904,494)</b>	<b>5,843,093</b>	<b>11,215,840</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 17,355,480</b>	<b>\$ 4,671,465</b>	<b>\$ 9,813,565</b>	<b>\$ 31,840,510</b>

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

STARR COUNTY, TEXAS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2020

<b>Total Fund Balances - Governmental Funds</b>	<b>\$</b>	<b>11,215,839</b>
<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>		
		849,855
<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>		
		61,180,582
<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 2020 capital outlays and debt principal payments is to increase (decrease) net position.</p>		
		1,610,053
<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 (\$2,341,841), a deferred resource inflow in the amount of (\$1,031,817), and a deferred resource outflow in the amount of \$47,917. This resulted in an increase/(decrease) in net position by (\$3,325,741)</p>		
		(3,325,742)
<p>The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.</p>		
		(2,019,831)
<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, reclassifying the proceeds of bond sales as an increase in bonds payable, 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>		
		14,135,874
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>83,646,630</b>

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, 2020

	General Fund	Road & Bridge Fund	Other Funds	Total Governmental Funds
<b>REVENUES:</b>				
Property Taxes	\$ 11,151,945	\$ 5,095,325	\$ 326,262	\$ 16,573,532
Licenses and Permits	144,929	635,508	-	780,437
Intergovernmental Revenue and Grants	444,603	-	361,767	806,370
Federal Funds	22,236	-	3,680,239	3,702,495
State Funds	120,008	-	1,379,799	1,499,807
Charges for Services	-	68,693	130,884	199,577
Fines	4,809,753	196,732	213,510	5,219,995
Investment Earnings	70,778	7,004	27,775	105,557
Rents and Royalties	7,600	-	-	7,600
Other Revenue	244,822	7,389	2,316	254,527
Total Revenues	<u>17,016,694</u>	<u>6,010,651</u>	<u>6,122,552</u>	<u>29,149,897</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General Government	4,930,461	-	1,215,568	6,146,029
Judicial	1,935,786	-	967,874	2,903,660
Legal	968,146	-	-	968,146
Financial Administration	1,112,870	-	-	1,112,870
Public Facilities	237,457	-	183,717	421,174
Public Safety	7,222,385	-	2,933,810	10,156,195
Highways and Streets:				
Highways and Streets	-	5,438,427	21,391	5,459,818
Health and Welfare	1,189,378	-	351,930	1,541,308
Conservation and Agriculture	136,436	-	-	136,436
<b>Debt Service:</b>				
Principal on Debt	-	238,202	-	238,202
Interest on Debt	-	55,694	-	55,694
Total Expenditures	<u>17,732,919</u>	<u>5,732,323</u>	<u>5,674,290</u>	<u>29,139,532</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(716,225)</u>	<u>278,328</u>	<u>448,262</u>	<u>10,365</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	537,603	-	-	537,603
Transfers Out	-	-	(86,927)	(86,927)
Total Other Financing Sources (Uses)	<u>537,603</u>	<u>-</u>	<u>(86,927)</u>	<u>450,676</u>
Net Change in Fund Balances	(178,622)	278,328	361,335	461,041
Fund Balance - October 1 (Beginning)	7,096,681	(1,102,324)	5,505,972	11,500,329
Prior Period Adjustment	(640,818)	(80,498)	(24,214)	(745,530)
Fund Balance - September 30 (Ending)	<u>\$ 6,277,241</u>	<u>\$ (904,494)</u>	<u>\$ 5,843,092</u>	<u>\$ 11,215,839</u>

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

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, 2020

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	461,041
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.		566,138
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 2020 capital outlays and debt principal payments is to increase (decrease) the change in net position.		1,825,219
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 12/31/19 cause the change in the ending net position to increase in the amount of \$47,918. 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. This caused a decrease in the change in net position totaling (\$595,157). The County's reported TCDRS net pension expense had to be recorded. The net pension expense increased (decreased) the change in net position by (\$65,236). The result of these changes is to increase / (decrease) the change in net position by (\$612,475)		(612,475)
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.		(2,019,831)
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, reclassifying the proceeds of bond sales, 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.		395,440
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>615,532</b>

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

STARR COUNTY, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2020

	Business-Type Activities	
	International Bridge	Transfer Station
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 110,615	\$ 98,775
Investments - Current	-	-
Interest Receivable - investments	-	-
Accounts Receivable, Net	-	124,436
Due from Other Funds	22,236	1,195
Inventories	-	-
Prepaid Items	62,137	-
Total Current Assets	194,988	224,406
Noncurrent Assets:		
Capital Assets:		
Land	1,396,530	-
Infrastructure, Net	-	856,781
Buildings & Improvements, Net	1,535,185	21,000
Machinery and Equipment, Net	41,905	105,474
Total Noncurrent Assets	2,973,620	983,255
Total Assets	3,168,608	1,207,661
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflow Related to Pension Plan	2,035	-
Total Deferred Outflows of Resources	2,035	-
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	1,821	109,519
Wages and Salaries Payable	21,629	7,772
Compensated Absences Payable	24,233	-
Deposits Payable	-	-
Due to Other Funds	-	1,260,038
Due to Others	730,712	-
Other Current Liabilities	-	-
Total Current Liabilities	778,395	1,377,329
Noncurrent Liabilities:		
Net Pension Liability	99,433	-
Total Noncurrent Liabilities	99,433	-
Total Liabilities	877,828	1,377,329
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflow Related to Pension Plan	43,810	-
Total Deferred Inflows of Resources	43,810	-
<b>NET POSITION</b>		
Net Investment in Capital Assets	2,973,620	983,255
Unrestricted	(724,615)	(1,152,923)
Total Net Position	\$ 2,249,005	\$ (169,668)

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

- Enterprise Funds		Governmental Activities
Gas System Enterprise Funds	Total Enterprise Funds	Internal Serv Fund ASO Medical
\$ 77,240	\$ 286,630	\$ 920,671
106,113	106,113	-
57	57	-
71,757	196,193	-
5,058	28,489	-
49,493	49,493	-
5,282	67,419	-
315,000	734,394	920,671
10,000	1,406,530	-
45,770	902,551	-
7,324	1,563,509	-
21,524	168,903	-
84,618	4,041,493	-
399,618	4,775,887	920,671
1,572	3,607	-
1,572	3,607	-
17,869	129,209	-
11,448	40,849	-
19,091	43,324	-
124,499	124,499	-
315,059	1,575,097	-
-	730,712	-
-	-	70,816
487,966	2,643,690	70,816
76,834	176,267	-
76,834	176,267	-
564,800	2,819,957	70,816
33,853	77,663	-
33,853	77,663	-
84,618	4,041,493	-
(282,081)	(2,159,619)	849,855
\$ (197,463)	\$ 1,881,874	\$ 849,855

STARR COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities	
	International Bridge	Transfer Station
<b>OPERATING REVENUES:</b>		
Charges for Services	\$ 1,827,400	\$ 1,532,478
Other Revenue	61,765	-
Total Operating Revenues	<u>1,889,165</u>	<u>1,532,478</u>
<b>OPERATING EXPENSES:</b>		
Personnel Services - Salaries and Wages	568,759	197,848
Personnel Services - Employee Benefits	141,282	54,386
Other Operating Costs	218,617	1,268,590
Depreciation	198,216	121,163
Total Operating Expenses	<u>1,126,874</u>	<u>1,641,987</u>
Operating Income (Loss)	<u>762,292</u>	<u>(109,509)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment Earnings	2,779	734
Participation Costs - City of Roma	(323,976)	-
Total Nonoperating Revenue (Expenses)	<u>(321,198)</u>	<u>734</u>
Income (Loss) Before Transfers	441,094	(108,775)
Transfers Out	(450,676)	-
Change in Net Position	(9,582)	(108,775)
Total Net Position - October 1 (Beginning)	2,437,867	(55,360)
Prior Period Adjustment	(179,280)	(5,533)
Total Net Position - September 30 (Ending)	<u>\$ 2,249,005</u>	<u>\$ (169,668)</u>

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

- Enterprise Funds		Governmental Activities
Gas System Enterprise Funds	Total Enterprise Funds	Internal Serv Fund ASO Medical
\$ 966,849	\$ 4,326,727	\$ 3,009,391
-	61,765	-
<u>966,849</u>	<u>4,388,492</u>	<u>3,009,391</u>
302,690	1,069,297	-
81,982	277,650	-
350,998	1,838,205	2,443,253
8,189	327,568	-
<u>743,859</u>	<u>3,512,720</u>	<u>2,443,253</u>
<u>222,990</u>	<u>875,772</u>	<u>566,138</u>
1,140	4,653	-
-	(323,976)	-
<u>1,140</u>	<u>(319,323)</u>	<u>-</u>
224,130	556,449	566,138
-	(450,676)	-
224,130	105,773	566,138
(294,850)	2,087,657	-
(126,743)	(311,556)	283,717
<u>\$ (197,463)</u>	<u>\$ 1,881,874</u>	<u>\$ 849,855</u>

STARR COUNTY, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities	
	International Bridge	Transfer Station
<b><u>Cash Flows from Operating Activities:</u></b>		
Cash Received from User Charges	\$ 1,889,165	\$ 1,532,478
Cash Received from Employee for Insurance&Medical	-	-
Cash Payments for Employee Insurance	-	-
Cash Payments to Employees for Services	(522,970)	(244,462)
Cash Payments for Other Operating Expenses	(567,509)	(1,280,371)
Net Cash Provided by Operating Activities	<u>798,686</u>	<u>7,645</u>
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>		
Operating Transfer Out	(450,676)	-
Payments to City of Roma	(323,976)	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(774,652)</u>	<u>-</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>		
Acquisition of Capital Assets	(33,897)	-
<b><u>Cash Flows from Investing Activities:</u></b>		
Reinvestment of Investment Proceeds	-	-
Interest Income Received	2,778	734
Net Cash Provided by Investing Activities	<u>2,778</u>	<u>734</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,086)	8,379
Cash and Cash Equivalents at Beginning of the Year	296,980	95,929
Prior Period Adjustment	(179,280)	(5,533)
Cash and Cash Equivalents at the End of the Year	<u>\$ 110,615</u>	<u>\$ 98,775</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities:</u></b>		
Operating Income (Loss)	\$ 762,292	\$ (109,509)
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:		
Depreciation	198,216	121,163
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (Increase) in Accounts Receivables	-	(29,690)
Decrease (Increase) in Inventories	-	-
Decrease (Increase) in Interfund Receivables	-	-
Decrease (Increase) in Prepaid Expenses	(2,432)	-
Decrease (Increase) in Deferred Outflows	(2,035)	-
Increase (Decrease) in Accounts Payable	(943)	9,530
Increase (Decrease) in Payroll Liabilities	145,295	7,772
Increase (Decrease) in Interfund Payables	(345,517)	8,379
Increase (Decrease) in Deferred Inflows	43,810	-
Net Cash Provided by Operating Activities	<u>\$ 798,686</u>	<u>\$ 7,645</u>

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

Enterprise Funds		Governmental Activities
Gas System Enterprise Funds	Total Enterprise Funds	Internal Serv Fund ASO Medical
\$ 966,849	\$ 4,388,492	\$ -
-	-	3,009,391
-	-	(2,372,437)
(245,018)	(1,012,450)	-
(542,937)	(2,390,817)	-
<u>178,894</u>	<u>985,225</u>	<u>636,954</u>
-	(450,676)	-
-	(323,976)	-
-	(774,652)	-
<u>(21,000)</u>	<u>(54,897)</u>	<u>-</u>
(266)	(266)	-
<u>1,140</u>	<u>4,652</u>	<u>-</u>
<u>874</u>	<u>4,386</u>	<u>-</u>
158,768	160,062	636,954
45,215	438,124	-
(126,743)	(311,556)	283,717
<u>\$ 77,240</u>	<u>\$ 286,630</u>	<u>\$ 920,671</u>
\$ 222,990	\$ 875,772	\$ 566,138
8,189	327,568	-
(11,737)	(41,427)	-
(100)	(100)	-
5,460	5,460	-
-	(2,432)	-
(1,572)	(3,607)	-
(14,912)	(6,325)	-
107,373	260,440	70,816
(170,650)	(507,788)	-
<u>33,854</u>	<u>77,664</u>	<u>-</u>
<u>\$ 178,894</u>	<u>\$ 985,225</u>	<u>\$ 636,954</u>

STARR COUNTY, TEXAS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2020

EXHIBITE-1

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	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 7,088,311
Investments - Current	304,065
Accounts Receivable, Net	171,352
Due from Other Funds	648,963
Prepaid Items	144,057
Other Assets	5,673
<b>Total Assets</b>	<b><u>\$ 8,362,421</u></b>
LIABILITIES	
Accounts Payable	\$ 291,219
Due to Other Funds	1,075,600
Due to Others	4,364,733
Other Current Liabilities	2,630,869
<b>Total Liabilities</b>	<b><u>\$ 8,362,421</u></b>

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

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**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 (4) 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 of the County have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to County governments. 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 County  
Starr County Water Control and Improvement County No.2  
Starr County Memorial Hospital County  
All school counties in Starr County

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements.

*Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate fund financial statements are provided for the governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The general fund is the only major fund and is reported in a separate column in the fund financial statements.

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows including claims and judgements reported in the County's internal service fund (proprietary fund). Property taxes are recognized as revenues in the year for which they are levied. Fees and fines are considered as earned when paid.

Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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. For this purpose, the County considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. However, debt service expenditure as well as expenditures related to compensated absences are recorded only when payment is due.

Intergovernmental revenues, rents, commissions, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County, which includes delinquent property taxes, licenses, fees and fines. For grants, like the government-wide financial statements, the revenue is recognized when all the eligibility requirements have been met.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The County reports two major governmental funds:

The General Fund is 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.

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

All other governmental funds are combined and reported as nonmajor. Nonmajor funds include Special Revenue funds 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.

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 focus is 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.

Additionally, the County reports the following fund type:

Fiduciary Funds – Agency funds are used to account for the assets that are held for the benefit of others or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business type activities subject to this same limitation. The County has elected not to follow subsequent private sector guidance. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**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.

The following individual funds had adopted budgets for the fiscal year ended September 30, 2020:

- (a) General Fund
- (b) Road and Bridge Fund
- (c) Debt Service Fund

**C. Excess of Expenditures over Appropriations**

For the year ended September 30, 2020, expenditures exceeded the budget in the following line items:

<u>General Fund Function</u>	<u>Amount</u>
Legal	\$ 42,262

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 3. DETAILED NOTES ON FUNDS**

**A. Cash and Investments**

Cash includes amounts in demand deposits. Investments (invested cash) consist of short-term certificates of deposit and are stated at cost. Interest income pertaining to the certificates of deposit is recorded in the fiscal year end on an accrual basis. In accordance with the State of Texas Statutes, county funds not immediately required to pay obligations may be invested in direct debt securities of the United States, fully collateralized security repurchase agreements purchased under a master contractual agreement that specifies the rights and obligations for which the principal and interest are guaranteed by the Federal Intermediate Credit Banks, Federal Land Banks, Federal National Mortgage Association, Federal Home Loan Banks, or Banks for Cooperatives.

**B. Interfund Receivables/Payables**

During the course of operations, numerous, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

**C. Prepaid Items**

Payments made to vendors for service that will benefit periods beyond the end of the fiscal year are recorded as prepaid expense assets in proprietary fund types and as expenditures in the government fund types.

**D. Inventories**

Inventories of proprietary fund types are valued and recorded at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased.

**E. 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 at September 30, 2020 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 40hrs per week except Sheriff Department deputies.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 3. DETAILED NOTES ON FUNDS (continued)**

**F. Interfund Transactions**

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursement to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**G. Restricted Assets**

Enterprise fund revenue bonds, as well as certain resources set aside for repayment, are classified as non-current assets on the balance sheet because their use is limited by applicable bond covenants.

**H. Capital Assets**

Capital assets, which include land, buildings and improvements and equipment, are reported in the government wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimate useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. Property, plant and equipment of the primary government is depreciated using the straight-line method over the following useful lives:

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

GASB Statement No. 34 requires the County to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the County. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first required for the fiscal year ending in 2007. The County has implemented the general and retroactive provisions of GASB Statement No. 34 in the fiscal year ended September 30, 2007.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 3. DETAILED NOTES ON FUNDS (continued)**

**I. Fund Equity**

Contributed capital is recorded in proprietary funds that have received capital grants from specific grantor agencies. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

**J. Fund Balance Classifications**

The County uses the following criteria when classifying fund balances amounts:

**Nonspendable** – amounts not in spendable from or that are legally or contractually earmarked for a specific use. Examples include inventories and endowment principal.

**Restricted** – amounts that have been legally separated for a specific purpose by law or external funding source. Examples include grants, capital acquisitions, and long-term debt.

**Committed** – amounts that require Commission action to be used for a specific purpose. Examples include capital expenditures, self-insurance, and campus activity funds. Formal action to commit funds must occur prior to fiscal year end and can only be modified or removed by the same action.

**Assigned** – amounts that do not require Commission approval but are intended to be used for a specific purpose, as determined by the Superintendent or his designee. These amounts do not meet the criteria to be classified as restricted or committed.

**Unassigned** – residual amount in the general fund that is available to finance operating expenditures. In other funds, this classification is used only to report a deficit balance resulting from over-spending for specific purposes for which amounts had been restricted, committed, or assigned, as applicable.

**K. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the related debt. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges.

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

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 3. DETAILED NOTES ON FUNDS (continued)**

**L. Bond Discounts and Bond Issuance Costs**

In governmental fund types, bond discounts and bond issuance costs are recognized in the current period when the bonds are issued. Bond discounts and bond issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the straight-line method. Unamortized bond discounts are shown on the balance sheet as a reduction of the face amount of bonds payable whereas unamortized bond issuance costs are recorded as deferred charges (assets).

**M. Use of Estimates in the Preparation of Financial Statements**

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

**N. Pension Plan**

For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and County District Retirement System (TCDRS) and additions to/deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 4. AUTHORIZED INVESTMENTS**

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 United States or its agencies, (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 firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 5. DEPOSITS AND INVESTMENTS**

At September 30, 2020, the carrying amount of the County's deposits was \$14,672,326 and total bank balances equaled \$13,848,826. Bank balances of \$250,000 are covered by federal depository insurance and the remaining \$13,598,826 were covered by collateral pledged in the County's name.

The fair values of investments at September 30, 2020 are summarized as follows:

	Rate	Maturity	Fair Value	Fair Value Measurement
<u>Special Revenue</u>				
Certificate of Deposit - 5382	0.25%	1/13/2021	404,931	Level 2
Certificate of Deposit - 5383	0.25%	1/13/2021	404,931	Level 2
Certificate of Deposit - 5384	0.25%	1/13/2021	404,931	Level 2
Certificate of Deposit - 5385	0.25%	1/13/2021	404,931	Level 2
			1,619,724	
<u>Debt Service</u>				
Certificate of Deposit - 3833	0.25%	2/2/2021	121,277	Level 2
Certificate of Deposit - 2913	0.25%	4/1/2021	385,235	Level 2
			506,512	
<u>Enterprise Funds</u>				
Certificate of Deposit - 0511	0.25%	1/13/2021	106,113	Level 2
			106,113	
<u>Trust and Agency Funds</u>				
Certificate of Deposit - 4643	0.25%	1/5/2021	3,019	Level 2
Certificate of Deposit - 4637	0.25%	1/5/2021	2,776	Level 2
Certificate of Deposit - 4644	0.25%	1/5/2021	121,396	Level 2
Certificate of Deposit - 4641	0.25%	1/5/2021	3,977	Level 2
Certificate of Deposit - 4642	0.25%	1/5/2021	15,423	Level 2
Select CD Savings Account - 6412	0.25%		157,473	Level 2
			304,065	
<b>Total Certificate of Deposits</b>			<b>\$ 2,536,413</b>	

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, 2020**

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**Hierarchy-** The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

**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. The County does not have any Level 1 or Level 3 investments.

**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 shall 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 the full faith and credit of, this State or 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 firm not less than "A" or its equivalent). As of September 30, 2020, 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 of 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.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 6. 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 County, 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 2020 fiscal year tax rate was .5284 per \$100 for the general fund, .2400 per \$100 for the FM and Lateral Road tax, and .0100 per \$100 for the Drainage County, for a total of .7684 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 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. At September 30, property tax receivables are fully deferred.

**NOTE 7. LONG-TERM DEBT**

The following schedule summarized the changes in long-term debt and pension liability as of September 30, 2020.

<b>Governmental Activities</b>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Outstanding Balance 9/30/20</u>
Certificates of Obligation, Series 2019	3/11/2019	2/15/2031	5.00%	\$ 500,000	\$ 458,333
Purchase of Equipment Note - 2017	6/21/2017	10/25/2025	3.35%	683,409	532,845
Capital Lease - Caterpillar Backhoe Loader	11/14/2016	11/14/2020	3.20%	87,230	22,227
Capital Lease - John Deere Backhoe	8/7/2020	8/7/2023	N/A	100,250	75,250
				<u>\$ 1,370,888</u>	<u>\$ 1,088,655</u>
<b>Business-Type Activities</b>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Outstanding Balance 9/30/20</u>
N/A				\$ -	\$ -
				-	-
				<u>-</u>	<u>-</u>

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

The following is a summary of Long-Term Debt and Revenue Bonds payable as of September 30, 2020 recorded under governmental activities and business-type activities

	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance	Due Within One Year
<b>Governmental Activities</b>						
Certificates of Obligation, Series 2019	\$ 500,000	\$ -	\$ 41,667	\$ -	\$ 458,333	\$ 41,667
Purchase of Equipment Note - 2017	611,692	-	78,847	-	532,845	81,535
Capital Leases	-	-	117,689	215,166	97,477	59,851
Total bonds and lease payables	<u>1,111,692</u>	<u>-</u>	<u>238,202</u>	<u>215,166</u>	<u>1,088,655</u>	<u>183,053</u>
Other long-term liabilities						
Accumulated compensated absences	-	140,756	-	447,655	588,411	-
Net pension liability	5,788,004	-	3,446,162	-	2,341,842	-
Total other long-term liabilities	<u>5,788,004</u>	<u>140,756</u>	<u>3,446,162</u>	<u>447,655</u>	<u>2,930,253</u>	<u>-</u>
Total Governmental Activities	<u>\$ 6,899,696</u>	<u>\$ 140,756</u>	<u>\$ 3,684,364</u>	<u>\$ 662,820</u>	<u>\$ 4,018,908</u>	<u>\$ 183,053</u>
<b>Business-Type Activities</b>						
N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total bonds and lease payables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other long-term liabilities						
Accumulated compensated absences	-	9,329	-	33,995	43,323	-
Net pension liability	-	176,267	-	-	176,267	-
Total other long-term liabilities	<u>-</u>	<u>185,596</u>	<u>-</u>	<u>33,995</u>	<u>219,590</u>	<u>-</u>
Total Business-Type Activities	<u>\$ -</u>	<u>\$ 185,596</u>	<u>\$ -</u>	<u>\$ 33,995</u>	<u>\$ 219,590</u>	<u>\$ -</u>

The Governmental Activities annual debt service requirements to maturity are as follows:

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2021	\$ 183,053	\$ 41,463	\$ 224,516
2022	163,605	36,508	200,113
2023	128,855	31,521	160,376
2024	131,827	26,437	158,264
2025	134,901	21,291	156,192
Thereafter	<u>346,413</u>	<u>47,661</u>	<u>394,074</u>
Total	<u>\$ 1,088,655</u>	<u>\$ 204,881</u>	<u>\$ 1,293,536</u>

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 8. CAPITAL ASSETS**

Capital asset activity for the County for the year ended September 30, 2020, under governmental activities was as follows:

	Beginning Balances 10/1/2019	Additions	Deletions	Ending Balances 9/30/2020
<b>Governmental Activities</b>				
Capital Assets, not being depreciated				
Land	1,436,880	18,000	-	1,454,880
Construction in Progress	185,978	164,281	127,152	223,107
Total capital assets, not being depreciated	<u>1,622,858</u>	<u>182,281</u>	<u>127,152</u>	<u>1,677,987</u>
Capital Assets, being depreciated				
Buildings and Improvements	18,694,714	194,729	-	18,889,443
Machinery and Equipment	13,243,608	1,253,248	35,945	14,460,911
Infrastructure	55,456,377	103,654	-	55,560,031
Total capital assets, being depreciated	<u>87,394,699</u>	<u>1,551,630</u>	<u>35,945</u>	<u>88,910,384</u>
Less accumulated depreciation for:				
Buildings and Improvements	(9,373,041)	(392,344)	-	(9,765,385)
Machinery and Equipment	(9,613,034)	(910,304)	30,820	(10,492,518)
Infrastructure	(7,739,208)	(717,183)	-	(8,456,391)
Total accumulated depreciation	<u>(26,725,283)</u>	<u>(2,019,831)</u>	<u>30,820</u>	<u>(28,714,294)</u>
Total capital assets, being depreciated, net	60,669,416	(468,200)	66,765	60,196,091
Governmental activities capital assets, net	<u>\$ 62,292,274</u>	<u>\$ (285,919)</u>	<u>\$ 193,917</u>	<u>\$ 61,874,077</u>

Depreciation expense for year ended September 30, 2020 was charged to function/programs of the County as follows:

<b>Governmental Activities:</b>	
General Administration	\$ 430,365
Judicial	203,324
Legal	67,793
Financial Administration	77,927
Public Facilities	29,492
Public Safety	711,134
Health and Welfare	382,315
Conservation Agriculture	107,927
Highway and Streets	9,554
Total Depreciation Expense - Governmental Activities	<u>\$ 2,019,831</u>

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 9. CAPITAL ASSETS OF PROPRIETARY FUNDS**

Capital assets of Proprietary Funds (Enterprise Funds) at September 30, 2020 consisted of the following:

<b>INTERNATIONAL TOLL BRIDGE SYSTEM</b>	Beginning Balances 10/1/2019	Additions	Deletions	Ending Balances 9/30/2020
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	4,979,460	-	-	4,979,460
Machinery and Equipment	849,482	14,722	-	864,204
Infrastructure	1,343,500	19,175	-	1,362,675
Total capital assets, being depreciated	<u>7,172,442</u>	<u>33,897</u>	<u>-</u>	<u>7,206,339</u>
Less accumulated depreciation for:				
Buildings and Improvements	(3,280,372)	(183,078)	-	(3,463,450)
Machinery and Equipment	(809,627)	(12,672)	-	(822,299)
Infrastructure	(1,341,034)	(2,466)	-	(1,343,500)
Total accumulated depreciation	<u>(5,431,033)</u>	<u>(198,216)</u>	<u>-</u>	<u>(5,629,249)</u>
 Total capital assets, being depreciated, net	 <u>1,741,409</u>	 <u>(164,319)</u>	 <u>-</u>	 <u>1,577,090</u>
 Business-Type activities capital assets, net	 <u>\$ 3,137,939</u>	 <u>\$ (164,319)</u>	 <u>\$ -</u>	 <u>\$ 2,973,620</u>

Depreciation expense for year ended September 30, 2020 was charged to function/programs of the County as follows:

Business-Type Activities:	
Buildings and Improvements	\$ 183,078
Machinery and Equipment	12,672
Infrastructure	2,466
Total Depreciation Expense - Business-Type Activities	<u>\$ 198,216</u>

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 9. CAPITAL ASSETS OF PROPRIETARY FUNDS (continued)**

<b>GAS SYSTEM</b>	Beginning Balances 10/1/2019	Additions	Deletions	Ending Balances 9/30/2020
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	133,650	21,000	-	154,650
Infrastructure	634,930	-	-	634,930
Total capital assets, being depreciated	<u>788,971</u>	<u>21,000</u>	<u>-</u>	<u>809,971</u>
Less accumulated depreciation for:				
Buildings and Improvements	(12,578)	(489)	-	(13,067)
Machinery and Equipment	(129,651)	(3,476)	-	(133,127)
Infrastructure	(584,935)	(4,225)	-	(589,160)
Total accumulated depreciation	<u>(727,164)</u>	<u>(8,189)</u>	<u>-</u>	<u>(735,353)</u>
 Total capital assets, being depreciated, net	 <u>61,807</u>	 <u>12,811</u>	 <u>-</u>	 <u>74,618</u>
 Business-Type activities capital assets, net	 <u>\$ 71,807</u>	 <u>\$ 12,811</u>	 <u>\$ -</u>	 <u>\$ 84,618</u>

Depreciation expense for year ended September 30, 2020 was charged to function/programs of the County as follows:

Business-Type Activities:	
Buildings and Improvements	\$ 489
Machinery and Equipment	3,476
Infrastructure	4,225
Total Depreciation Expense - Business-Type Activities	<u>\$ 8,189</u>

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 9. CAPITAL ASSETS OF PROPRIETARY FUNDS (continued)**

<b>TRANSFER STATION</b>	Beginning Balances 10/1/2019	Additions	Deletions	Ending Balances 9/30/2020
Business-Type Activities				
Capital Assets, not being depreciated				
Land	-	-	-	-
Construction in Progress	21,000	-	-	21,000
Total capital assets, not being depreciated	<u>21,000</u>	<u>-</u>	<u>-</u>	<u>21,000</u>
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	<u>2,096,068</u>	<u>-</u>	<u>-</u>	<u>2,096,068</u>
Less accumulated depreciation for:				
Buildings and Improvements	-	-	-	-
Machinery and Equipment	(277,613)	(37,743)	-	(315,356)
Infrastructure	(735,036)	(83,420)	-	(818,456)
Total accumulated depreciation	<u>(1,012,650)</u>	<u>(121,163)</u>	<u>-</u>	<u>(1,133,813)</u>
 Total capital assets, being depreciated, net	 1,083,418	 (121,163)	 -	 962,255
 Business-Type activities capital assets, net	 <u>\$ 1,104,418</u>	 <u>\$ (121,163)</u>	 <u>\$ -</u>	 <u>\$ 983,255</u>

Depreciation expense for year ended September 30, 2020 was charged to function/programs of the County as follows:

Business-Type Activities:	
Buildings and Improvements	\$ -
Machinery and Equipment	37,743
Infrastructure	83,420
Total Depreciation Expense - Business-Type Activities	<u>\$ 121,163</u>

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 10. CONTINGENT LIABILITIES**

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 Attorneys report 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 the County's liability in these cases that are not covered by liability insurance will be a far lesser amount than that demanded. 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.

**NOTE 11. 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 Balances under Special Revenue Funds. Consequently, the amounts shown on said statement represent those of the Road and Bridge Fund only.

**NOTE 12. COMMITMENTS AND CONTINGENCIES**

**Federal and State Funds**

The County has received federal and state funds as grants and other financial assistance. These funds must be spent only as allowed by the grant and other federal or state requirements. Also, the County must follow various laws and regulations when they receive these funds. If the County does not abide by these laws and regulations or does not spend the monies, as allowed under the grant agreements, the County may be required to return the grant monies, or a portion thereof, to the granting agencies. The contingent liability, if any, that may be due to the federal and state agencies, cannot be readily determined.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 13. INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances, at September 30, 2020, consisted of the following individual fund receivables and payables:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund:		
Special Revenue Fund	2,524,142	5,027
Debt Service Fund	-	34,219
Enterprise Funds	1,278,118	28,489
Trust and Agency Funds	712,882	175,001
Total General Fund	<u>4,515,143</u>	<u>242,736</u>
Special Revenue Funds:		
General Fund	5,027	2,524,142
Special Revenue Funds	44	44
Debt Service Fund	-	-
Enterprise Fund	291,921	-
Trust and Agency Funds	297,167	408,475
Total Special Revenue Funds	<u>594,159</u>	<u>2,932,661</u>
Debt Service:		
General Fund	34,219	-
Special Revenue Fund	-	-
Debt Service Fund	362,298	362,298
Trust and Agency Funds	5,168	45
Total Debt Service Fund	<u>401,685</u>	<u>362,343</u>
Enterprise Funds:		
General Fund	28,489	1,278,118
Special Revenue Fund	-	291,921
Trust and Agency Funds	-	5,058
Total Enterprise Funds	<u>28,489</u>	<u>1,575,097</u>
Trust and Agency Funds:		
General Fund	175,001	712,882
Special Revenue Funds	408,475	297,167
Debt Service Fund	45	5,168
Enterprise Funds	5,058	-
Trust and Agency Funds	60,383	60,383
Total Trust and Agency Fund	<u>648,962</u>	<u>1,075,600</u>
Total	<u>\$ 6,188,437</u>	<u>\$ 6,188,437</u>

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

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 14. 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. Amounts of coverage for these types of risk have not been subjected to a significant reduction in the current year. The 2020 COVID-19 (Coronavirus) pandemic has caused extensive disruptions to businesses in America and the entire World. In the face of these disruptions, the fluid situation has become difficult to assess the likely impact to not only the economy in America but also the local economy. The County, is striving to be highly attuned and is maintaining a heightened state of readiness for the principal risks and increased uncertainties ahead. Given the potential for rapid spreading of the virus, management will be evaluating the current and potential effects on its operations and financial reporting.

**NOTE 15. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has issued the following statements which will become effective in future years.

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. This statement establishes criteria for identifying fiduciary activities of governments and for identifying fiduciary component units and post employment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for reporting period beginning after June 15, 2021.

In June 2017, the GASB issued Statement No. 87, Leases. This statement changes the recognition requirements for certain lease assets and liabilities for leases that are currently classified as operating leases. The requirements of this statement are effective for reporting period beginning after June 15, 2021.

In August 2018, the GASB issued Statement No. 90, Majority Equity Interest-an amendment of GASB Statements No. 14 and No. 61. This statement will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for reporting period beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. This statement is 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. The requirements of this statement are effective for reporting period beginning after December 15, 2021.

In January 2020, the GASB Issued Statement No. 92, Omnibus 2020. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements related to Statement 87 and Implementation Guide 2019-3 are effective for reporting period beginning after June 15, 2021.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 15. NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)**

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The statement establishes accounting and financial reporting requirements related to the replacement of LIBORs in hedging derivative instruments and 64 leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this statement are effective for reporting periods ending after December 31, 2021.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This statement establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements for government end users. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for reporting periods beginning after June 15, 2021. Some requirements of this statement are effective immediately.

The County will fully analyze the impact of these new Statements prior to the effective dates listed above.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 16. 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 comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR 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**

At December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	190
Inactive employees entitled to but not yet receiving benefits	704
Active employees	522
<b>Total</b>	<u>1,416</u>

**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 7.19 % and 7.61% in the calendar year 2019 and 2020, respectively. The County's contributions to TCDRS for the year ended September 30, 2020, were \$65,431 and were equal to the required contributions.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 16. DEFINED BENEFIT PENSION PLAN (continued)**

**D. Net Pension Liability**

The County's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**E. Actuarial assumptions**

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date:	December 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	5 year smoothed market
Real Rate of Return	5.25%
Inflation	2.75%
Long-Term Investment Return	8.00%
Salary Increases	4.90%
Retirement Age	The average age at service retirement for recent retirees is 61
Benefit changes during the year	No changes in plan provisions

Actuarial assumptions used in the December 31, 2019, valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2009 through December 31, 2012, except where required to be different by GASB 68. TCDRS' 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 8.00%. 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 2018 information for a 7-10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 16. DEFINED BENEFIT PENSION PLAN (continued)**

**E. Actuarial assumptions (continued)**

Asset Class	Benchmark	Target Allocation <sup>(1)</sup>	Geometric Real Rate of Return <sup>(2)</sup>
U.S. Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	7.00%	5.20%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.20%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	3.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(4)</sup>	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	3.00%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(5)</sup>	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HRFI) Fund of Funds Composite Index	8.00%	2.30%

<sup>(1)</sup>Target asset allocation adopted at the June 2020 TCDFS Board meeting.

<sup>(2)</sup>Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.80%, per Cliffordwater's 2020 capital market assumptions.

<sup>(3)</sup>Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup>Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup>Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

**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 not included in (1), 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.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 16. DEFINED BENEFIT PENSION PLAN (continued)**

**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.

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 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, 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:

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 16. DEFINED BENEFIT PENSION PLAN (continued)**

**G. Depletion of Plan Assets/GASB Discount Rate**

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2018	\$ 43,826,514	\$ 38,038,511	\$ 5,788,004
Changes for the year:			
Service Cost	1,359,508	-	1,359,508
Interest on total pension liability	3,575,258	-	3,575,258
Effect of plan change	-	-	-
Effect of economic/demographic gains or losses	(63,228)	-	(63,228)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(289,111)	(289,111)	-
Benefit payments	(1,846,526)	(1,846,526)	-
Administrative expenses	-	(33,563)	33,563
Member contributions	-	791,636	(791,636)
Net investment income	-	6,246,892	(6,246,892)
Employer contributions	-	1,138,373	(1,138,373)
Other	-	(1,905)	1,905
Balance as of December 31, 2019	<u>\$ 46,562,416</u>	<u>\$ 44,044,306</u>	<u>\$ 2,518,110</u>

**H. Discount Rate Sensitivity Analysis**

The following presents the net pension liability of the county/county calculated using the discount rate of 8.10%, 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 (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease 7.10%	Current Discount 8.10%	1% Increase 9.10%
Total Pension liability	\$ 52,859,674	\$ 46,562,416	\$ 41,323,589
Fiduciary net position	44,044,306	44,044,306	44,044,306
Net Pension liability/ (asset)	<u>\$ 8,815,368</u>	<u>\$ 2,518,110</u>	<u>\$ (2,720,717)</u>

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 16. DEFINED BENEFIT PENSION PLAN (continued)**

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

As of December 31, 2019, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 56,469	\$ -
Changes in actuarial assumptions	-	-
Net difference between projected and actual earnings	1,053,010	-
Contributions subsequent to the measurement date	-	51,524
Total	\$ 1,109,479	\$ 51,524

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 as follows:

Year ended December 31:	
2021	\$(289,266)
2022	(321,504)
2023	136,361
2024	(635,071)
2025	-
Thereafter	-

**NOTE 17. 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.

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 18. DEFICIT FUND EQUITY**

As of September 30, 2020, the Road and Bridge Fund had a deficit fund balance of (\$904,494), the Transfer Station had a deficit fund balance of (\$169,668), the Gas System had a deficit fund balance of (\$197,463), the JP's Justice Court Tech Fund had a deficit fund balance of (\$1,069) and the Starr County I&S Fund had a deficit fund balance of (\$92,537).

**NOTE 19. PRIOR PERIOD ADJUSTMENTS**

During the year 2020 the following prior period adjustments were made to clear outstanding items, a prior period adjustment of (\$640,817) was made to the General Fund which decreased the ending net position and fund balance. An adjustment of (\$80,498) was made to the Road and Bridge Fund, which decreased the ending fund balance and net position. An adjustment of \$5,309 was made to the JP's Justice Court Tech Fund, which increased the ending fund balance and net position. An adjustment of (\$35,652) was made to the Self Help Center Contract# 711013 Fund, which decreased the ending fund balance and net position. An adjustment of \$6,129 was made to the Starr County Judge Vending Machine Account, which increased the ending fund balance and net position. An adjustment of \$283,717 was made to the Internal Service Fund, which increased ending fund balance and net position. An adjustment of (\$179,280) was made to the International Toll Bridge System, which decreased the ending fund balance and net position. An adjustment of (\$126,743) was made to the Gas System, which decreased the ending fund balance and net position. An adjustment of (\$5,533) was made to the Transfer Station, which decreased the ending fund balance and net position.

Additionally, prior period adjustments of (\$447,655) and (\$215,166) were made to the government-wide financial statements to recognize governmental compensated absences accrual for 2019 and capital lease liabilities.

General Fund		
Reclassify Cemetery Fund to Special Revenues	\$	(96,137)
Recognize Payroll Accrual for 2019		(296,657)
Bank Reconciliation Adjustments		35,692
Reclassify Internal Service Fund		(283,717)
Road and Bridge Fund		
Recognize Payroll Accrual for 2019		(80,498)
JP's Justice Court Tech Fund		
Reclassify Fund Balance recorded as liability		5,309
Self Help Center Contract# 711013		
Bank Reconciliation Adjustments		(35,652)
Starr County Judge Vending Machine Account		
Reclassify Fund Balance recorded as liability		6,129
Internal Service Fund		
Reclassify Internal Service Fund		283,717
International Toll Bridge System		
Recognize Compensated Absences Accrual for 2019		(23,840)
Recognize GASB 68 Enterprise Allocations		(138,774)
Recognize Payroll Accrual for 2019		(16,666)
Gas System		
Recognize Compensated Absences Accrual for 2019		(10,155)
Recognize GASB 68 Enterprise Allocations		(107,234)
Recognize Payroll Accrual for 2019		(9,353)
Transfer Station		
Recognize Payroll Accrual for 2019		(5,533)
Total Prior Period Adjustment	\$	<u>(773,368)</u>

**STARR COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 19. 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:	
Retirement of Long-Term Debt	\$ 1,582,325
Other Restricted Fund Balance	5,020,232
Unassigned	<u>4,613,283</u>
Total Fund Balance	<u>\$ 11,215,840</u>

**NOTE 20. SUBSEQUENT EVENTS**

For the purposes of reporting subsequent events, management has considered events occurring up to June 27, 2022 the date of the report was available to be issued. No subsequent events were noted.

REQUIRED SUPPLEMENTARY INFORMATION

STARR COUNTY, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property Taxes	\$ 11,416,119	\$ 11,416,119	\$ 11,151,945	\$ (264,174)
Licenses and Permits	131,000	131,000	144,929	13,929
Intergovernmental Revenue and Grants	305,000	305,000	444,603	139,603
Federal Funds	-	-	22,256	22,256
State Funds	145,100	145,100	120,008	(25,092)
Fines	5,536,700	5,536,700	4,809,753	(726,947)
Investment Earnings	-	-	70,778	70,778
Rents and Royalties	12,800	12,800	7,600	(5,200)
Other Revenue	475,300	475,300	244,822	(230,478)
<b>Total Revenues</b>	<b>18,022,019</b>	<b>18,022,019</b>	<b>17,016,694</b>	<b>(1,005,325)</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
County Judge	537,860	528,120	481,017	47,104
County Clerk	232,162	232,307	227,495	4,812
Veteran's Service Officer and Inv. Clerk	-	9,185	10,636	(1,451)
Personnel Department	182,949	182,949	182,339	610
Planning Department	197,722	197,722	186,296	11,426
Elections Administrator	195,193	219,551	231,563	(12,012)
General Fund County Wide	3,994,730	3,941,740	3,606,179	335,561
County Court-at-Law	361,472	361,472	345,103	16,369
229th District Court	377,752	377,777	317,921	59,856
381st District Court	377,502	377,502	321,792	55,710
District Clerk	282,160	282,305	277,966	4,339
Justice of the Peace Pct. 1	86,165	86,165	86,655	(490)
Justice of the Peace Pct. 2	76,980	79,480	77,873	1,607
Justice of the Peace Pct. 3	85,994	85,994	84,953	1,041
Justice of the Peace Pct. 4	84,794	84,794	82,891	1,903
Justice of the Peace Pct. 5	85,794	85,794	85,339	455
Justice of the Peace Pct. 6	89,229	89,229	89,164	65
Justice of the Peace Pct. 7	76,775	80,495	80,073	422
Justice of the Peace Pct. 8	86,174	86,174	86,056	118
County Attorney	346,215	346,505	428,709	(82,204)
District Attorney	579,669	577,169	539,437	37,732
County Auditor	416,865	426,866	404,784	22,082
County Treasurer	165,216	169,716	167,708	2,008
Tax Collector	427,027	433,027	393,678	39,349
Compliance and Collections	150,054	150,654	146,700	3,954
Building Maintenance	267,296	268,296	237,457	30,839
Fire Station Pct. 1	211,699	211,699	138,725	72,974
Fire Station Pct. 2	202,508	204,258	122,722	81,536
Fire Station Pct. 3	179,895	183,270	111,050	72,220
Fire Station Pct. 4	209,593	203,016	125,865	77,151
Constables	331,069	331,069	313,733	17,336
Sheriff's Department	2,680,578	2,680,578	2,592,271	88,307
229th District - Adult Probation	34,111	34,111	32,704	1,407
Detention Center	3,420,038	3,417,538	3,336,578	80,960
Juvenile Detention Center	389,555	389,555	343,083	46,472
9-1-1 Services	62,918	62,918	49,783	13,135
County Wide Services	55,422	55,422	55,871	(449)
Public Health and Welfare Aid	10,000	51,000	11,203	39,797
Federal and State Programs	214,301	214,301	164,631	49,670
Elderly Programs	68,995	53,505	54,116	(611)
Nutrition Program Pct. 1	251,080	251,080	244,657	6,423

STARR COUNTY, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
Nutrition Program Pct. 2	284,609	303,866	292,348	11,518
Nutrition Program Pct. 3	158,136	162,120	162,428	(308)
Nutrition Program Pct. 4	253,684	274,522	259,995	14,527
Culture and Recreation	-	5,000	4,936	64
Conservation and Agriculture	138,041	138,041	136,436	1,605
Total Expenditures	18,919,981	18,987,854	17,732,919	1,254,935
Excess (Deficiency) of Revenues Over (Under) Expenditures	(897,962)	(965,835)	(716,225)	249,610
OTHER FINANCING SOURCES (USES):				
Transfers In	897,997	897,997	537,603	(360,394)
Total Other Financing Sources (Uses)	897,997	897,997	537,603	(360,394)
Net Change in Fund Balances	35	(67,838)	(178,622)	(110,784)
Fund Balance - October 1 (Beginning)	7,096,681	7,096,681	7,096,681	-
Prior Period Adjustment	-	-	(640,818)	(640,818)
Fund Balance - September 30 (Ending)	\$ 7,096,716	\$ 7,028,843	\$ 6,277,241	\$ (751,602)

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STARR COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property Taxes	\$ 5,381,573	\$ 5,381,573	\$ 5,095,325	\$ (286,248)
Licenses and Permits	500,000	500,000	635,508	135,508
Charges for Services	120,000	120,000	68,693	(51,307)
Fines	200,000	200,000	196,732	(3,268)
Investment Earnings	-	-	7,004	7,004
Other Revenue	2,100	2,100	7,389	5,289
Total Revenues	<u>6,203,673</u>	<u>6,203,673</u>	<u>6,010,651</u>	<u>(193,022)</u>
<b>EXPENDITURES:</b>				
Commissioner Pct. 1	1,017,839	987,499	939,033	48,466
Commissioner Pct. 2	1,095,785	1,113,062	1,093,467	19,596
Commissioner Pct. 3	1,237,185	1,262,285	1,210,684	51,602
Commissioner Pct. 4	997,612	1,008,626	988,413	20,213
Flood control	41,900	28,155	28,153	3
Road & Bridge Fund County Wide	1,519,500	1,527,805	1,178,679	349,126
Debt Service:				
Principal on Debt	238,202	238,202	238,202	-
Interest on Debt	55,694	55,694	55,694	-
Total Expenditures	<u>6,203,716</u>	<u>6,221,328</u>	<u>5,732,324</u>	<u>489,004</u>
Change in Fund Balance	(43)	(17,655)	278,327	295,982
Fund Balance - October 1 (Beginning)	(1,102,324)	(1,102,324)	(1,102,324)	-
Prior Period Adjustment	-	-	(80,498)	(80,498)
Fund Balance - September 30 (Ending)	<u>\$ (1,102,367)</u>	<u>\$ (1,119,979)</u>	<u>\$ (904,494)</u>	<u>\$ 215,484</u>

STARR COUNTY, TEXAS  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
<b>A. Total Pension Liability</b>			
Service Cost	\$ 1,359,508	\$ 1,322,698	\$ 1,477,749
Interest (on the Total Pension Liability)	3,575,258	3,354,911	3,180,024
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(63,228)	(42,953)	(570,494)
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,135,637)	(1,773,668)	(1,772,619)
Net Change in Total Pension Liability	<u>\$ 2,735,901</u>	<u>\$ 2,860,988</u>	<u>\$ 2,314,660</u>
Total Pension Liability - Beginning	<u>43,826,514</u>	<u>40,965,526</u>	<u>38,650,865</u>
Total Pension Liability - Ending	<u>\$ 46,562,415</u>	<u>\$ 43,826,514</u>	<u>\$ 40,965,525</u>
<b>B. Total Fiduciary Net Position</b>			
Contributions - Employer	\$ 1,138,373	\$ 1,116,212	\$ 1,157,528
Contributions - Employee	791,636	739,213	767,072
Net Investment Income	6,246,892	(720,080)	4,915,296
Benefit Payments, Including Refunds of Employee Contributions	(2,135,637)	(1,773,668)	(1,772,619)
Administrative Expense	(33,563)	(30,553)	(25,737)
Other	(1,905)	(6,338)	1,794
Net Change in Plan Fiduciary Net Position	<u>\$ 6,005,796</u>	<u>\$ (675,214)</u>	<u>\$ 5,043,334</u>
Plan Fiduciary Net Position - Beginning	<u>38,038,511</u>	<u>38,701,049</u>	<u>33,657,715</u>
Plan Fiduciary Net Position - Ending	<u>\$ 44,044,307</u>	<u>\$ 38,025,835</u>	<u>\$ 38,701,049</u>
<b>C. Net Pension Liability</b>	<u>\$ 2,518,108</u>	<u>\$ 5,800,679</u>	<u>\$ 2,264,476</u>
<b>D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	94.59%	86.76%	94.47%
<b>E. Covered Payroll</b>	\$ 15,832,719	\$ 14,784,259	\$ 15,341,443
<b>F. Net Pension Liability as a Percentage of Covered Payroll</b>	15.90%	39.24%	14.76%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$	1,454,467	\$ 1,234,402	\$ 1,233,646
	2,937,528	2,752,024	2,558,600
	-	(280,132)	-
	(485,701)	60,500	21,362
	-	-	-
	(1,585,393)	(1,526,926)	(1,385,724)
\$	2,320,901	\$ 2,239,868	\$ 2,427,884
	38,650,865	34,090,097	31,662,213
\$	40,971,766	\$ 36,329,965	\$ 34,090,097
\$	1,226,470	\$ 1,125,290	\$ 1,133,421
	793,343	725,994	687,176
	2,292,766	(355,847)	1,929,958
	(1,585,393)	(1,526,926)	(1,385,724)
	(24,973)	(22,353)	(23,013)
	(45,336)	26,980	38,336
\$	2,656,877	\$ (26,862)	\$ 2,380,154
	31,000,838	31,027,700	28,647,545
\$	33,657,715	\$ 31,000,838	\$ 31,027,699
\$	7,314,051	\$ 5,329,127	\$ 3,062,398
	82.15%	85.33%	91.02%
\$	15,814,750	\$ 14,519,872	\$ 13,622,851
	46.25%	36.70%	22.48%

STARR COUNTY, TEXAS  
SCHEDULE OF CONTRIBUTIONS  
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM  
FOR THE FISCAL YEAR 2020

	2020	2019	2018
Actuarially Determined Contribution	\$ 1,138,373	\$ 1,116,212	\$ 1,155,211
Contributions in Relation to the Actuarially Determined Contributions	(1,138,373)	(1,116,212)	(1,157,528)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (2,317)
Covered Employee Payroll	\$ 15,832,719	\$ 14,784,259	\$ 15,341,443
Contributions as a Percentage of Covered Employee Payroll	7.20%	7.50%	7.50%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented as of the governmental entity's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 for the respective fiscal years.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

	2017	2016	2015
\$	1,220,899	\$ 1,125,290	\$ 1,133,421
	(1,226,470)	(1,125,290)	(1,133,421)
\$	(5,571)	\$ -	\$ -
\$	15,814,750	\$ 14,519,872	\$ 13,622,851
	7.80%	7.70%	8.30%

STARR COUNTY, TEXAS  
NOTES TO SCHEDULE OF CONTRIBUTIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

**Valuation Date:** Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	1.8 years
Asset Valuation Method	5-yr smoothed market
Inflation	3.0%
Salary Increases	Varies by age and service, 4.9% average over career including inflation.
Investment Rate of Return	8.0%, 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	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base

**Other Information:** There were no benefit changes during the year.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

STARR COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2020

	201 Special Revenue Fund	202 HAVA Cares Act Grant Fund	203 TDEM- Cares Act Fund	206 Courthouse Renovation Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 180,794	\$ 61,713	\$ 441,959	\$ 118,039
Investments - Current	-	-	-	-
Interest Receivable - investments	-	-	-	-
Taxes Receivable	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Due from Other Funds	-	-	-	2,962
Due from Others	361,339	-	736,046	-
<b>Total Assets</b>	<b>\$ 542,133</b>	<b>\$ 61,713</b>	<b>\$ 1,178,005</b>	<b>\$ 121,001</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 542,009	\$ 8,056	\$ 322,782	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	124	100	855,223	-
Due to Others	-	-	-	-
Unearned Revenues	-	53,544	-	-
Other Current Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>542,133</b>	<b>61,700</b>	<b>1,178,005</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	13	-	121,001
Unassigned Fund Balance	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>121,001</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 542,133</b>	<b>\$ 61,713</b>	<b>\$ 1,178,005</b>	<b>\$ 121,001</b>

207 Crime Victims Assistance Program Fund	208 DA's Border Prosecution Unit (BPU)	209 Victim Coord. Liasion 229th Court	210 CACST Section 5310	213 Testing of Forensic Evid Grant	214 HIDTA Task Force Grant #G18SS0004A	215 HIDTA Task Force Grant #G19	216 Homeland Security Grants
\$ 2,615	\$ 10,744	\$ 2,532	\$ 13,996	\$ 12,100	\$ 7,178	\$ 144,286	\$ 2
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
38,790	41,299	44	-	-	-	13,995	-
59,155	57,600	6,496	1,146	14,215	-	62,920	-
<u>\$ 100,560</u>	<u>\$ 109,643</u>	<u>\$ 9,072</u>	<u>\$ 15,142</u>	<u>\$ 26,315</u>	<u>\$ 7,178</u>	<u>\$ 221,201</u>	<u>\$ 2</u>
\$ 5,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,383	-	-	-	-	-	-	-
87,046	109,643	9,072	15,142	26,315	7,178	208,835	2
-	-	-	-	-	-	-	-
-	-	-	-	-	-	12,366	-
-	-	-	-	-	-	-	-
<u>100,560</u>	<u>109,643</u>	<u>9,072</u>	<u>15,142</u>	<u>26,315</u>	<u>7,178</u>	<u>221,201</u>	<u>2</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 100,560</u>	<u>\$ 109,643</u>	<u>\$ 9,072</u>	<u>\$ 15,142</u>	<u>\$ 26,315</u>	<u>\$ 7,178</u>	<u>\$ 221,201</u>	<u>\$ 2</u>

STARR COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2020

	219 HIDTA Task Force Grant #12PSSP614	222 229th DA's Pre-Trial Diversion Prg	223 Law Library Fund	224 Surcharge Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 36,121	\$ 364,912	\$ 22,361
Investments - Current	-	-	-	-
Interest Receivable - investments	-	-	-	-
Taxes Receivable	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Due from Other Funds	-	-	1,715	13,213
Due from Others	1,674	-	-	-
<b>Total Assets</b>	<b>\$ 1,674</b>	<b>\$ 36,121</b>	<b>\$ 366,627</b>	<b>\$ 35,574</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 523	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	1,674	1,336	-	53
Due to Others	-	-	-	-
Unearned Revenues	-	-	-	-
Other Current Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>1,674</b>	<b>1,336</b>	<b>523</b>	<b>53</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	34,785	366,104	35,521
Unassigned Fund Balance	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>34,785</b>	<b>366,104</b>	<b>35,521</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 1,674</b>	<b>\$ 36,121</b>	<b>\$ 366,627</b>	<b>\$ 35,574</b>

225 Courthouse Security Fund	226 Archives Mgmt Fund County Clerk	227 Records Mgmt & Pres Fund District Cler	228 Records Mgmt & Pres Fund County Clerk	229 LEOSE Fund	234 Victims of Domestic Violence	242 Memorial Cemetary Fund	244 Starr County Border Interd Unit
\$ 110,032	\$ 41,654	\$ 5,196	\$ 14,181	\$ 30,802	\$ 8,219	\$ 70,946	\$ 1,091
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,573	40,500	-
1,622	9,918	1,573	54	-	14,690	-	-
-	-	-	-	-	42,374	-	7,391
<u>\$ 111,654</u>	<u>\$ 51,572</u>	<u>\$ 6,769</u>	<u>\$ 14,235</u>	<u>\$ 30,802</u>	<u>\$ 67,856</u>	<u>\$ 111,446</u>	<u>\$ 8,482</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,344	\$ -	\$ -
-	-	-	-	-	4,021	-	-
-	48	5,406	-	182	35,809	10,372	8,482
-	-	-	-	-	-	-	-
-	-	-	-	-	25,682	-	-
-	-	-	-	-	-	-	-
-	48	5,406	-	182	67,856	10,372	8,482
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
111,654	51,524	1,363	14,235	30,620	-	101,074	-
-	-	-	-	-	-	-	-
<u>111,654</u>	<u>51,524</u>	<u>1,363</u>	<u>14,235</u>	<u>30,620</u>	<u>-</u>	<u>101,074</u>	<u>-</u>
<u>\$ 111,654</u>	<u>\$ 51,572</u>	<u>\$ 6,769</u>	<u>\$ 14,235</u>	<u>\$ 30,802</u>	<u>\$ 67,856</u>	<u>\$ 111,446</u>	<u>\$ 8,482</u>

STARR COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2020

	245 Starr County Violent Crime Unit	251 JP's Justice Court Tech Fund	261 Juvenile Interv Serv Program Grant	262 CSCD Bond Supervision Program
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 23,084	\$ 3,750	\$ 4,153	\$ 9,276
Investments - Current	-	-	-	-
Interest Receivable - investments	-	-	-	-
Taxes Receivable	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Due from Other Funds	53,218	536	-	-
Due from Others	-	-	7,098	-
<b>Total Assets</b>	<b>\$ 76,302</b>	<b>\$ 4,286</b>	<b>\$ 11,251</b>	<b>\$ 9,276</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	1,166	-
Due to Other Funds	21,500	46	9,985	-
Due to Others	5,000	-	100	-
Unearned Revenues	4,800	-	-	-
Other Current Liabilities	45,002	-	-	-
<b>Total Liabilities</b>	<b>76,302</b>	<b>46</b>	<b>11,251</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	4,240	-	9,276
Unassigned Fund Balance	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>4,240</b>	<b>-</b>	<b>9,276</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 76,302</b>	<b>\$ 4,286</b>	<b>\$ 11,251</b>	<b>\$ 9,276</b>

264 Joint Investigation ICE & Sheriff	267 Joint Investigation DA & ICE	271 Joint Law Enf Oper Sheriff & US Marsh	276 LBSP Sheriff FY 19	277 LBSP Sheriff FY 20	295 Starr County 2017-OPSG	296 Starr County 2018-OPSG	297 Starr County 2019-OPSG
\$ 1,863	\$ 1,859	\$ 707	\$ 21,088	\$ 61,306	\$ 30,164	\$ 120,669	\$ (107,185)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,279	5,019	-	-	-	-	-
-	-	2	34	-	-	-	161,638
<u>\$ 1,863</u>	<u>\$ 4,138</u>	<u>\$ 5,728</u>	<u>\$ 21,122</u>	<u>\$ 61,306</u>	<u>\$ 30,164</u>	<u>\$ 120,669</u>	<u>\$ 54,453</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
45	45	5,728	21,122	61,306	30,164	120,669	54,453
-	-	-	-	-	-	-	-
1,818	4,093	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,863</u>	<u>4,138</u>	<u>5,728</u>	<u>21,122</u>	<u>61,306</u>	<u>30,164</u>	<u>120,669</u>	<u>54,453</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,863</u>	<u>\$ 4,138</u>	<u>\$ 5,728</u>	<u>\$ 21,122</u>	<u>\$ 61,306</u>	<u>\$ 30,164</u>	<u>\$ 120,669</u>	<u>\$ 54,453</u>

STARR COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2020

	406 TDRA Contract 7217440	407 TDRA Contract 7219429	411 TDHCA Home OCC Contract #1001187	413 TDHCA-Home Contract #1002269
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 610	\$ 100	\$ 5	\$ 51,318
Investments - Current	-	-	-	-
Interest Receivable - investments	-	-	-	-
Taxes Receivable	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Others	1,981	2,740	-	-
<b>Total Assets</b>	<b>\$ 2,591</b>	<b>\$ 2,840</b>	<b>\$ 5</b>	<b>\$ 51,318</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 114
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	8,440	2,840	5	51,203
Due to Others	-	-	-	1
Unearned Revenues	-	-	-	-
Other Current Liabilities	1	-	-	-
<b>Total Liabilities</b>	<b>8,441</b>	<b>2,840</b>	<b>5</b>	<b>51,318</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	-	-	-
Unassigned Fund Balance	(5,850)	-	-	-
<b>Total Fund Balances</b>	<b>(5,850)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 2,591</b>	<b>\$ 2,840</b>	<b>\$ 5</b>	<b>\$ 51,318</b>

414 Starr County Construction 2004	415 San Isidro Project	416 BBC/NADBN SWEP Grant #TX0360	417 BBC/NADBN SWEP Grant #TX0360	426 Self Help Center Contr #711013	430 Olmitos Garcias Creek Wtrshed Site	431 Local Emerg Planning Committee	505 Starr County Drainage District
\$ 292,801	\$ 4,961	\$ 103,217	\$ 18,791	\$ 21,640	\$ 30,840	\$ 104	\$ 1,258,804
-	-	-	-	-	-	-	1,619,724
-	-	-	-	-	-	-	888
-	-	-	-	-	-	-	191,900
-	-	-	-	-	-	-	-
291,921	-	-	-	-	-	-	2,576
-	-	-	-	-	-	-	-
<u>\$ 584,722</u>	<u>\$ 4,961</u>	<u>\$ 103,217</u>	<u>\$ 18,791</u>	<u>\$ 21,640</u>	<u>\$ 30,840</u>	<u>\$ 104</u>	<u>\$ 3,073,892</u>
\$ -	\$ -	\$ -	\$ -	\$ 565	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	121	-	-	20,671	30,840	104	-
-	-	-	-	-	-	-	-
-	-	103,216	18,791	404	-	-	-
-	4,840	1	-	-	-	-	-
-	<u>4,961</u>	<u>103,217</u>	<u>18,791</u>	<u>21,640</u>	<u>30,840</u>	<u>104</u>	-
-	-	-	-	-	-	-	188,718
-	-	-	-	-	-	-	188,718
-	-	-	-	-	-	-	-
584,722	-	-	-	-	-	-	2,885,174
-	-	-	-	-	-	-	-
<u>584,722</u>	-	-	-	-	-	-	<u>2,885,174</u>
<u>\$ 584,722</u>	<u>\$ 4,961</u>	<u>\$ 103,217</u>	<u>\$ 18,791</u>	<u>\$ 21,640</u>	<u>\$ 30,840</u>	<u>\$ 104</u>	<u>\$ 3,073,892</u>

STARR COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2020

	601 Constables#5 Abandon Veh Forfeiture	605 Starr County Judge Vending Mach Account	642 District Attorney Grant Fund	665 County Attorney Grant Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 7,849	\$ -	\$ -
Investments - Current	-	-	-	-
Interest Receivable - investments	-	-	-	-
Taxes Receivable	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Others	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 7,849</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Others	-	-	-	-
Unearned Revenues	-	-	-	-
Other Current Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	7,849	-	-
Unassigned Fund Balance	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>7,849</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ -</b>	<b>\$ 7,849</b>	<b>\$ -</b>	<b>\$ -</b>

Total Nonmajor Special Revenue Funds	300 Debt Service Fund	301 Starr County I & S Fund	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
\$ 3,663,247	\$ 708,430	\$ 230,374	\$ 938,804	\$ 4,602,051
1,619,724	506,512	-	506,512	2,126,236
888	293	-	293	1,181
191,900	428,166	-	428,166	620,066
43,073	-	-	-	43,073
495,424	362,298	39,387	401,685	897,109
1,523,849	-	-	-	1,523,849
<u>\$ 7,538,105</u>	<u>\$ 2,005,699</u>	<u>\$ 269,761</u>	<u>\$ 2,275,460</u>	<u>\$ 9,813,565</u>
\$ 881,524	\$ -	\$ -	\$ -	\$ 881,524
13,570	-	-	-	13,570
1,821,329	45	362,298	362,343	2,183,672
5,101	-	-	-	5,101
224,714	-	-	-	224,714
49,844	-	-	-	49,844
<u>2,996,082</u>	<u>45</u>	<u>362,298</u>	<u>362,343</u>	<u>3,358,425</u>
188,718	423,329	-	423,329	612,047
<u>188,718</u>	<u>423,329</u>	<u>-</u>	<u>423,329</u>	<u>612,047</u>
-	1,582,325	-	1,582,325	1,582,325
4,359,155	-	-	-	4,359,155
(5,850)	-	(92,537)	(92,537)	(98,387)
<u>4,353,305</u>	<u>1,582,325</u>	<u>(92,537)</u>	<u>1,489,788</u>	<u>5,843,093</u>
<u>\$ 7,538,105</u>	<u>\$ 2,005,699</u>	<u>\$ 269,761</u>	<u>\$ 2,275,460</u>	<u>\$ 9,813,565</u>

STARR COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	201 Special Revenue Fund	202 HAVA Cares Act Grant Fund	203 TDEM- Cares Act Fund	206 Courthouse Renovation Fund
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	322,625	-	-	-
Federal Funds	-	8,056	1,103,435	-
State Funds	645,249	-	-	-
Charges for Services	-	-	-	35,134
Fines	-	-	-	-
Investment Earnings	-	13	-	666
Other Revenue	-	-	-	-
Total Revenues	<u>967,874</u>	<u>8,069</u>	<u>1,103,435</u>	<u>35,800</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	8,056	1,103,435	-
Judicial	967,874	-	-	-
Public Facilities	-	-	-	114
Public Safety	-	-	-	-
Highways and Streets:				
Highways and Streets	-	-	-	-
Health and Welfare	-	-	-	-
Total Expenditures	<u>967,874</u>	<u>8,056</u>	<u>1,103,435</u>	<u>114</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>13</u>	<u>-</u>	<u>35,686</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	13	-	35,686
Fund Balance - October 1 (Beginning)	-	-	-	85,315
Prior Period Adjustment	-	-	-	-
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 121,001</u>

207 Crime Victims Assistance Program Fund	208 DA's Border Prosecution Unit (BPU)	209 Victim Coord. Liasion 229th Court	210 CACST Section 5310	213 Testing of Forensic Evid Grant	214 HIDTA Task Force Grant #G18SS0004A	215 HIDTA Task Force Grant #G19	216 Homeland Security Grants
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
272,499	371,470	41,605	9,845	25,587	2,895	272,240	32,757
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>272,499</u>	<u>371,470</u>	<u>41,605</u>	<u>9,845</u>	<u>25,587</u>	<u>2,895</u>	<u>272,240</u>	<u>32,757</u>
-	-	-	-	25,587	-	-	-
-	-	-	-	-	-	-	-
272,499	371,470	41,605	-	-	2,895	272,240	32,757
-	-	-	-	-	-	-	-
-	-	-	9,845	-	-	-	-
<u>272,499</u>	<u>371,470</u>	<u>41,605</u>	<u>9,845</u>	<u>25,587</u>	<u>2,895</u>	<u>272,240</u>	<u>32,757</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, 2020

	219 HIDTA Task Force Grant #12PSSP614	222 229th DA's Pre-Trial Diversion Prg	223 Law Library Fund	224 Surcharge Fund
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Federal Funds	1,674	-	-	-
State Funds	-	-	-	-
Charges for Services	-	-	-	-
Fines	-	11,500	25,214	62,335
Investment Earnings	-	318	2,461	193
Other Revenue	-	-	-	-
Total Revenues	<u>1,674</u>	<u>11,818</u>	<u>27,675</u>	<u>62,528</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial	-	-	-	-
Public Facilities	-	-	2,220	68,947
Public Safety	1,674	19,002	-	-
Highways and Streets:				
Highways and Streets	-	-	-	-
Health and Welfare	-	-	-	-
Total Expenditures	<u>1,674</u>	<u>19,002</u>	<u>2,220</u>	<u>68,947</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(7,184)</u>	<u>25,455</u>	<u>(6,419)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(7,184)	25,455	(6,419)
Fund Balance - October 1 (Beginning)	-	41,969	340,649	41,940
Prior Period Adjustment	-	-	-	-
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 34,785</u>	<u>\$ 366,104</u>	<u>\$ 35,521</u>

225 Courthouse Security Fund	226 Archives Mgmt Fund County Clerk	227 Records Mgmt & Pres Fund District Cler	228 Records Mgmt & Pres Fund County Clerk	229 LEOSE Fund	234 Victims of Domestic Violence	242 Memorial Cemetery Fund	244 Starr County Border Interd Unit
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	7,707	31,435	-	-
-	-	-	-	-	121,171	-	47,956
-	-	-	-	-	-	95,750	-
17,555	60,146	20,574	667	-	-	-	-
1,175	268	206	110	-	-	622	-
-	-	-	-	-	-	-	-
<u>18,730</u>	<u>60,414</u>	<u>20,780</u>	<u>777</u>	<u>7,707</u>	<u>152,606</u>	<u>96,372</u>	<u>47,956</u>
-	-	-	-	-	-	73,850	-
-	53,866	58,570	-	-	-	-	-
-	-	-	-	350	152,606	-	47,956
-	-	-	-	-	-	-	-
-	<u>53,866</u>	<u>58,570</u>	<u>-</u>	<u>350</u>	<u>152,606</u>	<u>73,850</u>	<u>47,956</u>
<u>18,730</u>	<u>6,548</u>	<u>(37,790)</u>	<u>777</u>	<u>7,357</u>	<u>-</u>	<u>22,522</u>	<u>-</u>
(86,927)	-	-	-	-	-	-	-
<u>(86,927)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(68,197)	6,548	(37,790)	777	7,357	-	22,522	-
179,851	44,976	39,153	13,458	23,263	-	78,552	-
-	-	-	-	-	-	-	-
<u>\$ 111,654</u>	<u>\$ 51,524</u>	<u>\$ 1,363</u>	<u>\$ 14,235</u>	<u>\$ 30,620</u>	<u>\$ -</u>	<u>\$ 101,074</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, 2020

	245 Starr County Violent Crime Unit	251 JP's Justice Court Tech Fund	261 Juvenile Interv Serv Program Grant	262 CSCD Bond Supervision Program
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Federal Funds	31,366	-	33,388	-
State Funds	-	-	-	-
Charges for Services	-	-	-	-
Fines	-	6,169	-	9,350
Investment Earnings	-	-	-	2
Other Revenue	-	-	-	-
Total Revenues	<u>31,366</u>	<u>6,169</u>	<u>33,388</u>	<u>9,352</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	31,366	7,844	33,388	76
Highways and Streets:				
Highways and Streets	-	-	-	-
Health and Welfare	-	-	-	-
Total Expenditures	<u>31,366</u>	<u>7,844</u>	<u>33,388</u>	<u>76</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,675)</u>	<u>-</u>	<u>9,276</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(1,675)	-	9,276
Fund Balance - October 1 (Beginning)	-	606	-	-
Prior Period Adjustment	-	5,309	-	-
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 4,240</u>	<u>\$ -</u>	<u>\$ 9,276</u>



STARR COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	406 TDRA Contract 7217440	407 TDRA Contract 7219429	411 TDHCA Home OCC Contract #1001187	413 TDHCA-Home Contract #1002269
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Federal Funds	12,801	2,740	-	319,463
State Funds	-	-	-	-
Charges for Services	-	-	-	-
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>12,801</u>	<u>2,740</u>	<u>-</u>	<u>319,463</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Highways and Streets:				
Highways and Streets	18,651	2,740	-	-
Health and Welfare	-	-	-	319,463
Total Expenditures	<u>18,651</u>	<u>2,740</u>	<u>-</u>	<u>319,463</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,850)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(5,850)	-	-	-
Fund Balance - October 1 (Beginning)	-	-	-	-
Prior Period Adjustment	-	-	-	-
Fund Balance - September 30 (Ending)	<u>\$ (5,850)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

414 Starr County Construction 2004	415 San Isidro Project	416 BBC/NADBN SWEP Grant #TX0360	417 BBC/NADBN SWEP Grant #TX0360	426 Self Help Center Contr #711013	430 Ohnitos Garcias Creek Wtrshd Site	431 Local Emerg Planning Committee	505 Starr County Drainage District
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,470
-	-	-	-	-	-	-	-
-	-	-	-	58,274	-	-	-
-	-	-	-	-	-	-	-
2,065	-	-	-	-	-	-	11,896
<u>2,065</u>	-	-	-	<u>58,274</u>	-	-	<u>277,366</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	22,622	-	-	-
-	-	-	-	<u>22,622</u>	-	-	-
2,065	-	-	-	35,652	-	-	277,366
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,065	-	-	-	35,652	-	-	277,366
582,657	-	-	-	-	-	-	2,607,808
-	-	-	-	(35,652)	-	-	-
<u>\$ 584,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,885,174</u>

STARR COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	601 Constables#5 Abandon Veh Forfeiture	605 Starr County Judge Vending Mach Account	642 District Attorney Grant Fund	665 County Attorney Grant Fund
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Federal Funds	-	-	300,680	18,617
State Funds	-	-	47,901	-
Charges for Services	-	-	-	-
Fines	-	-	-	-
Investment Earnings	4	53	-	-
Other Revenue	-	2,316	-	-
Total Revenues	<u>4</u>	<u>2,369</u>	<u>348,581</u>	<u>18,617</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	1,733	-	-
Judicial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	515	-	348,581	18,617
Highways and Streets:				
Highways and Streets	-	-	-	-
Health and Welfare	-	-	-	-
Total Expenditures	<u>515</u>	<u>1,733</u>	<u>348,581</u>	<u>18,617</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(511)</u>	<u>636</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(511)	636	-	-
Fund Balance - October 1 (Beginning)	511	1,084	-	-
Prior Period Adjustment	-	6,129	-	-
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 7,849</u>	<u>\$ -</u>	<u>\$ -</u>

Total Nonmajor Special Revenue Funds	300 Debt Service Fund	301 Starr County I & S Fund	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
\$ 265,470	\$ -	\$ 60,792	\$ 60,792	\$ 326,262
361,767	-	-	-	361,767
3,680,239	-	-	-	3,680,239
1,379,799	-	-	-	1,379,799
130,884	-	-	-	130,884
213,510	-	-	-	213,510
20,052	6,389	1,334	7,723	27,775
2,316	-	-	-	2,316
<u>6,054,037</u>	<u>6,389</u>	<u>62,126</u>	<u>68,515</u>	<u>6,122,552</u>
1,212,661	2,907	-	2,907	1,215,568
967,874	-	-	-	967,874
183,717	-	-	-	183,717
2,933,810	-	-	-	2,933,810
21,391	-	-	-	21,391
351,930	-	-	-	351,930
<u>5,671,383</u>	<u>2,907</u>	<u>-</u>	<u>2,907</u>	<u>5,674,290</u>
<u>382,654</u>	<u>3,482</u>	<u>62,126</u>	<u>65,608</u>	<u>448,262</u>
<u>(86,927)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(86,927)</u>
<u>(86,927)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(86,927)</u>
295,727	3,482	62,126	65,608	361,335
4,081,792	1,578,843	(154,663)	1,424,180	5,505,972
(24,214)	-	-	-	(24,214)
<u>\$ 4,353,304</u>	<u>\$ 1,582,325</u>	<u>\$ (92,537)</u>	<u>\$ 1,489,788</u>	<u>\$ 5,843,092</u>

STARR COUNTY, TEXAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BALANCE OCTOBER 1				BALANCE SEPTEMBER 30	
	2019	ADDITIONS	DEDUCTIONS		2020	
<b>229TH JUDICIAL DISTRICT PROBATION FUND</b>						
Assets:						
Cash and Cash Equivalents	\$ 31,591	\$ 293,078	\$ 296,858		\$ 27,811	
Other Receivables	-	1,570	-		1,570	
Due From Other Funds	-	122	-		122	
<b>Total Assets</b>	<b>\$ 31,591</b>	<b>\$ 294,770</b>	<b>\$ 296,858</b>		<b>\$ 29,503</b>	
Liabilities:						
Due to Other Governments	\$ 25,602	\$ 21,980	\$ 25,602		\$ 21,980	
Other Liabilities	5,989	272,790	271,256		7,523	
<b>Total Liabilities</b>	<b>\$ 31,591</b>	<b>\$ 294,770</b>	<b>\$ 296,858</b>		<b>\$ 29,503</b>	
<b>JUVENILE PROBATION &amp; RESTITUTION FUND</b>						
Assets:						
Cash and Cash Equivalents	\$ 25,552	\$ 3,605	\$ 5,997		\$ 23,160	
Due From Other Funds	-	5,913	-		5,913	
<b>Total Assets</b>	<b>\$ 25,552</b>	<b>\$ 9,518</b>	<b>\$ 5,997</b>		<b>\$ 29,073</b>	
Liabilities:						
Other Liabilities	\$ 25,552	\$ 9,518	\$ 5,997		\$ 29,073	
<b>COUNTY ATTORNEY FUND</b>						
Assets:						
Cash and Cash Equivalents	\$ 156,839	\$ 264,128	\$ 307,703		\$ 113,264	
Other Receivables	22,739	605	22,739		605	
Due From Other Funds	452	-	-		452	
<b>Total Assets</b>	<b>\$ 180,030</b>	<b>\$ 264,733</b>	<b>\$ 330,442</b>		<b>\$ 114,321</b>	
Liabilities:						
Accounts Payable	\$ 1,422	\$ 3,488	\$ 1,422		\$ 3,488	
Due to Other Funds	19,177	34,628	38,842		14,963	
Other Liabilities	159,430	226,617	290,177		95,870	
<b>Total Liabilities</b>	<b>\$ 180,030</b>	<b>\$ 264,733</b>	<b>\$ 330,442</b>		<b>\$ 114,321</b>	
<b>DISTRICT ATTORNEY FUND</b>						
Assets:						
Cash and Cash Equivalents	\$ 1,256,271	\$ 651,184	\$ 1,040,188		\$ 867,267	
Investments - Current	146,225	367	-		146,592	
Due From Other Funds	238,058	236,173	228,770		245,461	
<b>Total Assets</b>	<b>\$ 1,640,554</b>	<b>\$ 887,724</b>	<b>\$ 1,268,958</b>		<b>\$ 1,259,320</b>	
Liabilities:						

STARR COUNTY, TEXAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BALANCE OCTOBER 1			BALANCE SEPTEMBER 30		
	2019	ADDITIONS	DEDUCTIONS	2020		
Accounts Payable	\$ 6,859	\$ 2,298	\$ 6,859	\$ 2,298		
Due to Other Funds	152,879	117,332	89,704	180,506		
Funds Held for Others	252,228	107,878	57,080	303,026		
Other Liabilities	1,228,588	660,216	1,115,315	773,489		
Total Liabilities	<u>\$ 1,640,554</u>	<u>\$ 887,724</u>	<u>\$ 1,268,958</u>	<u>\$ 1,259,320</u>		
<b>COUNTY CLERK FUND</b>						
Assets:						
Cash and Cash Equivalents	\$ 831,258	\$ 1,035,063	\$ 368,927	\$ 1,497,393		
Liabilities:						
Due to Other Funds	\$ 62,094	\$ 34,520	\$ 32,631	\$ 63,984		
Funds Held for Others	373,748	652,113	2,888	1,022,974		
Other Liabilities	395,415	348,430	333,409	410,436		
Total Liabilities	<u>\$ 831,258</u>	<u>\$ 1,035,063</u>	<u>\$ 368,927</u>	<u>\$ 1,497,393</u>		
<b>DETENTION CENTER FUND</b>						
Assets:						
Cash and Cash Equivalents	\$ 159,818	\$ 617,467	\$ 521,219	\$ 256,066		
Liabilities:						
Funds Held for Others	\$ 18,918	\$ 444,361	\$ 405,463	\$ 57,816		
Other Liabilities	140,900	269,354	212,004	198,251		
Total Liabilities	<u>\$ 159,818</u>	<u>\$ 713,715</u>	<u>\$ 617,467</u>	<u>\$ 256,066</u>		
<b>MOTOR VEHICLE TAX FUND</b>						
Assets:						
Cash and Cash Equivalents	\$ 796,395	\$ 8,815,152	\$ 9,012,849	\$ 598,698		
Other Receivables	177,759	166,771	177,759	166,771		
Due From Other Funds	182	-	-	182		
Total Assets	<u>\$ 974,336</u>	<u>\$ 8,981,923</u>	<u>\$ 9,190,608</u>	<u>\$ 765,651</u>		
Liabilities:						
Accounts Payable	\$ -	\$ 98,493	\$ -	\$ 98,493		
Due to Other Funds	139,944	132,242	118,415	153,772		
Due to Other Governments	516,055	232,245	516,055	232,245		
Other Liabilities	318,337	8,518,943	8,556,138	281,141		
Total Liabilities	<u>\$ 974,336</u>	<u>\$ 8,981,923</u>	<u>\$ 9,190,608</u>	<u>\$ 765,651</u>		
<b>TAX ASSESSOR COLLECTOR FUND</b>						
Assets:						

STARR COUNTY, TEXAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BALANCE OCTOBER 1			BALANCE SEPTEMBER 30		
	2019	ADDITIONS	DEDUCTIONS	2020		
Cash and Cash Equivalents	\$ 421,319	\$ 27,312,458	\$ 27,009,490	\$ 724,288		
Due From Other Funds	71,706	67,137	71,661	67,182		
Prepaid Items	137,061	6,996	-	144,057		
Other Current Assets	5,673	-	-	5,673		
<b>Total Assets</b>	<b>\$ 635,759</b>	<b>\$ 27,386,591</b>	<b>\$ 27,081,150</b>	<b>\$ 941,200</b>		
<b>Liabilities:</b>						
Due to Other Funds	\$ 400,495	\$ 256,650	\$ 159,423	\$ 497,722		
Due to Other Governments	80,273	185,958	121,944	144,286		
Other Liabilities	154,992	26,943,984	26,799,783	299,192		
<b>Total Liabilities</b>	<b>\$ 635,759</b>	<b>\$ 27,386,591</b>	<b>\$ 27,081,150</b>	<b>\$ 941,200</b>		

**JUSTICE OF THE PEACE FUND**

## Assets:

Cash and Cash Equivalents	\$ 92,671	\$ 420,028	\$ 416,933	\$ 95,766
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## Liabilities:

Due to Other Funds	\$ 52,223	\$ 44,323	\$ 40,744	\$ 55,802
Other Liabilities	40,449	375,705	376,189	39,964
<b>Total Liabilities</b>	<b>\$ 92,671</b>	<b>\$ 420,028</b>	<b>\$ 416,933</b>	<b>\$ 95,766</b>

**DISTRICT CLERKS'S INVESTED TRUST FUND**

## Assets:

Cash and Cash Equivalents	\$ 1,956,344	\$ 253,075	\$ 1,308,218	\$ 901,201
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## Liabilities:

Funds Held for Others	\$ 1,956,344	\$ 253,075	\$ 1,308,218	\$ 901,201
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**DISTRICT CLERK FUND**

## Assets:

Cash and Cash Equivalents	\$ 1,267,988	\$ 1,222,317	\$ 1,302,446	\$ 1,187,860
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## Liabilities:

Due to Other Funds	\$ 28,501	\$ 23,093	\$ 28,501	\$ 23,093
Other Liabilities	1,239,487	1,199,224	1,273,945	1,164,766
<b>Total Liabilities</b>	<b>\$ 1,267,988</b>	<b>\$ 1,222,317</b>	<b>\$ 1,302,446</b>	<b>\$ 1,187,860</b>

**SHERIFF'S DEPARTMENT FUND**

## Assets:

Cash and Cash Equivalents	\$ 544,487	\$ 232,935	\$ 218,366	\$ 559,056
Investments - Current	156,298	1,175	-	157,473
Due From Other Funds	62,715	36,379	-	99,094

STARR COUNTY, TEXAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BALANCE OCTOBER 1 2019	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2020
<b>Total Assets</b>	\$ 763,499	\$ 270,489	\$ 218,366	\$ 815,622
<b>Liabilities:</b>				
Due to Other Funds	\$ 30	\$ -	\$ -	\$ 30
Funds Held for Others	196,458	3,000	31,160	168,298
Other Liabilities	567,011	267,489	187,206	647,294
<b>Total Liabilities</b>	<b>\$ 763,499</b>	<b>\$ 270,489</b>	<b>\$ 218,366</b>	<b>\$ 815,622</b>
 <b>COMPLIANCE AND COLLECTIONS</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 15,826	\$ 200,741	\$ 199,840	\$ 16,727
Other Receivables	-	2,341	-	2,341
<b>Total Assets</b>	<b>\$ 15,826</b>	<b>\$ 203,082</b>	<b>\$ 199,840</b>	<b>\$ 19,068</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 2,857	\$ 3,497	\$ 2,857	\$ 3,497
Due to Other Funds	9,561	11,780	9,052	12,288
Due to Other Governments	758	327	758	327
Other Liabilities	2,650	187,479	187,172	2,957
<b>Total Liabilities</b>	<b>\$ 15,826</b>	<b>\$ 203,082</b>	<b>\$ 199,840</b>	<b>\$ 19,068</b>
 <b>RETIREMENT SYSTEM FUND</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 3,601	\$ 2,082,431	\$ 2,082,220	\$ 3,811
Due From Other Funds	149,355	161,778	149,355	161,778
<b>Total Assets</b>	<b>\$ 152,956</b>	<b>\$ 2,244,208</b>	<b>\$ 2,231,575</b>	<b>\$ 165,589</b>
<b>Liabilities:</b>				
Due to Other Funds	\$ 2,962	\$ 3,172	\$ 2,962	\$ 3,172
Due to Other Governments	149,355	161,778	149,355	161,778
Other Liabilities	639	2,079,259	2,079,259	639
<b>Total Liabilities</b>	<b>\$ 152,956</b>	<b>\$ 2,244,208</b>	<b>\$ 2,231,575</b>	<b>\$ 165,589</b>
 <b>JURY FUND</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 4,473	\$ 8,428	\$ 7,380	\$ 5,521
<b>Liabilities:</b>				
Accounts Payable	\$ 1,520	\$ -	\$ 1,520	\$ -
Due to Other Funds	1,303	1,351	1,303	1,351
Other Liabilities	1,650	7,077	4,557	4,170
<b>Total Liabilities</b>	<b>\$ 4,473</b>	<b>\$ 8,428</b>	<b>\$ 7,380</b>	<b>\$ 5,521</b>

STARR COUNTY, TEXAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BALANCE OCTOBER 1 2019	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2020
<b>HEALTH INSPECTION FUND</b>				
Assets:				
Cash and Cash Equivalents	\$ 1,702	\$ 7,500	\$ 5,827	\$ 3,375
Liabilities:				
Due to Other Funds	\$ 1,702	\$ 3,375	\$ 1,702	\$ 3,375
Other Liabilities	-	4,125	4,125	-
Total Liabilities	\$ 1,702	\$ 7,500	\$ 5,827	\$ 3,375
<b>CONSOLIDATED COURT COSTS FUND</b>				
Assets:				
Cash and Cash Equivalents	\$ 139,570	\$ 323,992	\$ 318,764	\$ 144,799
Due From Other Funds	29,464	24,778	29,464	24,778
Total Assets	\$ 169,034	\$ 348,771	\$ 348,227	\$ 169,577
Liabilities:				
Due to Other Funds	\$ 38,981	\$ 63,720	\$ 38,981	\$ 63,720
Due to Other Governments	93,393	67,860	93,393	67,860
Other Liabilities	36,660	217,191	215,854	37,997
Total Liabilities	\$ 169,034	\$ 348,771	\$ 348,227	\$ 169,577
<b>TNRCC INSPECTION FEE FUND</b>				
Assets:				
Cash and Cash Equivalents	\$ 4,714	\$ 1,935	\$ 1,196	\$ 5,453
Other Receivables	250	40	250	40
Total Assets	\$ 4,964	\$ 1,975	\$ 1,446	\$ 5,493
Liabilities:				
Due to Other Funds	\$ 82	\$ 35	\$ 82	\$ 35
Due to Other Governments	150	730	150	730
Other Liabilities	4,733	1,210	1,215	4,728
Total Liabilities	\$ 4,964	\$ 1,975	\$ 1,446	\$ 5,493
<b>FOURTH COURT OF APPEALS CIVIL SUITS FUND</b>				
Assets:				
Cash and Cash Equivalents	\$ 145	\$ 3,731	\$ 2,875	\$ 1,001
Due From Other Funds	369	245	369	245
Total Assets	\$ 514	\$ 3,976	\$ 3,244	\$ 1,246
Liabilities:				

STARR COUNTY, TEXAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BALANCE OCTOBER 1			BALANCE SEPTEMBER 30		
	2019	ADDITIONS	DEDUCTIONS	2020		
Due to Other Funds	\$ 18	\$ 5	\$ 18	\$ 5		
Due to Other Governments	369	3,890	3,098	1,160		
Other Liabilities	127	81	127	81		
Total Liabilities	<u>\$ 514</u>	<u>\$ 3,976</u>	<u>\$ 3,244</u>	<u>\$ 1,246</u>		
 <b>BORDER AREA NARC TASK FORCE FUND</b>						
Assets:						
Cash and Cash Equivalents	\$ 38,767	\$ 5,309	\$ 880	\$ 43,197		
Due From Other Funds	48,500	43,500	48,500	43,500		
Total Assets	<u>\$ 87,267</u>	<u>\$ 48,809</u>	<u>\$ 49,380</u>	<u>\$ 86,697</u>		
Liabilities:						
Due to Other Funds	\$ -	\$ 48,500	\$ 48,500	\$ -		
Other Liabilities	87,267	309	880	86,697		
Total Liabilities	<u>\$ 87,267</u>	<u>\$ 48,809</u>	<u>\$ 49,380</u>	<u>\$ 86,697</u>		
 <b>TERTIARY CARE TRAUMA FUND</b>						
Assets:						
Cash and Cash Equivalents	\$ 4,075	\$ 2,315	\$ 4,555	\$ 1,836		
Due From Other Funds	480	256	480	256		
Total Assets	<u>\$ 4,555</u>	<u>\$ 2,571</u>	<u>\$ 5,035</u>	<u>\$ 2,091</u>		
Liabilities:						
Due to Other Funds	\$ 2,334	\$ 1,536	\$ 2,814	\$ 1,057		
Due to Other Governments	2,221	1,035	2,221	1,035		
Total Liabilities	<u>\$ 4,555</u>	<u>\$ 2,571</u>	<u>\$ 5,035</u>	<u>\$ 2,091</u>		
 <b>PLANNING DEPARTMENT FUND</b>						
Assets:						
Cash and Cash Equivalents	\$ 163	\$ 426	\$ 388	\$ 202		
Other Receivables	25	25	25	25		
Total Assets	<u>\$ 188</u>	<u>\$ 451</u>	<u>\$ 413</u>	<u>\$ 227</u>		
Liabilities:						
Accounts Payable	\$ 25	\$ 63	\$ 25	\$ 63		
Due to Other Funds	163	389	388	165		
Total Liabilities	<u>\$ 188</u>	<u>\$ 451</u>	<u>\$ 413</u>	<u>\$ 227</u>		
 <b>SCHOLARSHIP FUND</b>						
Assets:						

STARR COUNTY, TEXAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BALANCE OCTOBER 1 2019			ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2020	
Cash and Cash Equivalents	\$	4,999	\$	10,060	\$	4,500	\$ 10,559
Liabilities:							
Other Liabilities	\$	4,999	\$	10,060	\$	4,500	\$ 10,559
<b>TOTAL AGENCY FUNDS</b>							
Assets:							
Cash and Cash Equivalents	\$	7,758,572	\$	43,767,358	\$	44,437,618	\$ 7,088,312
Investments - Current		302,523		1,542		-	304,065
Other Receivables		200,773		171,351		200,773	171,351
Due From Other Funds		601,279		576,281		528,598	648,963
Inventories at Cost		137,061		6,996		-	144,057
Other Current Assets		5,673		-		-	5,673
Total Assets	\$	9,005,881	\$	44,523,529	\$	45,166,989	\$ 8,362,421
Liabilities:							
Accounts Payable	\$	12,683	\$	107,838	\$	12,683	\$ 107,838
Due to Other Funds		912,448		776,652		614,060	1,075,040
Due to Other Governments		868,175		675,801		912,577	631,400
Due to Others		2,797,696		1,460,427		1,804,809	2,453,314
Deferred Revenue		4,414,878		41,599,059		41,919,107	4,094,829
Total Liabilities	\$	9,005,881	\$	44,619,777	\$	45,263,237	\$ 8,362,421

FEDERAL AND STATE AWARDS PROGRAMS

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**Raul Hernandez & Company, P.C.**  
Certified Public Accountants  
5402 Holly Rd., Suite 102  
Corpus Christi, Texas 78411  
Office (361)980-0482 Fax (361)980-1002

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Starr County, Texas, as of and for the year ended September 30, 2020, 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 27, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Starr County, Texas's internal control over financial reporting (internal control) to determine the 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 the Starr County, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001, and 2020-002 that we consider to be significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2020-001 and 2020-002.

## **Starr County, Texas's Response to Findings**

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's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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 results 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.

*Raul Hernandez & Company, P.C.*

Corpus Christi, Texas

June 27, 2022

**Raul Hernandez & Company, P.C.**  
Certified Public Accountants  
5402 Holly Rd., Suite 102  
Corpus Christi, Texas 78411  
Office (361)980-0482 Fax (361)980-1002

**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 and State Program**

We have audited Starr County, Texas' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (*OMB*) *Compliance Supplement* and the State of Texas *Uniform Grants Management Standards* that could have a direct and material effect on each of Starr County, Texas' major federal and state programs for the year ended September 30, 2020. Starr County, Texas' major federal and state 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 and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Starr County, Texas' major federal and state 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State of Texas *Uniform Grant Management Standards* ("UGMS"). Those standards, the Uniform Guidance, and UGMS 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 or state program occurred. An audit includes examining, on a test basis, evidence about 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 and state program. However, our audit does not provide a legal determination of Starr County, Texas' compliance.

## Opinion on Each Major Federal and State Program

In our opinion, Starr County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2020.

## Report on Internal Control over Compliance

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 Starr County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state 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 and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, 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 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 or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-002, that we consider to be significant deficiencies.

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's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

*Raul Hernandez & Company, P.C.*

Corpus Christi, Texas  
June 27, 2022

**STARR COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**A. Summary of Auditor's Results**

**1. Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:  
Material weakness(es) identified? No

Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? None

**2. Federal and State Awards:**

Internal control over major programs:  
Material weakness(es) identified? No

Significant deficiency(ies) identified? Yes

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance or the *State of Texas Single Audit Circular*? None

**Identification of major programs:**

	<u>CFDA Number(s)</u>		<u>Name of Federal or State Program or Cluster</u>
Federal	21.019		Coronavirus Relief Fund
Federal	97.067		Homeland Security Grants
State	N/A	212-20-214	Formula Grant FY 2020
State	N/A	212-SG-620	Starr County Regional Public Defender FY 2020
State	N/A	2536109	Region 3 – Border Prosecution Unit 2020
State	N/A	2994704 & 2994705	Local Border Security Program – 2020 (Sheriff)
State	N/A	367002	Local Border Security Program
State	N/A	367003	Local Border Security Program – Border Interdiction Unit
State	N/A	2993105	Local Border Security Program – 2020 (DA)

Dollar threshold used to distinguish between type A and type B federal programs: \$750,000

Dollar threshold used to distinguish between type A and type B state programs: \$300,000

Auditee qualified as low-risk auditee for federal single audit? No

Auditee qualified as low-risk auditee for state single audit? No

**STARR COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**B. Financial Statement Findings**

**Finding 2020-001      Controls Over Compliance with Year-End Closing**

**Criteria:** All transaction types occurring in the course of business should be timely and coded properly in the general ledger. Preparation of year-end adjusting journal entries, reconciliations, reviews and other general ledger tests for reasonableness and 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:** The general ledger required several audit adjustments and reclassifications to both current and prior period balances. Preparation of the year-end adjusting journal entries, schedules and reconciliation of several significant areas were not complete. This resulted in additional time and effort on our part during the course of the audit. Finding is a repeat from prior fiscal year. The following items were noted:

- The general ledger did not have payroll accrual activity of \$544,691 posted for fiscal 2020 nor prior year accrual activity of \$408,705 posted for 2019.
- The general ledger did not have compensated absence activity of \$33,995 posted for prior year activity in the business-type funds.
- ASO Medical and RX Plan fund, an Internal Service Fund, was incorrectly combined with the general fund. These funds were removed from the general fund and an Internal Service Fund was created.
- Starr County International Bridge general ledger was not updated to reflect with journal entries received from fee accountants.
- An adjustment of \$96,137 was made to remove the Vending Machine account and Memorial Cemetery Account from the general fund as these accounts were also duplicated as separate special revenue accounts.
- An adjustment of \$33,441 was made to remove Payroll and Direct Deposit funds fiscal year 2020 year-end activity from beginning fund balance.
- The Prior Year September 30, 2019 audit was re-issued which caused a further delay on the current year audit. The Reissued financial statements were completed on May 31, 2022.
- The Long-Term Debt Schedule was not complete at fiscal year-end.

**Effect:** The County had various ledgers there were not reconciled at year-end.

**Cause:** During the course of the audit, there were various general ledger accounts that required adjustments.

**Recommendation:** The Finance department should be properly informed and supervised regarding the understanding of year-end closing of the County's books. The County must develop a year-end closing plan and insure that proper controls over financial reporting and compliance are in place.

**Management Response:** See Corrective Action Plan.

**STARR COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**Finding 2020-002      Controls Over Compliance with Federal and State Reporting Requirements**

Criteria: The management of Starr County, Texas is responsible for establishing and maintaining effective internal controls for year-end closing of the financial statements and controls over compliance of financial reporting with requirements of laws, regulation and contracts. Federal and state guidelines require annual financial and compliance reports to be remitted within 180 days after fiscal year-end. These are established by 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 The State of Texas *Uniform Grants Management Standards* (UGMS), for submitting Single Audit Reports.

Condition: The audited annual financial and compliance reports for fiscal year ended September 30, 2020 were not prepared and submitted within the timeline specified by federal and state guidelines. Finding is a repeat from prior fiscal year.

Effect: The County did not adhere to these federal and state requirements applicable to reporting.

Cause: The County did not have the appropriate resources and adequate number of trained personnel to manage the financial reporting operations to provide timely reporting.

Recommendation: A comprehensive timeline should be established by the County in order to ensure that federal and state reporting requirements are adhered to. Further, the County should secure an adequate number of trained personnel.

Management Response: See Corrective Action Plan.

**STARR COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

C. Federal Award Findings and Questioned Costs

**Finding 2020-002      Controls Over Compliance with Federal and State Reporting Requirements**

Criteria: The management of Starr County, Texas is responsible for establishing and maintaining effective internal controls for year-end closing of the financial statements and controls over compliance of financial reporting with requirements of laws, regulation and contracts. Federal and state guidelines require annual financial and compliance reports to be remitted within 180 days after fiscal year-end. These are established by 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 The State of Texas *Uniform Grants Management Standards* (UGMS), for submitting Single Audit Reports.

Condition: The audited annual financial and compliance reports for fiscal year ended September 30, 2020 were not prepared and submitted within the timeline specified by federal and state guidelines. Finding is a repeat from prior fiscal year.

Effect: The County did not adhere to these federal and state requirements applicable to reporting.

Cause: The County did not have the appropriate resources and adequate number of trained personnel to manage the financial reporting operations to provide timely reporting.

Recommendation: A comprehensive timeline should be established by the County in order to ensure that federal and state reporting requirements are adhered to. Further, the County should secure an adequate number of trained personnel.

Management Response: See Corrective Action Plan.

**STARR COUNTY, TEXAS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**FINANCIAL STATEMENT FINDINGS**

**Finding 2019-001      Controls for Year-End Closing of Financial Statements and Controls Over Compliance with Federal and State Reporting Requirements**

Criteria: The management of Starr County, Texas is responsible for establishing and maintaining effective internal controls for year-end closing of the financial statements and controls over compliance of financial reporting with requirements of laws, regulation and contracts. Federal and state guidelines require annual financial and compliance reports to be remitted within 180 days after fiscal year-end. These are established by 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 The State of Texas *Uniform Grants Management Standards* (UGMS), for submitting Single Audit Reports.

Condition: The audited annual financial and compliance reports for fiscal year ended September 30, 2019 were not prepared and submitted within the timeline specified by federal and state guidelines.

Effect: The County did not adhere to these federal and state requirements applicable to reporting.

Cause: The County did not have the appropriate resources and adequate number of trained personnel to manage the financial reporting operations to provide timely reporting.

Recommendation: A comprehensive timeline should be established by the County in order to ensure that federal and state reporting requirements are adhered to. Further, the County should secure an adequate number of trained personnel.

Status: See current year finding 2020-001.

**Finding 2019-002      Misappropriation of Assets – Cash**

Criteria: General Controls implemented by the County should reduce an employee's ability to commit fraud without detection in areas that are vulnerable to fraud and procedures review are conducted on the existing controls to make sure they are adequate.

Condition: During the current year and prior fiscal year, an employee was able to commit fraud and steal \$30,836 from cash deposits.

Effect: The County experienced a loss of \$30,836 in revenues.

Cause: Controls relating to routine cash collections were circumvented by an employee throughout the year, as a result \$30,836 was stolen. Because bank reconciliations were not done on a timely basis the employee was able to steal cash throughout several months without detection.

Recommendation: Bank reconciliations should be performed on a timely basis. Internal controls should be reviewed and tested throughout the year to make sure they are adequate to prevent or detect fraud. We recommend bank reconciliations should be done in order to comply with current internal controls. The County auditor's department should perform risk assessments to identify, analyze, and manage the risk of asset misappropriation. Once performed the County should address the areas that need additional controls be implemented to reduce the risk of fraud.

Status: Corrected

**STARR COUNTY, TEXAS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**Finding 2019-003      Accounting of Capital Assets**

Criteria: Capital assets should be accounted through a fund based governmental fund accounting procedures. Capital assets should be tagged and inventoried. Adequate procedures for receiving of capital assets should be in place. All capitalized assets should be depreciated, and depreciation schedule should account for depreciation expense based on policies established by the County.

Condition: Fund accounting is not being followed for the capital assets; they are not in the accounting system nor is depreciation being calculated for infrastructure assets purchased since 2007 as required by policies. All capital assets are not inventoried or tagged. Purchased capital assets do not follow receiving procedures upon delivery.

Effect: Noncompliance with policies for capital assets established by the County.

Cause: Capital assets are not accounted for in the accounting system, assets that should be capitalized are not and depreciation expense for infrastructure was not recorded properly in prior years.

Recommendation: Capital assets should be recorded into the accounting system following governmental fund accounting policies. Formal documented procedures should be established for the receipt of capital asset delivery and all capital assets should be inventoried, tagged and added to the depreciation schedule with proper depreciation expense calculated.

Status: See current year finding 2020-001.

**STARR COUNTY, TEXAS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**FEDERAL AND STATE LEVEL FINDINGS**

**Finding 2019-001      Controls for Year-End Closing of Financial Statements and Controls Over Compliance with Federal and State Reporting Requirements**

Criteria: The management of Starr County, Texas is responsible for establishing and maintaining effective internal controls for year-end closing of the financial statements and controls over compliance of financial reporting with requirements of laws, regulation and contracts. Federal and state guidelines require annual financial and compliance reports to be remitted within 180 days after fiscal year-end. These are established by 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 The State of Texas *Uniform Grants Management Standards* (UGMS), for submitting Single Audit Reports.

Condition: The audited annual financial and compliance reports for fiscal year ended September 30, 2019 were not prepared and submitted within the timeline specified by federal and state guidelines.

Effect: The County did not adhere to these federal and state requirements applicable to reporting.

Cause: The County did not have the appropriate resources and adequate number of trained personnel to manage the financial reporting operations to provide timely reporting.

Recommendation: A comprehensive timeline should be established by the County in order to ensure that federal and state reporting requirements are adhered to. Further, the County should secure an adequate number of trained personnel.

Status: See current year finding 2020-002.

Major Programs: 97.067 U.S. Department of Homeland Security OPSG-2016 (Sheriff), OPSG-2017 (DA) & (Sheriff), OPSG-2018 (DA) & (Sheriff); 10.923 U.S. Department of Agriculture Emergency Watershed Protection Program; Olmito Garcia Site 7 Watershed Rehab Project; Formula Grant FY 2019; Starr County Regional Public Defender FY 19; Texas Community Development Block Grant Program; 2019 Texas Feeding Texans: Home Delivered Meals.



**STARR COUNTY, TEXAS**  
**OFFICE OF THE COUNTY AUDITOR**

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LETICIA P. ALANIZ, COUNTY AUDITOR

Starr County  
Corrective Action Plan  
For the Year Ended September 30, 2020

(B). Financial Statement Findings

**Finding 2020-001: Closing of Financial Statements**

The Starr County Auditor's Office did not provide enough time for our new external auditors, Raul Hernandez & Company, P.C., to complete the annual financial audit report. The Starr County Auditor will strive to reorganize employee duties in order to properly allocate the required time necessary to close fiscal year 2021 books on a timely matter. A reconciliation and year-end checklist will be developed to ensure ledgers are completed.

Persons Responsible for Implementation:

Leticia P. Alaniz  
Starr County Auditor

Estimated date of Completion:

October 31, 2022

**Finding 2020-002: Federal and State Reporting Requirements**

The Starr County Auditor's Office has a plan in motion to adhere to federal and state reporting audit requirements and assure all should be met in a timely manner. All departments will be advised on following the proper reporting procedures.

Persons Responsible for Implementation:

Leticia P. Alaniz  
Starr County Auditor

Estimated date of Completion:

October 31, 2022

(C). Federal Award Findings and Questioned Costs

**Finding 2020-002: Federal and State Reporting Requirements**

The Starr County Auditor's Office has a plan in motion to adhere to federal and state reporting audit requirements and assure all should be met in a timely manner. All departments will be advised on following the proper reporting procedures.

Persons Responsible for Implementation:

Leticia P. Alaniz  
Starr County Auditor

Estimated date of Completion:

October 31, 2022

STARR COUNTY, TEXAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

FEDERAL GRANTOR/ GRANTOR/	PASS-THROUGH PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<i>Passed through the Office of the Governor - Criminal Justice Division</i>				
	Edward Byrne Memorial Justice Assistance Grant Program - Violent Crimes Unit	16.738	2281911	31,366
	Edward Byrne Memorial Justice Assistance Grant Program - Juvenile Intervention Service	16.738	3870301	33,389
	Edward Byrne Memorial Justice Assistance Grant Program - Special Crimes Unit	16.738	3765601	18,617
	<i>Total Passed through the Office of the Governor - Criminal Justice Division</i>			<u>83,372</u>
<i>Passed through the Office of the Governor - Criminal Justice Division</i>				
	Victims of Domestic Violence Assistance Program	16.575	2877503	121,171
	Crime Victims Assistance Program	16.575	1903411	272,499
	<i>Total Passed through the Office of the Governor - Criminal Justice Division</i>			<u>393,670</u>
<i>Other U.S. Department of Justice</i>				
	Equitable Sharing Program - US Marshal Service (SO)	16.922	M-D-20-D79-O-000075	4,002
	<i>Total Other U.S. Department of Justice</i>			<u>4,002</u>
	<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<u>481,044</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<i>Passed through the Office of the Governor-Homeland Security Grants Division</i>				
	Homeland Security Grant	97.067	3925901	32,757
	Homeland Security Grant - OPSG 2018 (Sheriff)	97.067	3193404	506,644
	Homeland Security Grant - OPSG 2019 (Sheriff)	97.067	3193405	567,692
	Homeland Security Grant - OPSG 2018 (DA)	97.067	3685802	187,338
	Homeland Security Grant - OPSG 2019 (DA)	97.067	3685803	113,342
	<i>Total Passed through the Office of the Governor-Homeland Security Grants Division</i>			<u>1,407,773</u>
	<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>1,407,773</u>
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>				
<i>Passed through the Office of National Drug Control Policy</i>				
	HIDTA Task Force Grant - 2018	95.001	G18SS0004A	2,895
	HIDTA Task Force Grant - 2019	95.001	G19SS0004A	272,240
	HIDTA Task Force Grant - 2020	95.001	G20SS0004A	1,674
	<i>Total Passed through the Office of National Drug Control Policy</i>			<u>276,810</u>
	<b>TOTAL EXECUTIVE OFFICE OF THE PRESIDENT</b>			<u>276,810</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<i>Pass through the Texas Department of Transportation</i>				
	Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51016052919	9,845
	<i>Total Passed through the Texas Department of Transportation</i>			<u>9,845</u>
	<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<u>9,845</u>
<b>U.S. DEPARTMENT OF TREASURY</b>				
<i>Passed through the Texas Division of Emergency Management</i>				
	Coronavirus Relief Fund	21.019	2020-CF-21019	1,103,435
	<i>Total Passed through the Texas Division of Emergency Management</i>			<u>1,103,435</u>
	<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>			<u>1,103,435</u>
<b>U.S. ELECTIONS ASSISTANCE COMMISSION</b>				
<i>Passed through the Texas Secretary of State</i>				
	Help America Vote Act (HAVA) Cares Act - 2020	90.404	TX20101CARES-214	8,056
	<i>Total Passed through the Texas Secretary of State</i>			<u>8,056</u>
	<b>TOTAL U.S. ELECTIONS ASSISTANCE COMMISSION</b>			<u>8,056</u>

STARR COUNTY, TEXAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

FEDERAL GRANTOR/ GRANTOR/	PASS-THROUGH PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Passed through the Texas Department of Agriculture</i>				
	Texas Community Development Block Grant	14.228	7217440	12,801
	Texas Community Development Block Grant	14.228	7219429	2,740
	<i>Total Passed through the Texas Department of Agriculture</i>			<u>15,541</u>
<i>Passed through the Texas Department of Housing and Community Affairs</i>				
	Community Development Block Grant	14.228	7215013	58,274
	TDHCA HOME RES #2017-0040	14.239	1002675	319,462
	<i>Total Passed through the Texas Department of Housing and Community Affairs</i>			<u>377,736</u>
	<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>393,277</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Passed through the Texas Health and Human Services Commission (THHSC)</i>				
<i>Department of Family &amp; Protective Service</i>				
	Foster Care - Title IV-E	93.658	23943664	22,256
	<i>Total Passed through the Texas Health and Human Services Commission (THHSC)</i>			<u>22,256</u>
	<i>Department of Family &amp; Protective Service</i>			<u>22,256</u>
	<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>22,256</u>
	<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 3,702,495</u>

STARR COUNTY, TEXAS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

STATE GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	State Expenditures
<b>TEXAS DEPARTMENT OF AGRICULTURE</b>			
<u>Direct Program</u>			
2020 Texans Feeding Texans: Home Delivered Meals	N/A	HDM-20-5097	\$ 23,463
<b>TOTAL TEXAS DEPARTMENT OF AGRICULTURE</b>			<u>23,463</u>
<b>TEXAS INDIGENT DEFENSE COMMISSION</b>			
<u>Direct Program</u>			
Formula Grant FY 2020	N/A	212-20-214	54,958
Starr County Regional Public Defender	N/A	212-SG-620	645,249
<b>TOTAL TEXAS INDIGENT DEFENSE COMMISSION</b>			<u>700,207</u>
<b>TEXAS OFFICE OF THE GOVERNOR</b>			
<u>Passed through Office of the Governor - Criminal Justice Division</u>			
Testing of Forensic Evidence	N/A	3942301	25,587
<i>Total Passed through Office of the Governor - Criminal Justice Division</i>			<u>25,587</u>
<u>Passed through Office of the Governor - Homeland Security Grant Division</u>			
Region 3- Border Prosecution Unit 2020	N/A	2536109	371,470
Local Border Security Program - 2020 (Sheriff)	N/A	2994704	34
Local Border Security Program - 2020 (Sheriff)	N/A	2994705	199,997
Local Border Security Program	N/A	3673002	44,969
Local Border Security Program - Border Interdiction Unit	N/A	3673003	2,987
Local Border Security Program - 2020 (DA)	N/A	2993105	47,901
<i>Total Passed through Office of the Governor - Homeland Security Grant Division</i>			<u>667,358</u>
<u>Passed through Office of the Attorney General-Grants Division</u>			
Victim Corrdinator & Liaison Grant - 2020	N/A	2098564	39,401
Victim Corrdinator & Liaison Grant - 2021	N/A	2107076	2,204
<i>Total Passed through Office of the Attorney General - Grants Division</i>			<u>41,605</u>
<b>TOTAL TEXAS OFFICE OF THE GOVERNOR</b>			<u>734,550</u>
<b>Texas Commission on State Emergency Communication</b>			
<u>Passed through City of Laredo</u>			
9-1-1 Addressing-Regional Administration	N/A	FY 2020	41,586
<i>Total Passed through City of Laredo</i>			<u>41,586</u>
<b>TOTAL TEXAS COMMISSION ON STATE EMERGENCY COMMUNICATION</b>			<u>41,586</u>
<b>Texas Comptroller of Public Accounts, Judiciary Section</b>			
<u>Passed through the Judiciary Section</u>			
District Attorney's Office Apportionment FY 2020	N/A		15,000
<i>Total Passed through the Judiciary Section</i>			<u>15,000</u>
<b>TOTAL TEXAS COMPTROLLER OF PUBLIC ACCOUNTS, JUDICIARY SECTION</b>			<u>15,000</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<u>\$ 1,514,807</u>

STARR COUNTY, TEXAS  
 SCHEDULE OF EXPENDITURES OF NONFEDERAL AWARDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Grant Expenditures
<b>AREA AGENCY ON AGING</b>			
<i>Passed through South Texas Development Council</i>			
Nutrition Program	N/A	N/A	\$ 391,679
<i>Total Passed through South Texas Development Council</i>			<u>391,679</u>
<b>TOTAL AREA AGENCY ON AGING</b>			<u>391,679</u>
<b>OTHER AWARDS</b>			
<i>Passed through United Way of South Texas Servicing Hidalgo &amp; Starr County</i>			
United Way of South Texas	N/A	N/A	31,435
<i>Total Passed through United Way of South Texas Servicing Hidalgo &amp; Starr County</i>			<u>31,435</u>
<i>Passed through Texas Comptroller of Public Accounts, Services Division</i>			
Law Enforcement Officers Standards and Education (LEOSE)	N/A	N/A	7,707
<i>Total Passed through Texas Comptroller of Public Accounts, Services Division</i>			<u>7,707</u>
<i>Passed through United States Fish and Wildlife Service</i>			
U.S. Fish and Wildlife	N/A	N/A	47,205
<i>Total Passed through United States Fish and Wildlife Service</i>			<u>47,205</u>
<b>TOTAL OTHER AWARDS</b>			<u>86,347</u>
<b>TOTAL EXPENDITURES OF NONFEDERAL AWARDS</b>			<u>\$ 478,026</u>
<b>TOTAL EXPENDITURES OF FEDERAL, STATE AND NONFEDERAL AWARDS</b>			<u>\$ 5,695,329</u>

**STARR COUNTY, TEXAS**  
**NOTES TO THE SCHEDULE OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**Basis of Presentation:**

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

**Summary of Significant Accounting Policies:**

Expenditures reported on the Schedule of Federal and State Awards are reported on the modified accrual basis of accounting. Grant Revenues are recognized as soon as all eligibility requirements imposed by the provider have been met. Revenues are 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, 2020, the County did not elect to use this rate.

**Sub-recipients:**

During the year ended September 30, 2020, the County had no sub-recipients.

**Federal Loans and Loan Guarantees:**

During the year ended September 30, 2020, the County had no outstanding federal loans payable or loan guarantees.

**Federally Funded Insurance:**

During the year ended September 30, 2020, the County had no federally funded insurance.

**Noncash awards:**

During the year ended September 30, 2020, the County did not have any federal awards in the form of noncash assistance.

**Reconciliation from the Schedule of Expenditures of Federal and State Awards to Exhibit C-3:**

Total Federal Award Expended	\$ 3,702,495
Exhibit C-3	<u>\$ 3,702,495</u>
Total State Awards Expended	\$ 1,514,807
Exhibit C-3	1,499,807
District Attorney's Office Apportionment FY 2020	15,000
	<u>\$ 1,514,807</u>