



STARR COUNTY

STARR COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Raul Hernandez & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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STARR COUNTY, TEXAS
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED
SEPTEMBER 30, 2021

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STARR COUNTY, TEXAS
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**STARR COUNTY, TEXAS
PRINCIPAL OFFICIALS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

COUNTY JUDGE

Eloy Vera

COUNTY COMMISSION

Jose Francisco Perez Jr. – 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, 2021, 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, 2021, 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.

Emphasis of Matter – Change in Accounting Principle

As described in the notes to the financial statements, in fiscal year 2021 the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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 February 23, 2023 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
February 23, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

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, 2021. 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 \$85,149,386 (net position). Total assets and deferred outflow of resources were \$100,109,356 and total liabilities were \$14,959,969.
- The County's total net position increased by \$1,502,766 from current operations. This increase is primarily related to the change in pension adjustments.
- The general fund reported a fund balance this year of \$6,810,953 of which \$6,144,311 is unassigned, an increase in the unassigned fund balance of \$528,147 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, 2021

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, 2021

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, 2021

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position: The County's combined net position was \$85,149,386 at September 30, 2021, an increase of \$1,502,766 or 1.80% more than the combined net position of \$83,646,620 at September 30, 2020. This increase is mostly due to pension adjustments. (See Table A-1)

Table A-1 Governmental Activities

	<u>2021</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>
Assets:			
Current and other assets	\$ 36,367,062	\$ 29,223,441	\$ 7,143,621
Capital assets (net of depreciation)	<u>61,639,141</u>	<u>61,874,077</u>	<u>(234,936)</u>
Total Assets	<u>98,006,203</u>	<u>91,097,518</u>	<u>6,908,685</u>
Deferred outflow of resources	<u>2,103,153</u>	<u>47,917</u>	<u>2,055,236</u>
Liabilities:			
Current and noncurrent liabilities	8,566,228	3,036,491	5,529,737
Long-term liabilities	<u>4,798,244</u>	<u>3,430,497</u>	<u>1,367,747</u>
Total Liabilities	<u>13,364,472</u>	<u>6,466,988</u>	<u>6,897,484</u>
Deferred inflows of resources	<u>1,595,497</u>	<u>1,031,817</u>	<u>563,680</u>
Net Position:			
Invested in capital assets, net of related debt	60,733,538	60,785,422	(51,884)
Restricted for Debt Service	1,579,679	1,582,325	(2,646)
Restricted for Other Purposes	5,902,076	5,870,087	31,989
Unrestricted	<u>16,934,093</u>	<u>15,408,786</u>	<u>1,525,307</u>
Total Net Position	<u>\$ 85,149,386</u>	<u>\$ 83,646,620</u>	<u>\$ 1,502,766</u>

STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Changes in net position:

The County's total revenues were \$31,788,316 (See Table A-2). The total cost of all programs and services was \$30,285,550 of which 34% or \$10,316,104 of these costs are for public safety.

Governmental Activities

- Property tax revenues increased by 3.0%. Tax revenues for the year ended September 30, 2021, increased to \$17,684,158 from \$17,109,727 the previous year, an increase of \$574,431.

Table A-2 Governmental Activities

	<u>2021</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 7,586,089	\$ 6,200,010	\$ 1,386,079
Operating Grants and Contributions	5,522,102	5,672,621	(150,519)
General Revenues:			
Property Taxes	17,684,158	17,109,727	574,431
Grants and Contributions	327,333	336,051	(8,718)
Interest	31,822	105,557	(73,735)
Transfers	243,000	450,676	(207,676)
Miscellaneous	393,812	262,126	131,686
Total Revenues	<u>31,788,316</u>	<u>30,136,768</u>	<u>1,651,548</u>
Expenditures:			
Public Safety	10,316,104	10,600,218	(284,114)
Judicial	2,922,640	3,195,588	(272,948)
Highways and Streets	5,678,210	5,434,975	243,235
Public Facilities	419,593	458,783	(39,190)
Financial Administration	1,214,372	1,224,108	(9,736)
Legal	564,560	1,048,201	(483,641)
Health and Welfare	2,066,516	1,689,159	377,357
Agriculture Extension	142,127	151,030	(8,903)
General Government	6,847,825	5,648,864	1,198,961
Groundwater District	83,480	-	83,480
Debt Service-Interest on Debt	30,123	70,311	(40,188)
Total Expenditures	<u>30,285,550</u>	<u>29,521,237</u>	<u>764,313</u>
Increase in Net Position	1,502,766	615,531	887,235
Net Position Beginning	83,646,620	84,155,723	(509,103)
Prior Period Adjustment	-	(1,124,634)	1,124,634
Net Position, Ending	<u>\$ 85,149,386</u>	<u>\$ 83,646,620</u>	<u>\$ 1,502,766</u>

STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

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 \$30,285,550, an increase of \$764,313 or 2.59% increase compared to \$29,521,237 for the prior year.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$17,684,158.
- Some of the cost was paid by those who directly benefited from the programs and totaled \$7,586,089. This is an increase of \$1,386,079 or 22.36% from last year's revenues, which were \$6,200,010.
- Grants and contributions this year amounted to \$5,522,102, a decrease of (\$150,519), or 2.65% over last year's grants and contributions which totaled \$5,672,621.

Table A-3 Governmental

	<u>Total Expense</u>	<u>Program Revenue</u>	<u>Net Expense</u>
Public Safety	\$ 10,316,104	\$ 2,656,238	\$ (7,659,866)
Highways and Streets	5,678,210	1,452,066	(4,226,144)
General Government	6,847,825	8,290,453	1,442,628

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues from governmental fund types totaled \$31,788,316 for the year ended September 30, 2021, an increase of \$1,651,548 or 5.4% over the preceding year's total governmental revenues of \$30,136,768. The increase in revenues is mainly from an increase in charges for services.

General Fund Budgetary Highlights

Actual general fund expenditures were \$18,479,576, which was \$680,863 under the final budget amounts.

On the other hand, actual general fund resources available were \$19,013,288, which was under the final budgeted amount by \$83,104.

STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

CAPITAL ASSETS

At the end of 2021, the County had invested \$61,639,141 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 (\$234,936), a 0.37% decrease from FY 2020. The decrease is attributed mainly to current year depreciation and additions.

Table A-4 Governmental

	2021	2020	Increase/ (Decrease)
Land	\$ 1,470,280	\$ 1,454,880	\$ 15,400
Building and Improvements	19,201,005	18,889,443	311,562
Machinery and Equipment	15,473,270	14,460,911	1,012,359
Infrastructure	55,808,075	55,560,031	248,044
Construction in Progress	463,542	223,107	240,435
Total at Historical Cost	<u>92,416,172</u>	<u>90,588,371</u>	<u>1,827,801</u>
Less:			
Accumulated Depreciation	<u>(30,777,031)</u>	<u>(28,714,294)</u>	<u>(2,062,737)</u>
Net Capital Assets	<u>\$ 61,639,141</u>	<u>\$ 61,874,077</u>	<u>\$ (234,936)</u>

LONG TERM DEBT

At year end the County has \$905,602 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 10/1/2020	Additions	Reductions	Ending Balance 9/30/2021
Certificate of Obligation-2019	\$ 458,333	\$ -	\$ 41,667	\$ 416,667
Purchase of Equipment Note 2017	532,845	-	81,535	451,311
Capital Leases	97,477	-	59,852	37,625
Total	<u>\$ 1,088,655</u>	<u>\$ -</u>	<u>\$ 183,053</u>	<u>\$ 905,602</u>
	Beginning Balance 10/1/2020	Additions	Reductions	Ending Balance 9/30/2021
Net Pension Liability	\$ 2,341,842	\$ 1,550,800	\$ -	\$ 3,892,642
Accumulated Compensated Absences	588,411	-	70,238	518,173
Total	<u>\$ 2,930,253</u>	<u>\$ 1,550,800</u>	<u>\$ 70,238</u>	<u>\$ 4,410,815</u>

STARR COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised values used for the 2022 budget preparation increased by approximately \$182,376,937.
- The property tax rates will decrease by \$0.0152 per \$100.00 of assessed valuation.
- Employees' group health insurance remained the same.
- There will be a 5% salary increase for FY 2022.

These indicators were taken into account when adopting the general fund budget for 2022. Amounts available for appropriation in the general fund budget are \$20,263,133, an increase of \$1,166,741, over the final 2021 budget of \$19,096,392. Property taxes will increase due to the increase in appraised values.

General fund expenditures are budgeted to increase in 2022 to \$20,263,167 an increase of \$1,166,775 over the final 2021 budgeted expenditures of \$19,096,392.

If these estimates are realized, the County's budgetary general fund balance is not expected to change appreciably by the close of FY 2022.

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, 2021

EXHIBIT A-1

	Primary Government		
	Governmental Activities	Business - Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 13,206,009	\$ 454,248	\$ 13,660,257
Investments - Current	3,347,301	106,352	3,453,653
Taxes Receivable, Net	15,216,759	-	15,216,759
Accounts Receivable, Net	411,533	198,308	609,841
Due from Other Funds	1,407,112	(1,407,112)	-
Due from Others	2,107,853	-	2,107,853
Inventories	-	56,261	56,261
Prepaid Items	3,853	65,186	69,039
Restricted - Cash and Cash Equivalents	666,642	-	666,642
Capital Assets:			
Land	1,470,280	1,406,530	2,876,810
Infrastructure, Net	46,632,883	815,980	47,448,863
Buildings & Improvements, Net	9,039,820	1,397,068	10,436,888
Machinery and Equipment, Net	4,032,616	126,775	4,159,391
Construction in Progress	463,542	-	463,542
Total Assets	<u>98,006,203</u>	<u>3,219,595</u>	<u>101,225,798</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow Related to Pension Plan	<u>2,103,153</u>	<u>158,302</u>	<u>2,261,455</u>
Total Deferred Outflows of Resources	<u>2,103,153</u>	<u>158,302</u>	<u>2,261,455</u>
LIABILITIES			
Accounts Payable	857,897	185,427	1,043,324
Wages and Salaries Payable	564,622	47,602	612,224
Compensated Absences Payable	518,173	33,280	551,453
Deposits Payable	-	127,932	127,932
Due to Others	412,394	512,757	925,151
Accrued Interest Payable	13,252	-	13,252
Unearned Revenues	6,083,374	-	6,083,374
Other Current Liabilities	116,516	-	116,516
Noncurrent Liabilities:			
Due Within One Year	163,605	-	163,605
Due in More Than One Year:			
Bonds Payable - Noncurrent	741,997	-	741,997
Net Pension Liability	3,892,642	292,994	4,185,636
Total Liabilities	<u>13,364,472</u>	<u>1,199,992</u>	<u>14,564,464</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to Pension Plan	<u>1,595,497</u>	<u>120,090</u>	<u>1,715,587</u>
Total Deferred Inflows of Resources	<u>1,595,497</u>	<u>120,090</u>	<u>1,715,587</u>
NET POSITION			
Net Investment in Capital Assets	60,733,538	3,746,353	64,479,891
Restricted:			
Restricted for Debt Service	1,579,679	-	1,579,679
Restricted for Other Purposes	5,902,076	-	5,902,076
Unrestricted	16,934,093	(1,688,538)	15,245,555
Total Net Position	<u>\$ 85,149,386</u>	<u>\$ 2,057,815</u>	<u>\$ 87,207,201</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, 2021

	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
General Government	\$ 6,847,825	\$ 6,384,012	\$ 1,906,441
Judicial	2,922,640	175,374	-
Legal	564,560	-	-
Financial Administration	1,214,372	-	-
Public Facilities	419,593	-	-
Public Safety	10,316,104	-	2,656,238
Highways and Streets	5,678,210	1,026,703	425,363
Health and Welfare	2,066,516	-	534,060
Conservation and Agriculture	142,127	-	-
Groundwater District	83,480	-	-
Interest on Debt	30,123	-	-
Total Governmental Activities	30,285,550	7,586,089	5,522,102
BUSINESS-TYPE ACTIVITIES:			
International Toll Bridge System	1,416,646	1,736,772	-
Gas System	815,472	969,998	-
Transfer Station	1,657,286	1,484,827	-
Total Business-Type Activities	3,889,404	4,191,597	-
TOTAL PRIMARY GOVERNMENT	\$ 34,174,954	\$ 11,777,686	\$ 5,522,102

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

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
\$ 1,442,628	\$ -	\$ 1,442,628
(2,747,266)	-	(2,747,266)
(564,560)	-	(564,560)
(1,214,372)	-	(1,214,372)
(419,593)	-	(419,593)
(7,659,866)	-	(7,659,866)
(4,226,144)	-	(4,226,144)
(1,532,456)	-	(1,532,456)
(142,127)	-	(142,127)
(83,480)	-	(83,480)
(30,123)	-	(30,123)
<u>(17,177,359)</u>	<u>-</u>	<u>(17,177,359)</u>
-	320,126	320,126
-	154,526	154,526
-	(172,459)	(172,459)
<u>-</u>	<u>302,193</u>	<u>302,193</u>
<u>(17,177,359)</u>	<u>302,193</u>	<u>(16,875,166)</u>
17,684,158	-	17,684,158
327,333	-	327,333
393,812	115,809	509,621
31,822	939	32,761
243,000	(243,000)	-
<u>18,680,125</u>	<u>(126,252)</u>	<u>18,553,873</u>
1,502,766	175,941	1,678,707
<u>83,646,620</u>	<u>1,881,874</u>	<u>85,528,494</u>
<u>\$ 85,149,386</u>	<u>\$ 2,057,815</u>	<u>\$ 87,207,201</u>

STARR COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Fund	Road and Bridge Fund	American Rescue Plan Fund
ASSETS			
Cash and Cash Equivalents	\$ 2,526,946	\$ 474,388	\$ 6,141,235
Investments - Current	-	-	-
Interest Receivable - investments	-	-	-
Taxes Receivable	10,166,236	4,444,395	-
Accounts Receivable, Net	402,014	-	-
Due from Other Funds	3,695,311	128,722	-
Due from Others	614,540	-	-
Prepaid Items	-	-	-
Restricted - Cash and Cash Equivalents	666,642	-	-
Total Assets	\$ 18,071,689	\$ 5,047,505	\$ 6,141,235
LIABILITIES			
Accounts Payable	\$ 283,975	\$ 283,905	\$ 265,592
Wages and Salaries Payable	457,758	96,548	-
Due to Other Funds	274,414	681,289	2,326
Due to Others	45,953	-	-
Unearned Revenues	32,400	-	5,873,317
Other Current Liabilities	-	-	-
Total Liabilities	1,094,500	1,061,742	6,141,235
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	10,166,236	4,444,395	-
Total Deferred Inflows of Resources	10,166,236	4,444,395	-
FUND BALANCES			
Retirement of Long-Term Debt	-	-	-
Other Restricted Fund Balance	666,642	-	-
Unassigned Fund Balance	6,144,311	(458,632)	-
Total Fund Balances	6,810,953	(458,632)	-
Total Liabilities, Deferred Inflows & Fund Balances	\$ 18,071,689	\$ 5,047,505	\$ 6,141,235

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

Other Funds	Total Governmental Funds
\$ 3,564,283	\$ 12,706,852
3,347,301	3,347,301
975	975
606,128	15,216,759
4,970	406,984
913,159	4,737,192
830,517	1,445,057
3,853	3,853
-	666,642
<u>\$ 9,271,186</u>	<u>\$ 38,531,615</u>
\$ 24,425	\$ 857,897
10,316	564,622
1,709,255	2,667,284
366,441	412,394
177,657	6,083,374
49,844	49,844
<u>2,337,938</u>	<u>10,635,415</u>
606,128	15,216,759
<u>606,128</u>	<u>15,216,759</u>
1,579,679	1,579,679
4,799,375	5,466,017
(51,934)	5,633,745
<u>6,327,120</u>	<u>12,679,441</u>
<u>\$ 9,271,186</u>	<u>\$ 38,531,615</u>

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STARR COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2021

Total Fund Balances - Governmental Funds	\$	12,679,441
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.		436,059
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.		60,785,422
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 2021 capital outlays and debt principal payments is to increase (decrease) net position.		2,014,933
Included in the noncurrent assets/(liabilities) is the recognition of the County's net pension asset/(liability) required by GASB 68 in the amount of (\$3,892,642), a deferred resource inflow in the amount of (\$1,595,497), and a deferred resource outflow in the amount of \$2,1103,153. This resulted in an increase/(decrease) in net position by (\$3,384,986).		(3,384,986)
The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(2,080,069)
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.		14,698,586
Net Position of Governmental Activities	\$	85,149,386

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, 2021

	General Fund	Road and Bridge Fund	American Rescue Plan Fund
REVENUES:			
Property Taxes	\$ 11,629,309	\$ 5,127,009	\$ -
Licenses and Permits	162,545	562,659	-
Intergovernmental Revenue and Grants	509,831	-	-
Federal Funds	-	-	403,785
State Funds	117,684	-	-
Charges for Services	-	106,378	-
Fines	6,045,291	357,666	-
Investment Earnings	19,673	1,765	-
Rents and Royalties	600	-	-
Other Revenue	241,855	26,022	-
Total Revenues	<u>18,726,788</u>	<u>6,181,499</u>	<u>403,785</u>
EXPENDITURES:			
Current:			
General Government	4,791,582	-	403,785
Judicial	1,952,948	-	-
Legal	947,262	-	-
Financial Administration	1,138,509	-	-
Public Facilities	254,934	-	-
Public Safety	7,648,489	-	-
Highways and Streets:			
Highways and Streets	-	5,521,096	-
Health and Welfare	1,527,566	-	-
Agriculture Extension	134,806	-	-
Groundwater District	83,480	-	-
Debt Service:			
Principal on Debt	-	183,053	-
Interest on Debt	-	31,488	-
Total Expenditures	<u>18,479,576</u>	<u>5,735,637</u>	<u>403,785</u>
Excess of Revenues Over Expenditures	<u>247,212</u>	<u>445,862</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	286,500	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>286,500</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	533,712	445,862	-
Fund Balance - October 1 (Beginning)	6,277,241	(904,494)	-
Fund Balance - September 30 (Ending)	<u>\$ 6,810,953</u>	<u>\$ (458,632)</u>	<u>\$ -</u>

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

Other Funds	Total Governmental Funds
\$ 435,364	\$ 17,191,682
-	725,204
414,735	924,566
2,755,897	3,159,682
1,647,504	1,765,188
176,176	282,554
298,802	6,701,759
10,384	31,822
-	600
1,907	269,784
<u>5,740,769</u>	<u>31,052,841</u>
1,017,259	6,212,626
967,874	2,920,822
-	947,262
-	1,138,509
136,958	391,892
2,652,527	10,301,016
16,440	5,537,536
422,175	1,949,741
-	134,806
-	83,480
-	183,053
-	31,488
<u>5,213,233</u>	<u>29,832,231</u>
<u>527,536</u>	<u>1,220,610</u>
-	286,500
<u>(43,500)</u>	<u>(43,500)</u>
<u>(43,500)</u>	<u>243,000</u>
484,036	1,463,610
<u>5,843,084</u>	<u>11,215,831</u>
<u>\$ 6,327,120</u>	<u>\$ 12,679,441</u>

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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, 2021

Total Net Change in Fund Balances - Governmental Funds	\$	1,463,610
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.		(413,796)
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 2021 capital outlays and debt principal payments is to increase (decrease) the change in net position.		2,029,550
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 12/31/20 cause the change in the ending net position to increase in the amount of \$108,687. 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 (\$47,917). The County's reported TCDRS net pension expense had to be recorded. The net pension expense increased(decreased) the change in net position by (\$120,013. The result of these changes is to increase/(decrease) the change in net position by (\$59,243).		(59,243)
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.		(2,080,069)
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.		562,714
Change in Net Position of Governmental Activities	\$	1,502,766

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

STARR COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activities	
	International Bridge	Gas System Enterprise Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 257,743	\$ 82,654
Investments - Current	-	106,352
Interest Receivable - investments	-	46
Accounts Receivable, Net	-	74,522
Due from Other Funds	35,327	5,575
Inventories	-	56,261
Prepaid Items	57,929	7,257
Total Current Assets	350,999	332,666
Noncurrent Assets:		
Capital Assets:		
Land	1,396,530	10,000
Infrastructure, Net	-	41,545
Buildings & Improvements, Net	1,369,233	6,835
Machinery and Equipment, Net	36,403	24,553
Total Noncurrent Assets	2,802,166	82,933
Total Assets	3,153,165	415,599
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflow Related to Pension Plan	89,299	69,003
Total Deferred Outflows of Resources	89,299	69,003
LIABILITIES		
Current Liabilities:		
Accounts Payable	1,910	90,547
Wages and Salaries Payable	23,693	12,530
Compensated Absences Payable	23,800	9,480
Deposits Payable	-	127,932
Due to Other Funds	1,038	170,534
Due to Others	512,757	-
Other Current Liabilities	-	-
Total Current Liabilities	563,198	411,023
Noncurrent Liabilities:		
Net Pension Liability	165,279	127,715
Total Noncurrent Liabilities	165,279	127,715
Total Liabilities	728,477	538,738
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflow Related to Pension Plan	67,743	52,347
Total Deferred Inflows of Resources	67,743	52,347
NET POSITION		
Net Investment in Capital Assets	2,802,166	82,933
Restricted for Other Purposes	-	-
Unrestricted	(355,922)	(189,416)
Total Net Position	\$ 2,446,244	\$ (106,483)

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

- Enterprise Funds		Governmental Activities	
Transfer Station	Total Enterprise Funds	Internal Serv Fund ASO Medical	
\$ 113,851	\$ 454,248	\$ 499,157	
-	106,352	-	
-	46	-	
123,740	198,262	3,574	
-	40,902	-	
-	56,261	-	
-	65,186	-	
237,591	921,256	502,731	
-	1,406,530	-	
774,435	815,980	-	
21,000	1,397,068	-	
65,819	126,775	-	
861,254	3,746,353	-	
1,098,845	4,667,609	502,731	
-	158,302	-	
-	158,302	-	
92,970	185,427	-	
11,379	47,602	-	
-	33,280	-	
-	127,932	-	
1,276,442	1,448,014	-	
-	512,757	-	
-	-	66,672	
1,380,791	2,355,012	66,672	
-	292,994	-	
-	292,994	-	
1,380,791	2,648,006	66,672	
-	120,090	-	
-	120,090	-	
861,254	3,746,353	-	
-	-	436,059	
(1,143,200)	(1,688,538)	-	
\$ (281,946)	\$ 2,057,815	\$ 436,059	

STARR COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities	
	International Bridge	Gas System Enterprise Fund
OPERATING REVENUES:		
Charges for Services	\$ 1,736,772	\$ 969,998
Other Revenue	51,774	4,035
Total Operating Revenues	1,788,546	974,033
OPERATING EXPENSES:		
Personnel Services - Salaries and Wages	565,845	255,548
Personnel Services - Employee Benefits	150,793	76,228
Other Operating Costs	217,640	474,084
Depreciation	200,323	9,612
Total Operating Expenses	1,134,601	815,472
Operating Income (Loss)	653,945	158,561
NONOPERATING REVENUES (EXPENSES):		
Investment Earnings	339	419
Participation Costs - City of Roma	(282,045)	-
Total Nonoperating Revenue (Expenses)	(281,706)	419
Income (Loss) Before Transfers	372,239	158,980
Transfers Out	(175,000)	(68,000)
Change in Net Position	197,239	90,980
Total Net Position - October 1 (Beginning)	2,249,005	(197,463)
Total Net Position - September 30 (Ending)	\$ 2,446,244	\$ (106,483)

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

- Enterprise Funds		Governmental Activities
Transfer Station	Total Enterprise Funds	Internal Serv Fund ASO Medical
\$ 1,484,827	\$ 4,191,597	\$ 3,408,491
60,000	115,809	-
<u>1,544,827</u>	<u>4,307,406</u>	<u>3,408,491</u>
209,846	1,031,239	-
59,603	286,624	-
1,265,836	1,957,560	3,823,348
122,001	331,936	-
<u>1,657,286</u>	<u>3,607,359</u>	<u>3,823,348</u>
<u>(112,459)</u>	<u>700,047</u>	<u>(414,857)</u>
181	939	1,061
-	(282,045)	-
<u>181</u>	<u>(281,106)</u>	<u>1,061</u>
(112,278)	418,941	(413,796)
-	(243,000)	-
<u>(112,278)</u>	<u>175,941</u>	<u>(413,796)</u>
<u>(169,668)</u>	<u>1,881,874</u>	<u>849,855</u>
<u>\$ (281,946)</u>	<u>\$ 2,057,815</u>	<u>\$ 436,059</u>

STARR COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities	
	International Bridge	Gas System Enterprise Fund
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 1,788,546	\$ 974,033
Cash Received from Employee for Insurance&Medical	-	-
Cash Payments for Employee Insurance	-	-
Cash Payments to Employees for Services	(712,492)	(338,361)
Cash Payments for Other Operating Expenses	(443,351)	(554,522)
Net Cash Provided by (Used for) Operating Activities	<u>632,703</u>	<u>81,150</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Payments to City of Roma	(282,045)	-
Operating Transfer Out	(175,000)	(68,000)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(457,045)</u>	<u>(68,000)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Acquisition of Capital Assets	(28,869)	(7,927)
<u>Cash Flows from Investing Activities:</u>		
Purchase of Investment Securities	-	(228)
Interest and Dividends on Investments	339	419
Net Cash Provided by Investing Activities	<u>339</u>	<u>191</u>
Net Increase (Decrease) in Cash and Cash Equivalents	147,128	5,414
Cash and Cash Equivalents at Beginning of Year	<u>110,615</u>	<u>77,240</u>
Cash and Cash Equivalents at End of Year	<u>\$ 257,743</u>	<u>\$ 82,654</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided by (Used for) Operating Activities:</u>		
Operating Income (Loss)	\$ 653,945	\$ 158,561
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation	200,323	9,612
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (Increase) in Accounts Receivables	-	(2,764)
Decrease (Increase) in Inventories	-	(6,768)
Decrease (Increase) in Interfund Receivables	(13,091)	(517)
Increase (Decrease) in Prepaid Expenses	4,208	(1,975)
Increase (Decrease) in Deferred Outflows	(87,264)	(67,431)
Increase (Decrease) in Accounts Payables	89	76,111
Increase (Decrease) in Payroll Liabilities	67,477	42,352
Increase (Decrease) in Interfund Payables	(216,917)	(144,525)
Increase (Decrease) in Deferred Inflows	23,933	18,494
Net Cash Provided by (Used for) Operating Activities	<u>\$ 632,703</u>	<u>\$ 81,150</u>

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

	Governmental Activities -	
Transfer Station	Total Enterprise Funds	Internal Serv Fund ASO Medical
\$ 1,544,827	\$ 4,307,406	\$ -
-	-	3,408,491
-	-	(3,831,066)
(265,842)	(1,316,695)	-
(1,264,090)	(2,261,963)	-
<u>14,895</u>	<u>728,748</u>	<u>(422,575)</u>
-	(282,045)	-
-	(243,000)	-
-	(525,045)	-
-	(36,796)	-
-	(228)	-
181	939	1,061
<u>181</u>	<u>711</u>	<u>1,061</u>
15,076	167,618	(421,514)
<u>98,775</u>	<u>286,630</u>	<u>920,671</u>
<u>\$ 113,851</u>	<u>\$ 454,248</u>	<u>\$ 499,157</u>
\$ (112,459)	\$ 700,047	\$ (414,857)
122,001	331,936	-
696	(2,068)	(3,574)
-	(6,768)	-
1,195	(12,413)	-
-	2,233	-
-	(154,695)	-
(145)	76,055	(4,144)
3,607	113,436	-
-	(361,442)	-
-	42,427	-
<u>\$ 14,895</u>	<u>\$ 728,748</u>	<u>\$ (422,575)</u>

STARR COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 7,516,518
Investments - Current	117,786
Accounts Receivable, Net	199,072
Due from Other Funds	600,516
Prepaid Items	165,839
Other Assets	5,673
Total Assets	<u>8,605,404</u>
LIABILITIES	
Accounts Payable	22,004
Due to Other Funds	1,263,310
Due to Others	3,968,758
Other Current Liabilities	45,361
Total Liabilities	<u>5,299,433</u>
NET POSITION	
Restricted for Other Purposes	3,309,130
Unrestricted	(3,159)
Total Net Position	<u>\$ 3,305,971</u>

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

STARR COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBITE-2

	Custodial Funds
<hr/>	
ADDITIONS:	
State Funds	\$ 22,500
Other Local Revenue	15,085,857
Total Additions	<u>15,108,357</u>
DEDUCTIONS:	
Other Operating Costs	14,654,798
Total Deductions	<u>14,654,798</u>
Net Change in Fiduciary Net Position	453,559
Total Net Position - October 1 (Beginning)	-
Prior Period Adjustment	<u>2,852,412</u>
Total Net Position - September 30 (Ending)	<u>\$ 3,305,971</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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, 2021

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, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County reports three 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.

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

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

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

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

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

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

Proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund measurement 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.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Additionally, the County reports the following fund type:

Fiduciary Funds – Custodial Funds are used 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. These funds were previously reported in an agency fund. This change resulted in reporting the detail of additions to and deductions from custodial funds causing a change in the fund net position whereas these details were not reported for agency funds. This change is a result of the implementation of GASB 84.

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.

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

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

C. Excess of Expenditures over Appropriations

For the year ended September 30, 2021, expenditures exceeded the budget in the following line items:

<u>Fund</u>	<u>Amount</u>	
General Fund	\$ (135,230) *	See Exhibit G-1
Road and Bridge	(65,822) *	See Exhibit G-2
	<u>\$ (201,052)</u>	

*General Fund and Road & Bridge Fund had an overall positive budget fund variance at fiscal year end.

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, 2021 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.

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 3. DETAILED NOTES ON FUNDS (continued)

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.

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, 2021

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, 2021

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, 2021

NOTE 5. DEPOSITS AND INVESTMENTS

At September 30, 2021, the carrying amount of the County's deposits was \$21,176,775 and total bank balances equaled \$21,646,413. Bank balances of \$250,000 are covered by federal depository insurance and the remaining \$20,926,775 were covered by collateral pledged in the County's name.

The fair values of investments at September 30, 2021 are summarized as follows:

	Rate	Maturity	Fair Value	Fair Value Measurement
<u>Special Revenue</u>				
Certificate of Deposit - 5382	0.20%	1/13/2022	405,844	Level 2
Certificate of Deposit - 5383	0.20%	1/13/2022	405,844	Level 2
Certificate of Deposit - 5384	0.20%	1/13/2022	405,844	Level 2
Certificate of Deposit - 5385	0.20%	1/13/2022	405,844	Level 2
Certificate of Deposit - 4493	0.20%	3/25/2022	405,408	Level 2
Certificate of Deposit - 4494	0.20%	3/25/2022	405,408	Level 2
Certificate of Deposit - 4495	0.20%	3/25/2022	405,408	Level 2
			2,839,600	
<u>Debt Service</u>				
Certificate of Deposit - 3833	0.20%	2/2/2022	121,550	Level 2
Certificate of Deposit - 2913	0.25%	4/1/2022	386,151	Level 2
			507,701	
<u>Enterprise Funds</u>				
Certificate of Deposit - 0511	0.20%	1/13/2022	106,352	Level 2
			106,352	
<u>Trust and Agency Funds</u>				
Select CD Savings Account - 6412	0.20%		117,786	Level 2
			117,786	
Total Certificate of Deposits			\$ 3,571,439	

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, 2021

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, 2021, 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, 2021

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 2021 fiscal year tax rate was .5259 per \$100 for the general fund, .2400 per \$100 for the FM and Lateral Road tax, and .0125 per \$100 for the Drainage County, for a total of .7784 per \$100 assessed valuation.

The County's taxes on real property are a lien against such property until paid. The County may foreclose on real property upon which it has a lien for unpaid taxes. The exception is 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, 2021.

Governmental Activities	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Outstanding Balance 9/30/21</u>
Certificates of Obligation, Series 2019	3/11/2019	2/15/2031	5.00%	\$ 500,000	\$ 416,667
Purchase of Equipment Note - 2017	6/21/2017	10/25/2025	3.35%	683,409	451,310
Capital Lease - John Deere Backhoe	8/7/2020	8/7/2023	N/A	100,250	37,625
				<u>\$ 1,283,659</u>	<u>\$ 905,602</u>
 Business-Type Activities					
N/A				\$ -	\$ -
				-	-
				-	-
				<u>-</u>	<u>-</u>

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

The following is a summary of Long-Term Debt and Revenue Bonds payable as of September 30, 2021, recorded under governmental activities and business-type activities

	Beginning Balance 10/1/2020	Additions	Reductions	Ending Balance 9/30/2021	Due Within One Year
Governmental Activities					
Certificates of Obligation, Series 2019	\$ 458,333	\$ -	\$ 41,667	\$ 416,667	\$ 41,667
Purchase of Equipment Note - 2017	532,845	-	81,535	451,311	84,314
Capital Leases	97,477	-	59,852	37,625	37,625
Total bonds and lease payables	<u>1,088,655</u>	<u>-</u>	<u>183,053</u>	<u>905,602</u>	<u>163,605</u>
Other long-term liabilities					
Accumulated compensated absences	588,411	-	70,238	518,173	-
Net pension liability	2,341,842	1,550,800	-	3,892,642	-
Total other long-term liabilities	<u>2,930,253</u>	<u>1,550,800</u>	<u>70,238</u>	<u>4,410,815</u>	<u>-</u>
Total Governmental Activities	<u>\$ 4,018,908</u>	<u>\$ 1,550,800</u>	<u>\$ 253,291</u>	<u>\$ 5,316,417</u>	<u>\$ 163,605</u>
Business-Type Activities					
N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Total bonds and lease payables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other long-term liabilities					
Accumulated compensated absences	43,323	-	10,043	33,280	-
Net pension liability	176,267	116,727	-	292,994	-
Total other long-term liabilities	<u>219,590</u>	<u>116,727</u>	<u>10,043</u>	<u>326,274</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 219,590</u>	<u>\$ 116,727</u>	<u>\$ 10,043</u>	<u>\$ 326,274</u>	<u>\$ -</u>

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

Governmental Activities			
Year Ending September 30	Principal	Interest	Total
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
2026	138,079	15,960	154,040
Thereafter	<u>208,334</u>	<u>31,701</u>	<u>240,036</u>
Total	<u>\$ 905,602</u>	<u>\$ 163,419</u>	<u>\$ 1,069,021</u>

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 8. CAPITAL ASSETS

Capital asset activity for the County for the year ended September 30, 2021, under governmental activities was as follows:

	Beginning Balances 10/1/2020	Additions	Adjustments/ Deletions	Ending Balances 9/30/2021
Governmental Activities				
Capital Assets, not being depreciated				
Land	1,454,880	15,400	-	1,470,280
Construction in Progress	223,107	309,293	(68,858)	463,542
Total capital assets, not being depreciated	<u>1,677,987</u>	<u>324,693</u>	<u>(68,858)</u>	<u>1,933,822</u>
Capital Assets, being depreciated				
Buildings and Improvements	18,889,443	242,704	68,858	19,201,005
Machinery and Equipment	14,460,911	1,077,006	(64,647)	15,473,270
Infrastructure	55,560,031	248,045	-	55,808,075
Total capital assets, being depreciated	<u>88,910,384</u>	<u>1,567,755</u>	<u>4,210</u>	<u>90,482,349</u>
Less accumulated depreciation for:				
Buildings and Improvements	(9,765,385)	(395,800)	-	(10,161,185)
Machinery and Equipment	(10,492,518)	(965,468)	17,332	(11,440,654)
Infrastructure	(8,456,391)	(718,801)	-	(9,175,192)
Total accumulated depreciation	<u>(28,714,294)</u>	<u>(2,080,069)</u>	<u>17,332</u>	<u>(30,777,031)</u>
Total capital assets, being depreciated, net	60,196,091	(512,314)	21,542	59,705,318
Governmental activities capital assets, net	<u>\$ 61,874,077</u>	<u>\$ (187,621)</u>	<u>\$ (47,316)</u>	<u>\$ 61,639,141</u>

Depreciation expense for year ended September 30, 2021 was charged to function/programs of the County as follows:

Governmental Activities:	
General Administration	\$ 436,148
Judicial	205,051
Legal	66,501
Financial Administration	79,927
Public Facilities	27,512
Public Safety	723,166
Health and Welfare	388,718
Conservation Agriculture	143,582
Highway and Streets	9,464
Total Depreciation Expense - Governmental Activities	<u>\$ 2,080,069</u>

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9. CAPITAL ASSETS OF PROPRIETARY FUNDS

Capital assets of Proprietary Funds (Enterprise Funds) at September 30, 2021 consisted of the following:

INTERNATIONAL TOLL BRIDGE SYSTEM	Beginning Balances 10/1/2020	Additions	Deletions	Ending Balances 9/30/2021
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	19,673	-	4,999,133
Machinery and Equipment	864,204	9,196	-	873,400
Infrastructure	1,362,675	-	-	1,362,675
Total capital assets, being depreciated	<u>7,206,339</u>	<u>28,869</u>	<u>-</u>	<u>7,235,208</u>
Less accumulated depreciation for:				
Buildings and Improvements	(3,463,450)	(185,625)	-	(3,649,075)
Machinery and Equipment	(822,299)	(14,698)	-	(836,997)
Infrastructure	(1,343,500)	-	-	(1,343,500)
Total accumulated depreciation	<u>(5,629,249)</u>	<u>(200,323)</u>	<u>-</u>	<u>(5,829,572)</u>
 Total capital assets, being depreciated, net	 <u>1,577,090</u>	 <u>(171,454)</u>	 <u>-</u>	 <u>1,405,636</u>
 Business-Type activities capital assets, net	 <u>\$ 2,973,620</u>	 <u>\$ (171,454)</u>	 <u>\$ -</u>	 <u>\$ 2,802,166</u>

Depreciation expense for year ended September 30, 2021 was charged to function/programs of the County as follows:

Business-Type Activities:	
Buildings and Improvements	\$ 185,625
Machinery and Equipment	14,698
Total Depreciation Expense - Business-Type Activities	<u>\$ 200,323</u>

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9. CAPITAL ASSETS OF PROPRIETARY FUNDS (continued)

GAS SYSTEM	Beginning Balances 10/1/2020	Additions	Deletions	Ending Balances 9/30/2021
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	154,650	7,928	-	162,578
Infrastructure	634,930	-	-	634,930
Total capital assets, being depreciated	<u>809,971</u>	<u>7,928</u>	<u>-</u>	<u>817,899</u>
Less accumulated depreciation for:				
Buildings and Improvements	(13,067)	(489)	-	(13,555)
Machinery and Equipment	(133,127)	(4,899)	-	(138,026)
Infrastructure	(589,160)	(4,225)	-	(593,384)
Total accumulated depreciation	<u>(735,353)</u>	<u>(9,612)</u>	<u>-</u>	<u>(744,965)</u>
Total capital assets, being depreciated, net	<u>74,618</u>	<u>(1,684)</u>	<u>-</u>	<u>72,933</u>
Business-Type activities capital assets, net	<u>\$ 84,618</u>	<u>\$ (1,684)</u>	<u>\$ -</u>	<u>\$ 82,933</u>

Depreciation expense for year ended September 30, 2021 was charged to function/programs of the County as follows:

Business-Type Activities:	
Buildings and Improvements	\$ 489
Machinery and Equipment	4,899
Infrastructure	4,225
Total Depreciation Expense - Business-Type Activities	<u>\$ 9,612</u>

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9. CAPITAL ASSETS OF PROPRIETARY FUNDS (continued)

TRANSFER STATION	Beginning Balances 10/1/2020	Additions	Deletions	Ending Balances 9/30/2021
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	(315,356)	(39,655)	-	(355,011)
Infrastructure	(818,456)	(82,346)	-	(900,802)
Total accumulated depreciation	<u>(1,133,813)</u>	<u>(122,001)</u>	<u>-</u>	<u>(1,255,814)</u>
 Total capital assets, being depreciated, net	 <u>962,255</u>	 <u>(122,001)</u>	 <u>-</u>	 <u>840,254</u>
 Business-Type activities capital assets, net	 <u>\$ 983,255</u>	 <u>\$ (122,001)</u>	 <u>\$ -</u>	 <u>\$ 861,254</u>

Depreciation expense for year ended September 30, 2021 was charged to function/programs of the County as follows:

Business-Type Activities:	
Machinery and Equipment	\$ 39,655
Infrastructure	82,346
Total Depreciation Expense - Business-Type Activities	<u>\$ 122,001</u>

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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, 2021

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances, at September 30, 2021, consisted of the following individual fund receivables and payables:

	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
General Fund:		
Special Revenue Fund	\$ 1,706,808	\$ 32,672
Debt Service Fund	-	34,219
Enterprise Funds	1,156,093	40,902
Trust and Agency Funds	832,408	166,621
Total General Fund	<u>3,695,311</u>	<u>274,414</u>
Special Revenue Funds:		
General Fund	32,672	1,706,808
Special Revenue Funds	44	44
Trust and Agency Funds	317,002	323,676
Total Special Revenue Funds	<u>349,718</u>	<u>2,030,527</u>
Debt Service:		
General Fund	34,219	-
Debt Service Fund	362,298	362,298
Trust and Agency Funds	3,725	45
Total Debt Service Fund	<u>400,242</u>	<u>362,343</u>
Capital Projects Fund:		
Enterprise Funds	291,921	-
Total Capital Project Fund	<u>291,921</u>	<u>-</u>
Enterprise Funds:		
General Fund	40,902	1,156,093
Special Revenue Fund	-	291,921
Trust and Agency Funds	-	-
Total Enterprise Funds	<u>40,902</u>	<u>1,448,014</u>
Trust and Agency Funds:		
General Fund	166,621	832,408
Special Revenue Funds	323,676	317,002
Debt Service Fund	45	3,725
Trust and Agency Funds	110,175	110,175
Total Trust and Agency Fund	<u>600,516</u>	<u>1,263,310</u>
Total	<u>\$ 5,378,610</u>	<u>\$ 5,378,610</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, 2021

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 PRONUCEMENTS

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

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. This statement will become effective for the County in fiscal year 2022.

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, 2021

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 annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

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

B. Employees covered by benefit terms

At December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	189
Inactive employees entitled to but not yet receiving benefits	721
Active employees	545
Total	1,455

C. Contributions

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

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

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 16. DEFINED BENEFIT PENSION PLAN (continued)

D. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date:	December 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	5 year smoothed market
Inflation	2.50%
Long-Term Investment Return	7.60%
Salary Increases	4.60%
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, 2020, valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB 68. 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 7.60%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2021 information for a 10 year time horizon. The valuation assumption for long-term expected return is 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 2021. 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, 2021

NOTE 16. DEFINED BENEFIT PENSION PLAN (continued)

E. Actuarial assumptions (continued)

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return ⁽²⁾
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.25%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HRFI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-0.70%

⁽¹⁾Target asset allocation adopted at the March 2021 TCDRS Board meeting.

⁽²⁾Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.0%, per Cliffwater's 2021 capital market assumptions.

⁽³⁾Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾Includes vintage years 2006-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, 2021

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 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

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

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 16. DEFINED BENEFIT PENSION PLAN (continued)

G. Depletion of Plan Assets/GASB Discount Rate

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balances as of December 31, 2019	\$ 46,562,416	\$ 44,044,306	\$ 2,518,110
Changes for the year:			
Service Cost	1,476,709	-	1,476,709
Interest on total pension liability	3,807,245	-	3,807,245
Effect of plan change	-	-	-
Effect of economic/demographic gains or losses	(164,257)	-	(164,257)
Effect of assumptions changes or inputs	3,216,881	-	3,216,881
Refund of contributions	-	-	-
Benefit payments	(2,113,339)	(2,113,339)	-
Administrative expenses	-	(35,561)	35,561
Member contributions	-	864,756	(864,756)
Net investment income	-	4,550,145	(4,550,145)
Employer contributions	-	1,316,158	(1,316,158)
Other	-	(26,446)	26,446
Balance as of December 31, 2020	<u>\$ 52,785,655</u>	<u>\$ 48,600,019</u>	<u>\$ 4,185,636</u>

H. Discount Rate Sensitivity Analysis

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

	1% Decrease 6.60%	Current Discount 7.60%	1% Increase 8.60%
Total Pension liability	\$ 60,306,040	\$ 52,785,655	\$ 46,577,573
Fiduciary net position	48,600,019	48,600,019	48,600,019
Net Pension liability/ (asset)	<u>\$ 11,706,021</u>	<u>\$ 4,185,636</u>	<u>\$ (2,022,446)</u>

STARR COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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, 2020, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 130,581
Changes in actuarial assumptions	2,144,587	-
Net difference between projected and actual earnings	-	1,585,006
Contributions subsequent to the measurement date	116,868	-
Total	\$ 2,261,455	\$ 1,715,587

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:	
2022	\$ 499,571
2023	957,434
2024	(831,538)
2025	(196,467)
2026	-
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, 2021

NOTE 18. DEFICIT FUND EQUITY

As of September 30, 2021, the Road and Bridge Fund had a deficit fund balance of (\$458,632), the Transfer Station had a deficit fund balance of (\$281,946), the Gas System had a deficit fund balance of (\$106,483), the Title IV-E Department of Family Services Fund had a deficit fund balance of (\$7,721), the TDRA Contract #7217440 Grant Fund had a deficit fund balance of (\$5,850), the Self Help Center Contributions # 711013 Grant Fund had a deficit fund balance of (\$13,252) and the Starr County I&S Fund had a deficit fund balance of (\$25,111).

NOTE 19. PRIOR PERIOD ADJUSTMENTS

A prior period adjustment of \$2,852,412 was made to the Custodial Funds which increased ending net position and fund balance. The County accounts for resources that are held for the benefit of others or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds were previously reported in an agency fund. This change resulted in reporting the details of additions to and deductions from custodial funds causing a change in the fund net position whereas these details were not reported for agency funds. This change is a result of the implementation of GASB 84.

NOTE 20. 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		\$ 1,579,679
Other Restricted Fund Balance		5,466,017
Unassigned		<u>5,633,745</u>
Total Fund Balance		<u><u>\$ 12,679,441</u></u>

NOTE 21. SUBSEQUENT EVENTS

For the purposes of reporting subsequent events, management has considered events occurring up to February 23, 2023, the date of the report was available to be issued. No subsequent events were noted.

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REQUIRED SUPPLEMENTARY INFORMATION

STARR COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 11,440,392	\$ 11,440,392	\$ 11,629,309	\$ 188,917
Licenses and Permits	113,000	113,000	162,545	49,545
Intergovernmental Revenue and Grants	365,000	365,000	509,831	144,831
State Funds	165,100	165,100	117,684	(47,416)
Fines	5,508,400	5,508,400	6,045,291	536,891
Investment Earnings	-	-	19,673	19,673
Rents and Royalties	8,200	8,200	600	(7,600)
Other Revenue	685,300	685,300	241,855	(443,445)
Total Revenues	18,285,392	18,285,392	18,726,788	441,396
EXPENDITURES:				
Current:				
County Judge	539,789	539,789	472,202	67,587
County Clerk	237,559	237,559	232,229	5,330
Veteran's Service Officer and Inv. Clerk	8,938	8,938	2,396	6,542
Personnel Department	183,398	183,398	180,950	2,448
Planning Department	198,196	198,196	215,258	(17,062)
Elections Administrator	199,855	223,780	277,042	(53,262)
General Fund County Wide	3,761,044	3,651,700	3,411,505	240,195
County Court-at-Law	362,322	362,322	352,283	10,039
229th District Court	378,353	378,353	300,365	77,988
381st District Court	378,186	378,186	306,343	71,843
District Clerk	335,266	335,266	330,839	4,427
Justice of the Peace Pct. 1	86,460	86,460	85,985	475
Justice of the Peace Pct. 2	77,159	77,159	76,386	773
Justice of the Peace Pct. 3	86,195	86,195	85,111	1,084
Justice of the Peace Pct. 4	84,995	84,995	78,945	6,050
Justice of the Peace Pct. 5	85,995	85,995	85,469	526
Justice of the Peace Pct. 6	86,700	86,700	87,331	(631)
Justice of the Peace Pct. 7	76,957	76,957	80,703	(3,746)
Justice of the Peace Pct. 8	86,375	86,375	83,188	3,187
County Attorney	347,353	347,353	397,503	(50,150)
District Attorney	579,836	579,836	549,759	30,077
County Auditor	427,886	427,886	416,592	11,294
County Treasurer	165,612	165,612	163,674	1,938
Tax Collector	428,019	428,019	409,572	18,447
Compliance and Collections	151,519	151,519	148,671	2,848
Building Maintenance	267,866	293,366	254,934	38,432
Fire Station Pct. 1	283,283	227,721	223,368	4,353
Fire Station Pct. 2	202,899	207,699	206,020	1,679
Fire Station Pct. 3	183,650	183,650	183,710	(60)
Fire Station Pct. 4	209,449	198,949	174,359	24,590
Constables	331,887	331,887	315,593	16,294
Sheriff's Department	2,686,393	2,686,393	2,650,355	36,038
229th District - Adult Probation	36,157	36,157	34,029	2,128
Detention Center	3,425,981	3,425,981	3,393,943	32,038
Juvenile Detention Center	390,509	390,509	369,259	21,250
9-1-1 Services	63,029	63,029	42,207	20,822
County Wide Services	55,562	55,562	55,646	(84)
Public Health and Welfare Aid	11,300	11,300	10,995	305
Federal and State Programs	214,815	214,815	191,412	23,403
Elderly Programs	69,131	68,651	67,627	1,024
Nutrition Program Pct. 1	297,605	301,360	302,658	(1,298)
Nutrition Program Pct. 2	411,805	419,952	420,879	(927)

STARR COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
Nutrition Program Pct. 3	180,592	185,752	190,762	(5,010)
Nutrition Program Pct. 4	337,035	357,303	343,233	14,070
Agriculture Extension	139,011	139,011	134,806	4,205
Groundwater District	63,844	92,844	83,480	9,364
Total Expenditures	19,215,770	19,160,439	18,479,576	680,863
Excess (Deficiency) of Revenues Over (Under) Expenditures	(930,378)	(875,047)	247,212	1,122,259
OTHER FINANCING SOURCES (USES):				
Transfers In	811,000	811,000	286,500	(524,500)
Total Other Financing Sources (Uses)	811,000	811,000	286,500	(524,500)
Net Change in Fund Balances	(119,378)	(64,047)	533,712	597,759
Fund Balance - October 1 (Beginning)	6,277,241	6,277,241	6,277,241	-
Fund Balance - September 30 (Ending)	\$ 6,157,863	\$ 6,213,194	\$ 6,810,953	\$ 597,759

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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, 2021

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 5,249,010	\$ 5,249,010	\$ 5,127,009	\$ (122,001)
Licenses and Permits	600,000	600,000	562,659	(37,341)
Charges for Services	105,000	105,000	106,378	1,378
Fines	150,000	150,000	357,666	207,666
Investment Earnings	-	-	1,765	1,765
Other Revenue	6,350	6,350	26,022	19,672
Total Revenues	<u>6,110,360</u>	<u>6,110,360</u>	<u>6,181,499</u>	<u>71,139</u>
EXPENDITURES:				
Commissioner Pct. 1	1,061,960	1,045,730	1,044,006	1,724
Commissioner Pct. 2	1,005,625	1,015,625	1,011,841	3,784
Commissioner Pct. 3	1,240,898	1,240,898	1,306,720	(65,822)
Commissioner Pct. 4	939,223	939,223	851,351	87,872
Flood control	41,000	36,230	21,229	15,001
Road & Bridge Fund County Wide	1,607,100	1,564,432	1,285,949	278,483
Debt Service:				
Principal on Debt	183,053	183,053	183,053	-
Interest on Debt	31,488	31,488	31,488	-
Total Expenditures	<u>6,110,347</u>	<u>6,056,679</u>	<u>5,735,637</u>	<u>321,042</u>
Change in Fund Balance	13	53,681	445,862	392,181
Fund Balance - October 1 (Beginning)	(904,494)	(904,494)	(904,494)	-
Fund Balance - September 30 (Ending)	<u>\$ (904,481)</u>	<u>\$ (850,813)</u>	<u>\$ (458,632)</u>	<u>\$ 392,181</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, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
A. Total Pension Liability			
Service Cost	\$ 1,476,709	\$ 1,359,508	\$ 1,322,698
Interest (on the Total Pension Liability)	3,807,245	3,575,258	3,354,911
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(164,257)	(63,228)	(42,953)
Changes of Assumptions	3,216,881	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,113,339)	(2,135,637)	(1,773,668)
Net Change in Total Pension Liability	\$ 6,223,239	\$ 2,735,901	\$ 2,860,988
Total Pension Liability - Beginning	46,562,416	43,826,514	40,965,526
Total Pension Liability - Ending	\$ 52,785,655	\$ 46,562,415	\$ 43,826,514
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 1,316,158	\$ 1,138,373	\$ 1,116,212
Contributions - Employee	864,756	791,636	739,213
Net Investment Income	4,550,145	6,246,892	(720,080)
Benefit Payments, Including Refunds of Employee Contributions	(2,113,339)	(2,135,637)	(1,773,668)
Administrative Expense	(35,561)	(33,563)	(30,553)
Other	(26,446)	(1,905)	(6,338)
Net Change in Plan Fiduciary Net Position	\$ 4,555,713	\$ 6,005,796	\$ (675,214)
Plan Fiduciary Net Position - Beginning	44,044,306	38,038,511	38,701,049
Plan Fiduciary Net Position - Ending	\$ 48,600,019	\$ 44,044,307	\$ 38,025,835
C. Net Pension Liability	\$ 4,185,636	\$ 2,518,108	\$ 5,800,679
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.07%	94.59%	86.76%
E. Covered Payroll	\$ 17,295,113	\$ 15,832,719	\$ 14,784,259
F. Net Pension Liability as a Percentage of Covered Payroll	24.20%	15.90%	39.24%

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 2018 Plan Year 2017		FY 2017 Plan Year 2016		FY 2016 Plan Year 2015		FY 2015 Plan Year 2014	
\$	1,477,749	\$	1,454,467	\$	1,234,402	\$	1,233,646
	3,180,024		2,937,528		2,752,024		2,558,600
	-		-		(280,132)		-
	(570,494)		(485,701)		60,500		21,362
	-		-		-		-
	(1,772,619)		(1,585,393)		(1,526,926)		(1,385,724)
\$	2,314,660	\$	2,320,901	\$	2,239,868	\$	2,427,884
	38,650,865		38,650,865		34,090,097		31,662,213
\$	40,965,525	\$	40,971,766	\$	36,329,965	\$	34,090,097
\$	1,157,528	\$	1,226,470	\$	1,125,290	\$	1,133,421
	767,072		793,343		725,994		687,176
	4,915,296		2,292,766		(355,847)		1,929,958
	(1,772,619)		(1,585,393)		(1,526,926)		(1,385,724)
	(25,737)		(24,973)		(22,353)		(23,013)
	1,794		(45,336)		26,980		38,336
\$	5,043,334	\$	2,656,877	\$	(26,862)	\$	2,380,154
	33,657,715		31,000,838		31,027,700		28,647,545
\$	38,701,049	\$	33,657,715	\$	31,000,838	\$	31,027,699
\$	2,264,476	\$	7,314,051	\$	5,329,127	\$	3,062,398
	94.47%		82.15%		85.33%		91.02%
\$	15,341,443	\$	15,814,750	\$	14,519,872	\$	13,622,851
	14.76%		46.25%		36.70%		22.48%

STARR COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2021

	2021	2020	2019
Actuarially Determined Contribution	\$ 1,316,158	\$ 1,138,373	\$ 1,116,212
Contributions in Relation to the Actuarially Determined Contributions	(1,316,158)	(1,138,373)	(1,116,212)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 17,295,113	\$ 15,832,719	\$ 14,784,259
Contributions as a Percentage of Covered Employee Payroll	7.60%	7.20%	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.

	2018	2017	2016	2015
\$	1,155,211	\$ 1,220,899	\$ 1,125,290	\$ 1,133,421
	(1,157,528)	(1,226,470)	(1,125,290)	(1,133,421)
\$	(2,317)	\$ (5,571)	\$ -	\$ -
\$	15,341,443	\$ 15,814,750	\$ 14,519,872	\$ 13,622,851
	7.50%	7.80%	7.70%	8.30%

STARR COUNTY, TEXAS
 NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Valuation Date: Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	0.0 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-yr smoothed market
Inflation	2.75%
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	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

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, 2021

	201 Special Revenue Fund	202 HAVA Cares Act Grant Fund	203 TDEM - Cares Act Fund	206 Courthouse Renovation Fund
ASSETS				
Cash and Cash Equivalents	\$ 161,621	\$ 47,856	\$ 89,903	\$ 156,686
Investments - Current	-	-	-	-
Interest Receivable - investments	-	-	-	-
Taxes Receivable	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Due from Other Funds	-	-	-	4,450
Due from Others	200,027	-	-	-
Prepaid Items	-	-	-	-
Total Assets	\$ 361,648	\$ 47,856	\$ 89,903	\$ 161,136
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 4,538	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	308	100	85,365	-
Due to Others	361,340	-	-	-
Unearned Revenues	-	47,756	-	-
Other Current Liabilities	-	-	-	-
Total Liabilities	361,648	47,856	89,903	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	-	-	161,136
Unassigned Fund Balance	-	-	-	-
Total Fund Balances	-	-	-	161,136
Total Liabilities, Deferred Inflows & Fund Balances	\$ 361,648	\$ 47,856	\$ 89,903	\$ 161,136

207 Crime Victims Assistance Fund	208 DA's Border Prosecution Unit (BPU)	209 Victim Coord. Liasion 229th Court	210 CACST Section 5310	213 Testing of Forensic Evid Grant	216 Homeland Security Grants	217 HIDTA Task Force Grant - G21	219 HIDTA Task Force Grant 12PSSP614
\$ 52,836	\$ 68,378	\$ 575	\$ 18,039	\$ 15,133	\$ 2	\$ 25,147	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
42,290	41,402	44	-	-	-	15,024	-
33,775	189,135	30,372	2,251	-	-	138,566	2,704
-	3,853	-	-	-	-	-	-
<u>\$ 128,901</u>	<u>\$ 302,768</u>	<u>\$ 30,991</u>	<u>\$ 20,290</u>	<u>\$ 15,133</u>	<u>\$ 2</u>	<u>\$ 178,737</u>	<u>\$ 2,704</u>
\$ 4,460	\$ 9,561	\$ -	\$ -	\$ -	\$ -	\$ 113	\$ -
5,457	-	-	-	-	-	-	-
118,984	293,207	30,991	20,290	15,133	2	166,083	2,704
-	-	-	-	-	-	-	-
-	-	-	-	-	-	12,541	-
-	-	-	-	-	-	-	-
<u>128,901</u>	<u>302,768</u>	<u>30,991</u>	<u>20,290</u>	<u>15,133</u>	<u>2</u>	<u>178,737</u>	<u>2,704</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 128,901</u>	<u>\$ 302,768</u>	<u>\$ 30,991</u>	<u>\$ 20,290</u>	<u>\$ 15,133</u>	<u>\$ 2</u>	<u>\$ 178,737</u>	<u>\$ 2,704</u>

STARR COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	222 229th DA's Pre-Trail Diversion Prg	223 Law Library Fund	224 Surcharge Fund	225 Courthouse Security Fund
ASSETS				
Cash and Cash Equivalents	\$ 27,769	\$ 392,526	\$ 6,311	\$ 88,500
Investments - Current	-	-	-	-
Interest Receivable - investments	-	-	-	-
Taxes Receivable	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Due from Other Funds	-	2,240	15,659	2,886
Due from Others	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	\$ 27,769	\$ 394,766	\$ 21,970	\$ 91,386
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 5,753	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	1,205	-	39	-
Due to Others	-	-	-	-
Unearned Revenues	-	-	-	-
Other Current Liabilities	-	-	-	-
Total Liabilities	1,205	-	5,792	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	26,564	394,766	16,178	91,386
Unassigned Fund Balance	-	-	-	-
Total Fund Balances	26,564	394,766	16,178	91,386
Total Liabilities, Deferred Inflows & Fund Balances	\$ 27,769	\$ 394,766	\$ 21,970	\$ 91,386

EXHIBIT H-1 (Cont'd)

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	236 Texas A&M Forest Serv Grant 102783	242 Memorial Cemetery Fund	244 Starr County Border Interd Unit
\$ 66,726	\$ 27,818	\$ 15,034	\$ 33,698	\$ 5,357	\$ -	\$ 44,124	\$ 2,404
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
16,288	1,795	41	-	14,690	-	-	74
-	-	-	-	42,692	-	-	7,627
-	-	-	-	-	-	-	-
<u>\$ 83,014</u>	<u>\$ 29,613</u>	<u>\$ 15,075</u>	<u>\$ 33,698</u>	<u>\$ 62,739</u>	<u>\$ -</u>	<u>\$ 44,124</u>	<u>\$ 10,105</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	3,972	-	-	-
18	5,325	-	233	35,445	-	10,372	10,105
-	-	-	-	-	-	-	-
-	-	-	-	23,322	-	-	-
-	-	-	-	-	-	-	-
<u>18</u>	<u>5,325</u>	<u>-</u>	<u>233</u>	<u>62,739</u>	<u>-</u>	<u>10,372</u>	<u>10,105</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
82,996	24,288	15,075	33,465	-	-	33,752	-
-	-	-	-	-	-	-	-
<u>82,996</u>	<u>24,288</u>	<u>15,075</u>	<u>33,465</u>	<u>-</u>	<u>-</u>	<u>33,752</u>	<u>-</u>
<u>\$ 83,014</u>	<u>\$ 29,613</u>	<u>\$ 15,075</u>	<u>\$ 33,698</u>	<u>\$ 62,739</u>	<u>\$ -</u>	<u>\$ 44,124</u>	<u>\$ 10,105</u>

STARR COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	245 Starr County Violent Crime Unit	251 JP's Justice Court Tech Fund	261 Juvenile Interv Serv Program Grant	262 CSCD Bond Supervision Program
ASSETS				
Cash and Cash Equivalents	\$ 22,011	\$ 5,891	\$ 3,936	\$ 55,027
Investments - Current	-	-	-	-
Interest Receivable - investments	-	-	-	-
Taxes Receivable	-	-	-	-
Accounts Receivable, Net	-	-	-	4,970
Due from Other Funds	54,385	926	-	-
Due from Others	4,925	-	6,168	-
Prepaid Items	-	-	-	-
Total Assets	\$ 81,321	\$ 6,817	\$ 10,104	\$ 59,997
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	26,490	7	10,004	-
Due to Others	5,000	-	100	-
Unearned Revenues	4,829	-	-	-
Other Current Liabilities	45,002	-	-	-
Total Liabilities	81,321	7	10,104	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	6,810	-	59,997
Unassigned Fund Balance	-	-	-	-
Total Fund Balances	-	6,810	-	59,997
Total Liabilities, Deferred Inflows & Fund Balances	\$ 81,321	\$ 6,817	\$ 10,104	\$ 59,997

263 Title IV-E Dept of Fam Protective Sv	264 Joint Investigation ICE&Sheriff	265 School Resource Officer Fund	266 Starr County Attorney Investigator	267 Joint Investigation DA & ICE	271 Joint Law Enf Oper Sheriff & US Marsh	277 LBSP Sheiff FY 20	278 LBSP Sheriff FY 21
\$ 7,060	\$ 1,834	\$ 7,970	\$ 3,805	\$ 1,830	\$ 2,066	\$ 7,842	\$ 68,470
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	6,944	5,051	2,279	3,095	-	-
-	-	-	-	-	170	-	3,304
-	-	-	-	-	-	-	-
<u>\$ 7,060</u>	<u>\$ 1,834</u>	<u>\$ 14,914</u>	<u>\$ 8,856</u>	<u>\$ 4,109</u>	<u>\$ 5,331</u>	<u>\$ 7,842</u>	<u>\$ 71,774</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	887	-	-	-	-
14,781	16	14,914	7,969	16	5,274	7,842	71,774
-	-	-	-	-	-	-	-
-	1,818	-	-	4,093	57	-	-
-	-	-	-	-	-	-	-
<u>14,781</u>	<u>1,834</u>	<u>14,914</u>	<u>8,856</u>	<u>4,109</u>	<u>5,331</u>	<u>7,842</u>	<u>71,774</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(7,721)	-	-	-	-	-	-	-
(7,721)	-	-	-	-	-	-	-
<u>\$ 7,060</u>	<u>\$ 1,834</u>	<u>\$ 14,914</u>	<u>\$ 8,856</u>	<u>\$ 4,109</u>	<u>\$ 5,331</u>	<u>\$ 7,842</u>	<u>\$ 71,774</u>

STARR COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	296 Starr County 2018 OPSG	297 Starr County 2019 OPSG	298 Starr County 2020 OPSG	406 TDRA Contract 7217440
ASSETS				
Cash and Cash Equivalents	\$ 8,944	\$ 25,850	\$ 152,708	\$ 611
Investments - Current	-	-	-	-
Interest Receivable - investments	-	-	-	-
Taxes Receivable	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Others	-	-	140,366	-
Prepaid Items	-	-	-	-
Total Assets	<u>\$ 8,944</u>	<u>\$ 25,850</u>	<u>\$ 293,074</u>	<u>\$ 611</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	8,944	25,850	293,074	6,460
Due to Others	-	-	-	-
Unearned Revenues	-	-	-	-
Other Current Liabilities	-	-	-	1
Total Liabilities	<u>8,944</u>	<u>25,850</u>	<u>293,074</u>	<u>6,461</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	-	-	-
Unassigned Fund Balance	-	-	-	(5,850)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,850)</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 8,944</u>	<u>\$ 25,850</u>	<u>\$ 293,074</u>	<u>\$ 611</u>

407 TDRA Contract 7219429	411 TDHCA Home OCC Contract #1001187	413 TDHCA Home Contract #1002269	415 San Isidro Project	416 BBC/NADBN SWEP Grant #TX0360	417 BBC/NADBN SWEP Grant #TX0360	418 TCEQ FY 21 Solid Waste Grant	426 Self Help Center Contr #711013
\$ 3,624	\$ 1	\$ 164	\$ 4,882	\$ 43,320	\$ 18,810	\$ -	\$ 17,163
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
16,440	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 20,064</u>	<u>\$ 1</u>	<u>\$ 164</u>	<u>\$ 4,882</u>	<u>\$ 43,320</u>	<u>\$ 18,810</u>	<u>\$ -</u>	<u>\$ 17,163</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
7,740	1	163	42	-	-	-	21,627
-	-	1	-	-	-	-	-
12,324	-	-	-	43,319	18,810	-	8,788
-	-	-	4,840	1	-	-	-
<u>20,064</u>	<u>1</u>	<u>164</u>	<u>4,882</u>	<u>43,320</u>	<u>18,810</u>	<u>-</u>	<u>30,415</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(13,252)
-	-	-	-	-	-	-	(13,252)
<u>\$ 20,064</u>	<u>\$ 1</u>	<u>\$ 164</u>	<u>\$ 4,882</u>	<u>\$ 43,320</u>	<u>\$ 18,810</u>	<u>\$ -</u>	<u>\$ 17,163</u>

STARR COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	430 Olmitos Garcias Creek Wtrshd Site	431 Local Emerg Planning Committee	505 Starr County Drainage District	605 Starr County Judge Vending Mach Account
ASSETS				
Cash and Cash Equivalents	\$ 27,914	\$ 101	\$ 415,785	\$ 8,244
Investments - Current	-	-	2,839,600	-
Interest Receivable - investments	-	-	743	-
Taxes Receivable	-	-	205,641	-
Accounts Receivable, Net	-	-	-	-
Due from Other Funds	-	-	3,428	-
Due from Others	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	\$ 27,914	\$ 101	\$ 3,465,197	\$ 8,244
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	27,914	101	-	-
Due to Others	-	-	-	-
Unearned Revenues	-	-	-	-
Other Current Liabilities	-	-	-	-
Total Liabilities	27,914	101	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	205,641	-
Total Deferred Inflows of Resources	-	-	205,641	-
FUND BALANCES				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	-	3,259,556	8,244
Unassigned Fund Balance	-	-	-	-
Total Fund Balances	-	-	3,259,556	8,244
Total Liabilities, Deferred Inflows & Fund Balances	\$ 27,914	\$ 101	\$ 3,465,197	\$ 8,244

642 District Attorney Grant Fund	Total Nonmajor Special Revenue Funds	300 Debt Service Fund	301 Starr County I & S Fund	Total Nonmajor Debt Service Funds	414 Starr County Construction 2004	Total Nonmajor Governmental Funds
\$ -	\$ 2,262,306	\$ 709,493	\$ 299,243	\$ 1,008,736	\$ 293,241	\$ 3,564,283
-	2,839,600	507,701	-	507,701	-	3,347,301
-	743	232	-	232	-	975
-	205,641	400,487	-	400,487	-	606,128
-	4,970	-	-	-	-	4,970
-	220,996	362,298	37,944	400,242	291,921	913,159
-	830,517	-	-	-	-	830,517
-	3,853	-	-	-	-	3,853
<u>\$ -</u>	<u>\$ 6,368,626</u>	<u>\$ 1,980,211</u>	<u>\$ 337,187</u>	<u>\$ 2,317,398</u>	<u>\$ 585,162</u>	<u>\$ 9,271,186</u>
\$ -	\$ 24,425	\$ -	\$ -	\$ -	\$ -	\$ 24,425
-	10,316	-	-	-	-	10,316
-	1,346,912	45	362,298	362,343	-	1,709,255
-	366,441	-	-	-	-	366,441
-	177,657	-	-	-	-	177,657
-	49,844	-	-	-	-	49,844
-	<u>1,975,595</u>	<u>45</u>	<u>362,298</u>	<u>362,343</u>	<u>-</u>	<u>2,337,938</u>
-	205,641	400,487	-	400,487	-	606,128
-	<u>205,641</u>	<u>400,487</u>	<u>-</u>	<u>400,487</u>	<u>-</u>	<u>606,128</u>
-	-	1,579,679	-	1,579,679	-	1,579,679
-	4,214,213	-	-	-	585,162	4,799,375
-	(26,823)	-	(25,111)	(25,111)	-	(51,934)
-	<u>4,187,390</u>	<u>1,579,679</u>	<u>(25,111)</u>	<u>1,554,568</u>	<u>585,162</u>	<u>6,327,120</u>
<u>\$ -</u>	<u>\$ 6,368,626</u>	<u>\$ 1,980,211</u>	<u>\$ 337,187</u>	<u>\$ 2,317,398</u>	<u>\$ 585,162</u>	<u>\$ 9,271,186</u>

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	201 Special Revenue Fund	202 HAVA Cares Act Grant Fund	203 TDEM - Cares Act Fund	206 Courthouse Renovation Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	322,625	-	-	-
Federal Funds	-	5,875	698,636	-
State Funds	645,249	-	-	-
Charges for Services	-	-	-	39,926
Fines	-	-	-	-
Investment Earnings	-	-	-	205
Other Revenue	-	-	-	-
Total Revenues	<u>967,874</u>	<u>5,875</u>	<u>698,636</u>	<u>40,131</u>
EXPENDITURES:				
Current:				
General Government	-	5,875	698,636	-
Judicial	967,874	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Highways and Streets:				
Highways and Streets	-	-	-	-
Health and Welfare	-	-	-	-
Total Expenditures	<u>967,874</u>	<u>5,875</u>	<u>698,636</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,131</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	40,131
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,005</u>
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,136</u>

207 Crime Victims Assistance Fund	208 DA's Border Prosecution Unit (BPU)	209 Victim Coord. Liasion 229th Court	210 CACST Section 5310	213 Testing of Forensic Evid Grant	216 Homeland Security Grants	217 HIDTA Task Force Grant - G21	219 HIDTA Task Force Grant 12PSSP614
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
141,472	538,114	28,168	147,506	2,250	-	294,710	102,685
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>141,472</u>	<u>538,114</u>	<u>28,168</u>	<u>147,506</u>	<u>2,250</u>	<u>-</u>	<u>294,710</u>	<u>102,685</u>
-	-	-	-	2,250	-	-	-
-	-	-	-	-	-	-	-
141,472	538,114	28,168	-	-	-	294,710	102,685
-	-	-	-	-	-	-	-
-	-	-	147,506	-	-	-	-
<u>141,472</u>	<u>538,114</u>	<u>28,168</u>	<u>147,506</u>	<u>2,250</u>	<u>-</u>	<u>294,710</u>	<u>102,685</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, 2021

	222 229th DA's Pre-Trail Diversion Prg	223 Law Library Fund	224 Surcharge Fund	225 Courthouse Security Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Federal Funds	-	-	-	-
State Funds	-	-	-	-
Charges for Services	-	-	-	-
Fines	15,500	28,984	75,335	23,133
Investment Earnings	49	566	18	166
Other Revenue	-	-	-	-
Total Revenues	<u>15,549</u>	<u>29,550</u>	<u>75,353</u>	<u>23,299</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial	-	-	-	-
Public Facilities	-	888	94,696	67
Public Safety	23,770	-	-	-
Highways and Streets:				
Highways and Streets	-	-	-	-
Health and Welfare	-	-	-	-
Total Expenditures	<u>23,770</u>	<u>888</u>	<u>94,696</u>	<u>67</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,221)</u>	<u>28,662</u>	<u>(19,343)</u>	<u>23,232</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	-	(43,500)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,500)</u>
Net Change in Fund Balance	(8,221)	28,662	(19,343)	(20,268)
Fund Balance - October 1 (Beginning)	<u>34,785</u>	<u>366,104</u>	<u>35,521</u>	<u>111,654</u>
Fund Balance - September 30 (Ending)	<u>\$ 26,564</u>	<u>\$ 394,766</u>	<u>\$ 16,178</u>	<u>\$ 91,386</u>

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	236 Texas A&M Forest Serv Grant 102783	242 Memorial Cemetary Fund	244 Starr County Border Interd Unit
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	32,110	-	-	-
-	-	-	-	127,328	-	-	-
-	-	-	7,489	-	14,836	-	48,196
-	-	-	-	-	-	136,250	-
72,687	22,916	975	-	-	-	-	-
78	23	22	-	-	-	125	-
-	-	-	-	-	-	-	-
<u>72,765</u>	<u>22,939</u>	<u>997</u>	<u>7,489</u>	<u>159,438</u>	<u>14,836</u>	<u>136,375</u>	<u>48,196</u>
-	-	157	-	-	14,836	203,697	-
-	-	-	-	-	-	-	-
41,293	14	-	-	-	-	-	-
-	-	-	4,644	159,438	-	-	48,196
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>41,293</u>	<u>14</u>	<u>157</u>	<u>4,644</u>	<u>159,438</u>	<u>14,836</u>	<u>203,697</u>	<u>48,196</u>
<u>31,472</u>	<u>22,925</u>	<u>840</u>	<u>2,845</u>	-	-	<u>(67,322)</u>	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
31,472	22,925	840	2,845	-	-	(67,322)	-
51,524	1,363	14,235	30,620	-	-	101,074	-
<u>\$ 82,996</u>	<u>\$ 24,288</u>	<u>\$ 15,075</u>	<u>\$ 33,465</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,752</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, 2021

	245 Starr County Violent Crime Unit	251 JP's Justice Court Tech Fund	261 Juvenile Interv Serv Program Grant	262 CSCD Bond Supervision Program
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Federal Funds	26,233	-	-	-
State Funds	-	-	37,576	-
Charges for Services	-	-	-	-
Fines	-	8,532	-	50,740
Investment Earnings	-	-	-	45
Other Revenue	-	-	-	-
Total Revenues	<u>26,233</u>	<u>8,532</u>	<u>37,576</u>	<u>50,785</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	26,233	5,962	37,576	64
Highways and Streets:				
Highways and Streets	-	-	-	-
Health and Welfare	-	-	-	-
Total Expenditures	<u>26,233</u>	<u>5,962</u>	<u>37,576</u>	<u>64</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>2,570</u>	<u>-</u>	<u>50,721</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	2,570	-	50,721
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>4,240</u>	<u>-</u>	<u>9,276</u>
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 6,810</u>	<u>\$ -</u>	<u>\$ 59,997</u>

263 Title IV-E Dept of Fam Protective Sv	264 Joint Investigation ICE&Sheriff	265 School Resource Officer Fund	266 Starr County Attorney Investigator	267 Joint Investigation DA & ICE	271 Joint Law Enf Oper Sheriff & US Marsh	277 LBSP Sheiff FY 20	278 LBSP Sheriff FY 21
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30,452	-	-	25,548	-	2,362	-	-
-	-	50,179	-	-	-	-	200,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>30,452</u>	<u>-</u>	<u>50,179</u>	<u>25,548</u>	<u>-</u>	<u>2,362</u>	<u>-</u>	<u>200,000</u>
-	-	-	-	-	-	-	-
38,173	-	50,179	25,548	-	2,362	-	200,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>38,173</u>	<u>-</u>	<u>50,179</u>	<u>25,548</u>	<u>-</u>	<u>2,362</u>	<u>-</u>	<u>200,000</u>
<u>(7,721)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(7,721)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (7,721)</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, 2021

	296 Starr County 2018 OPSG	297 Starr County 2019 OPSG	298 Starr County 2020 OPSG	406 TDRA Contract 7217440
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Federal Funds	-	197,399	619,801	-
State Funds	-	-	-	-
Charges for Services	-	-	-	-
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>-</u>	<u>197,399</u>	<u>619,801</u>	<u>-</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	197,399	619,801	-
Highways and Streets:				
Highways and Streets	-	-	-	-
Health and Welfare	-	-	-	-
Total Expenditures	<u>-</u>	<u>197,399</u>	<u>619,801</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,850)</u>
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,850)</u>

407 TDRA Contract 7219429	411 TDHCA Home OCC Contract #1001187	413 TDHCA Home Contract #1002269	415 San Isidro Project	416 BBC/NADBN SWEP Grant #TX0360	417 BBC/NADBN SWEP Grant #TX0360	418 TCEQ FY 21 Solid Waste Grant	426 SelfHelp Center Contr #711013
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	60,000	-	-	-
16,440	-	-	-	-	-	-	261,417
-	-	-	-	-	-	25,447	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>16,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>25,447</u>	<u>261,417</u>
-	-	-	-	60,000	-	25,447	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
16,440	-	-	-	-	-	-	-
<u>16,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>25,447</u>	<u>274,669</u>
-	-	-	-	-	-	-	(13,252)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(13,252)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,252)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,252)

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	430 Olmitos Garcias Creek Wtrshd Site	431 Local Emerg Planning Committee	505 Starr County Drainage District	605 Starr County Judge Vending Mach Account
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ 368,332	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Federal Funds	-	-	-	-
State Funds	-	-	-	-
Charges for Services	-	-	-	-
Fines	-	-	-	-
Investment Earnings	-	-	6,050	12
Other Revenue	-	-	-	1,907
Total Revenues	<u>-</u>	<u>-</u>	<u>374,382</u>	<u>1,919</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	1,524
Judicial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Highways and Streets:				
Highways and Streets	-	-	-	-
Health and Welfare	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,524</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>374,382</u>	<u>395</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	374,382	395
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>-</u>	<u>2,885,174</u>	<u>7,849</u>
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,259,556</u>	<u>\$ 8,244</u>

642 District Attorney Grant Fund	Total Nonmajor Special Revenue Funds	300 Debt Service Fund	301 Starr County I & S Fund	Total Nonmajor Debt Service Funds	414 Starr County Construction 2004	Total Nonmajor Governmental Funds
\$ -	\$ 368,332	\$ -	\$ 67,032	\$ 67,032	\$ -	\$ 435,364
-	414,735	-	-	-	-	414,735
58,033	2,755,897	-	-	-	-	2,755,897
50,000	1,647,504	-	-	-	-	1,647,504
-	176,176	-	-	-	-	176,176
-	298,802	-	-	-	-	298,802
-	7,359	2,191	394	2,585	440	10,384
-	1,907	-	-	-	-	1,907
<u>108,033</u>	<u>5,670,712</u>	<u>2,191</u>	<u>67,426</u>	<u>69,617</u>	<u>440</u>	<u>5,740,769</u>
-	1,012,422	4,837	-	4,837	-	1,017,259
-	967,874	-	-	-	-	967,874
-	136,958	-	-	-	-	136,958
108,033	2,652,527	-	-	-	-	2,652,527
-	16,440	-	-	-	-	16,440
-	422,175	-	-	-	-	422,175
<u>108,033</u>	<u>5,208,396</u>	<u>4,837</u>	<u>-</u>	<u>4,837</u>	<u>-</u>	<u>5,213,233</u>
-	462,316	(2,646)	67,426	64,780	440	527,536
-	(43,500)	-	-	-	-	(43,500)
-	(43,500)	-	-	-	-	(43,500)
-	418,816	(2,646)	67,426	64,780	440	484,036
-	3,768,574	1,582,325	(92,537)	1,489,788	584,722	5,843,084
<u>\$ -</u>	<u>\$ 4,187,390</u>	<u>\$ 1,579,679</u>	<u>\$ (25,111)</u>	<u>\$ 1,554,568</u>	<u>\$ 585,162</u>	<u>\$ 6,327,120</u>

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 SEPTEMBER 30, 2021

	607 229th Judicial Dist Probation Fd	608 Juvenile Probation & Restitution	609 County Attorney Fund	610 District Attorney Fund	611 County Clerk Fund
ASSETS					
Cash and Cash Equivalents	\$ 29,517	\$ 17,301	\$ 67,380	\$ 1,362,617	\$ 1,020,777
Investments - Current	-	-	-	-	-
Accounts Receivable, Net	1,185	-	-	-	-
Due from Other Funds	-	5,913	452	222,519	-
Prepaid Items	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Assets	<u>\$ 30,702</u>	<u>\$ 23,214</u>	<u>\$ 67,832</u>	<u>\$ 1,585,136</u>	<u>\$ 1,020,777</u>
LIABILITIES					
Accounts Payable	4,665	-	824	14,517	-
Due to Other Funds	-	-	16,540	203,798	106,505
Due to Others	19,303	-	-	421,435	466,691
Other Current Liabilities	-	-	-	-	-
Total Liabilities	<u>23,968</u>	<u>-</u>	<u>17,364</u>	<u>639,750</u>	<u>573,196</u>
NET POSITION					
Restricted for Other Purposes	6,734	23,214	50,468	945,386	447,581
Unrestricted	-	-	-	-	-
Total Net Position	<u>\$ 6,734</u>	<u>\$ 23,214</u>	<u>\$ 50,468</u>	<u>\$ 945,386</u>	<u>\$ 447,581</u>

612 Detention Center Fund	613 Motor Vehicle Tax Fund	614 Tax Assessor Collector Fund	615 Justice of the Peace Fund	616 Dist Clerk Invested Trust Fund	617 District Clerk Fund	618 Sheriff's Department Fund	620 Compliance & Collections Fund
\$ 387,990	\$ 708,605	\$ 861,428	\$ 143,948	\$ 713,374	\$ 1,222,602	\$ 656,763	\$ 39,750
-	-	-	-	-	-	117,786	-
-	196,714	-	-	-	-	-	1,173
-	182	57,193	-	-	-	71,239	-
-	-	165,839	-	-	-	-	-
-	-	5,673	-	-	-	-	-
<u>387,990</u>	<u>905,501</u>	<u>1,090,133</u>	<u>143,948</u>	<u>713,374</u>	<u>1,222,602</u>	<u>845,788</u>	<u>40,923</u>
-	210	-	-	-	-	-	1,763
-	140,521	545,234	99,845	-	27,182	30	10,654
40,056	500,812	197,898	-	713,374	1,195,420	160,936	847
-	-	-	-	-	-	-	-
<u>40,056</u>	<u>641,543</u>	<u>743,132</u>	<u>99,845</u>	<u>713,374</u>	<u>1,222,602</u>	<u>160,966</u>	<u>13,264</u>
347,934	263,958	347,001	44,103	-	-	684,822	27,659
-	-	-	-	-	-	-	-
<u>\$ 347,934</u>	<u>\$ 263,958</u>	<u>\$ 347,001</u>	<u>\$ 44,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 684,822</u>	<u>\$ 27,659</u>

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 SEPTEMBER 30, 2021

	621 Retirement System Fund	627 Jury Fund	629 Health Inspection Fund	630 Consolidated Court Costs Fund	635 TNRCC Inspection Fee Fund
ASSETS					
Cash and Cash Equivalents	\$ 51	\$ 5,531	\$ 11,937	\$ 188,245	\$ 5,761
Investments - Current	-	-	-	-	-
Accounts Receivable, Net	-	-	-	-	-
Due from Other Funds	163,672	-	-	35,318	-
Prepaid Items	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Assets	<u>163,723</u>	<u>5,531</u>	<u>11,937</u>	<u>223,563</u>	<u>5,761</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	-
Due to Other Funds	3,210	1,361	11,937	91,558	43
Due to Others	163,672	-	-	86,644	440
Other Current Liabilities	-	-	-	45,361	-
Total Liabilities	<u>166,882</u>	<u>1,361</u>	<u>11,937</u>	<u>223,563</u>	<u>483</u>
NET POSITION					
Restricted for Other Purposes	-	4,170	-	-	5,278
Unrestricted	(3,159)	-	-	-	-
Total Net Position	<u>\$ (3,159)</u>	<u>\$ 4,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,278</u>

636 Fourth Court of Appeals Civil Suits	645 Border Area Narc Task Force Fund	649 Tertiary Care Trauma Fund	651 Planning Department Fund	652 Scholarship Fund	Total Custodial Funds
\$ 997	\$ 43,261	\$ 4,551	\$ 152	\$ 23,980	\$ 7,516,518
-	-	-	-	-	117,786
-	-	-	-	-	199,072
320	43,500	208	-	-	600,516
-	-	-	-	-	165,839
-	-	-	-	-	5,673
<u>1,317</u>	<u>86,761</u>	<u>4,759</u>	<u>152</u>	<u>23,980</u>	<u>8,605,404</u>
-	-	-	25	-	22,004
6	-	4,759	127	-	1,263,310
1,230	-	-	-	-	3,968,758
-	-	-	-	-	45,361
<u>1,236</u>	<u>-</u>	<u>4,759</u>	<u>152</u>	<u>-</u>	<u>5,299,433</u>
81	86,761	-	-	23,980	3,309,130
-	-	-	-	-	(3,159)
<u>\$ 81</u>	<u>\$ 86,761</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,980</u>	<u>\$ 3,305,971</u>

STARR COUNTY, TEXAS
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	607 229th Judicial Dist Probation Fd	608 Juvenile Probation & Restitution	609 County Attorney Fund	610 District Attorney Fund	611 County Clerk Fund
ADDITIONS:					
State Funds	\$ -	\$ -	\$ -	\$ 22,500	\$ -
Other Local Revenue	307,102	6,106	210,386	650,212	374,735
Total Additions	<u>307,102</u>	<u>6,106</u>	<u>210,386</u>	<u>672,712</u>	<u>374,735</u>
DEDUCTIONS:					
Other Operating Costs	307,892	11,965	255,789	500,816	337,590
Total Deductions	<u>307,892</u>	<u>11,965</u>	<u>255,789</u>	<u>500,816</u>	<u>337,590</u>
Change in Net Position	(790)	(5,859)	(45,403)	171,896	37,145
Total Net Position - October 1 (Beginning)	-	-	-	-	-
Prior Period Adjustment	7,524	29,073	95,871	773,490	410,436
Total Net Position - September 30 (Ending)	<u>\$ 6,734</u>	<u>\$ 23,214</u>	<u>\$ 50,468</u>	<u>\$ 945,386</u>	<u>\$ 447,581</u>

612 Detention Center Fund	613 Motor Vehicle Tax Fund	614 Tax Assessor Collector Fund	615 Justice of the Peace Fund	616 Dist Clerk Invested Trust Fund	617 District Clerk Fund	618 Sheriff's Department Fund	620 Compliance & Collections Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
412,497	9,504,643	277,791	547,445	-	-	435,953	222,235
<u>412,497</u>	<u>9,504,643</u>	<u>277,791</u>	<u>547,445</u>	<u>-</u>	<u>-</u>	<u>435,953</u>	<u>222,235</u>
262,814	9,521,826	190,327	543,307	-	-	398,425	197,533
<u>262,814</u>	<u>9,521,826</u>	<u>190,327</u>	<u>543,307</u>	<u>-</u>	<u>-</u>	<u>398,425</u>	<u>197,533</u>
149,683	(17,183)	87,464	4,138	-	-	37,528	24,702
-	-	-	-	-	-	-	-
<u>198,251</u>	<u>281,141</u>	<u>259,537</u>	<u>39,965</u>	<u>-</u>	<u>-</u>	<u>647,294</u>	<u>2,957</u>
<u>\$ 347,934</u>	<u>\$ 263,958</u>	<u>\$ 347,001</u>	<u>\$ 44,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 684,822</u>	<u>\$ 27,659</u>

STARR COUNTY, TEXAS
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS AND FUND BALANCE
 YEAR ENDED AUGUST 31, 1997

	621 Retirement System Fund	627 Jury Fund	629 Health Inspection Fund	630 Consolidated Court. Costs Fund	635 TNRCC Inspection Fee Fund
ADDITIONS:					
State Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Revenue	2,111,471	4,829	-	-	1,285
Total Additions	<u>2,111,471</u>	<u>4,829</u>	<u>-</u>	<u>-</u>	<u>1,285</u>
DEDUCTIONS:					
Other Operating Costs	2,115,269	4,829	-	-	735
Total Deductions	<u>2,115,269</u>	<u>4,829</u>	<u>-</u>	<u>-</u>	<u>735</u>
Change in Net Position	(3,798)	-	-	-	550
Total Net Position - October 1 (Beginning)	-	-	-	-	-
Prior Period Adjustment	639	4,170	-	-	4,728
Total Net Position - September 30 (Ending)	<u>\$ (3,159)</u>	<u>\$ 4,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,278</u>

636 Fourth Court of Appeals Civil Suits	645 Border Area Narc Task Force Fund	649 Tertiary Care Trauma Fund	651 Planning Department Fund	652 Scholarship Fund	Total Custodial Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,500
81	65	-	-	19,021	15,085,857
<u>81</u>	<u>65</u>	<u>-</u>	<u>-</u>	<u>19,021</u>	<u>15,108,357</u>
81	-	-	-	5,600	14,654,798
<u>81</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,600</u>	<u>14,654,798</u>
-	65	-	-	13,421	453,559
-	-	-	-	-	-
<u>81</u>	<u>86,696</u>	<u>-</u>	<u>39,965</u>	<u>10,559</u>	<u>2,852,412</u>
<u>\$ 81</u>	<u>\$ 86,761</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,980</u>	<u>\$ 3,305,971</u>

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FEDERAL AND STATE AWARDS PROGRAMS

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Raul Hernandez & Company, P.C.

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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, 2021, 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 February 23, 2023.

Report on 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2021-001 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2021-002 and 2021-003 to be significant deficiencies.

Report on 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 2021-003.

Starr County, Texas's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Raal Hernandez & Company, P.C.

Corpus Christi, Texas

February 23, 2023

Raul Hernandez & Company, P.C.
Certified Public Accountants
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**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, 2021. 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, 2021.

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 2021-003, 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
February 23, 2023

**STARR COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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? Yes

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	95.001		High Intensity Drug Trafficking Areas Program
Federal	97.067		Homeland Security Grants
State	N/A	212-21-214	Formula Grant FY 2021
State	N/A	SG-21-620	Starr County Regional Public Defender FY 2021
State	N/A	2536109	Region 3 – Border Prosecution Unit 2020
State	N/A	2536110	Region 3 – Border Prosecution Unit 2022
State	N/A	2994704 & 2994705	Local Border Security Program – 2020 (Sheriff)
State	N/A	367003	Local Border Security Program – Border Interdiction Unit 2021
State	N/A	3673004	Local Border Security Program – Border Interdiction Unit 2022
State	N/A	2994706	Local Border Security Program – 2021 (Sheriff)
State	N/A	2993106	Local Border Security Program – 2021 (DA)

**STARR COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

B. Financial Statement Findings

Finding 2021-001 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 a few audit adjustments and reclassifications to current period balances. Preparation of the year-end adjusting journal entries, schedules and reconciliation of a few significant areas were not complete. This resulted in additional time and effort on our part during the course of the audit. The following items were noted:

- The general ledger required an adjustment of \$243,775 to correctly reflect Unavailable Revenue for Property Taxes.
- Starr County International Bridge general ledger was not updated to reflect prior year compensated absences payable, accrued payroll and GASB 68 audit adjustment entries totaling \$191,571. The omission of this item itself is considered significant and material.

Effect: The County had a few ledgers there were not reconciled at year-end.

Cause: During the course of the audit, there were a few 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, 2021**

B. Financial Statement Findings (continued)

Finding 2021-002 Controls Over Compliance with Governmental Auditing Standards

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.

Condition: The county did not accurately report the activities of the Custodial Funds which required an extensive analysis on our part to ascertain accurate balance.

Effect: The County's Custodial Fund balance were not accurately presented in accordance with GASB 84.

Cause: During the course of the audit, a majority of the Custodial Funds 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, 2021

B. Financial Statement Findings (continued)

Finding 2021-003 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, 2021 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, 2021**

C. Federal Award Findings and Questioned Costs

Finding 2021-003 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, 2021 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, 2021**

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.

Status: Corrected.

STARR COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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.

Status: See current year finding 2021-002.

**STARR COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

FEDERAL AND STATE LEVEL FINDINGS

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.

Status: See current year finding 2021-002.

Major Programs: 21.019 Coronavirus Relief Fund; 97.067 Homeland Security Grants; Formula Grant FY 2020; Starr County Regional Public Defender FY 2020; Region 3 – Border Prosecution Unit 2020; Local Border Security Program – 2020 (Sheriff); Local Border Security Program; Local Border Security Program – Border Interdiction Unit; and Local Border Security Program – 2020 (DA).



STARR COUNTY, TEXAS
OFFICE OF THE COUNTY AUDITOR

LETICIA P. ALANIZ, COUNTY AUDITOR

Starr County

Corrective Action Plan

For the Year Ended September 30, 2021

B. Financial Statement Findings

Finding 2021-001: Controls Over Compliance with Year-End Closing

The Starr County Auditor's Office will follow a year-end closing checklist for all county funds upon finalizing year-end adjustments to ensure proper controls over financial reporting and compliance are in place.

Person Responsible for Implementation:

Leticia P. Alaniz
Starr County Auditor

Estimated Date of Completion:

July 31, 2023

Finding 2021-002: Controls Over Compliance with Governmental Auditing Standards

The Starr County Auditor's Office will implement GASB 84 requirements on the County's Custodial Funds to establish the proper criteria for identifying and reporting the necessary fiduciary activity.

Person Responsible for Implementation:

Leticia P. Alaniz
Starr County Auditor

Estimated Date of Completion:

July 31, 2023

Finding 2021-003: Controls Over Compliance with Federal and State Reporting Requirements

The Starr County Auditor's Office will strive to submit the annual audit report within the prescribed period. Additional personnel have been contracted to assist in annual audit operations and provide a stronger focus on the different audit functions for the County.

Person Responsible for Implementation:

Leticia P. Alaniz
Starr County Auditor

Estimated Date of Completion:

July 31, 2023

C. Federal Award Findings and Question Cost

Finding 2021-003: Control Over Compliance with Federal and State Reporting Requirements

The Starr County Auditor's Office will strive to submit the annual audit report within the prescribed period. Additional personnel have been contracted to assist in annual audit operations and provide a stronger focus on the different audit functions for the County.

Person Responsible for Implementation:

Leticia P. Alaniz
Starr County Auditor

Estimated Date of Completion:

July 31, 2023

STARR COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

FEDERAL GRANTOR/ GRANTOR/	PASS-THROUGH PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE				
<u>Passed through the Office of the Governor - Criminal Justice Division</u>				
	Coronavirus Emergency Supplemental Funding Program	16.034	4139201	6,850
	Edward Byrne Memorial Justice Assistance Grant Program - Violent Crimes Unit	16.738	2281912	26,239
	Edward Byrne Memorial Justice Assistance Grant Program - County Attorney Investigator	16.738	4019801	25,548
	<i>Total Passed through the Office of the Governor - Criminal Justice Division</i>			<u>58,631</u>
<u>Passed through the Office of the Governor - Criminal Justice Division</u>				
	Victims of Domestic Violence Assistance Program	16.575	2877504	127,328
	Crime Victims Assistance Program	16.575	1903412	141,472
	<i>Total Passed through the Office of the Governor - Criminal Justice Division</i>			<u>268,800</u>
<u>Other U.S. Department of Justice</u>				
	Equitable Sharing Program - US Marshal Service (SO)	16.922	M-D-21-D79-O-000103	2,362
	<i>Total Other U.S. Department of Justice</i>			<u>2,362</u>
	TOTAL U.S. DEPARTMENT OF JUSTICE			<u>329,792</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
<u>Passed through the Office of the Governor-Homeland Security Grants Division</u>				
	Homeland Security Grant - OPSG 2019 (Sheriff)	97.067	3193405	197,399
	Homeland Security Grant - OPSG 2020 (Sheriff)	97.067	3193406	619,801
	Homeland Security Grant - OPSG 2019 (DA)	97.067	3685803	37,294
	Homeland Security Grant - OPSG 2020 (DA)	97.067	3685804	13,889
	<i>Total Passed through the Office of the Governor-Homeland Security Grants Division</i>			<u>868,384</u>
	TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>868,384</u>
EXECUTIVE OFFICE OF THE PRESIDENT				
<u>Passed through the Office of National Drug Control Policy</u>				
	HIDTA Task Force Grant - 2020	95.001	G20SS0004A	102,685
	HIDTA Task Force Grant - 2021	95.001	G21SS0004A	294,710
	<i>Total Passed through the Office of National Drug Control Policy</i>			<u>397,395</u>
	TOTAL EXECUTIVE OFFICE OF THE PRESIDENT			<u>397,395</u>
U.S. DEPARTMENT OF TRANSPORTATION				
<u>Pass through the Texas Department of Transportation</u>				
	Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51016052919	147,506
	<i>Total Passed through the Texas Department of Transportation</i>			<u>147,506</u>
	TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>147,506</u>
U.S. DEPARTMENT OF TREASURY				
<u>Passed through the Texas Division of Emergency Management</u>				
	Coronavirus Relief Fund	21.019	2020-CF-21019	698,636
	<i>Total Passed through the Texas Division of Emergency Management</i>			<u>698,636</u>
<u>Direct Program</u>				
	American Rescue Plan Act 2021	21.027	SLT-7752	403,785
	TOTAL U.S. DEPARTMENT OF TREASURY			<u>1,102,421</u>
U.S. ELECTIONS ASSISTANCE COMMISSION				
<u>Passed through the Texas Secretary of State</u>				
	Help America Vote Act (HAVA) Cares Act - 2020	90.404	TX20101CARES-214	5,875
	<i>Total Passed through the Texas Secretary of State</i>			<u>5,875</u>
	TOTAL U.S. ELECTIONS ASSISTANCE COMMISSION			<u>5,875</u>

STARR COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

FEDERAL GRANTOR/ GRANTOR/	PASS-THROUGH PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed through the Texas Department of Agriculture</i>				
	Texas Community Development Block Grant	14.228	7219429	16,440
	Emergency Services-Help for Colonias Program	14.228	7219153	261,417
	<i>Total Passed through the Texas Department of Agriculture</i>			<u>277,857</u>
	TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>277,857</u>
U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed through the Texas Health and Human Services Commission (THHSC)</i>				
<i>Department of Family & Protective Service</i>				
	Foster Care - Title IV-E	93.658	HHS000285100036	30,452
	<i>Total Passed through the Texas Health and Human Services Commission (THHSC)</i>			<u>30,452</u>
	<i>Department of Family & Protective Service</i>			<u>30,452</u>
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>30,452</u>
	TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,159,682</u>

STARR COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

STATE GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	State Expenditures
TEXAS DEPARTMENT OF AGRICULTURE			
<u>Direct Program</u>			
Texans Feeding Texans; Home Delivered Meals 2021	N/A	HDM-21-6108	\$ 33,856
TOTAL TEXAS DEPARTMENT OF AGRICULTURE			33,856
TEXAS INDIGENT DEFENSE COMMISSION			
<u>Direct Program</u>			
Formula Grant FY 2021	N/A	212-21-214	45,435
Starr County Regional Public Defender FY 2021	N/A	SG-21-620	645,249
TOTAL TEXAS INDIGENT DEFENSE COMMISSION			690,684
TEXAS OFFICE OF THE GOVERNOR			
<u>Passed through Office of the Governor - Criminal Justice Division</u>			
Testing of Forensic Evidence	N/A	3942302	2,250
Juvenile Intervention Services Program - 2020	N/A	3870302	35,653
Juvenile Intervention Services Program - 2021	N/A	3870303	1,923
School Resource Officer - 2020	N/A	4019901	49,123
School Resource Officer - 2021	N/A	4019902	1,057
Total Passed through Office of the Governor - Criminal Justice Division			90,005
<u>Passed through Office of the Governor - Homeland Security Grant Division</u>			
Region 3- Border Prosecution Unit 2020	N/A	2536109	523,626
Region 3- Border Prosecution Unit 2022	N/A	2536110	14,488
Local Border Security Program - Border Interdiction Unit 2021	N/A	3673003	45,798
Local Border Security Program - Border Interdiction Unit 2022	N/A	3673004	2,398
Total Passed through Office of the Governor - Homeland Security Grant Division			586,310
<u>Passed through Office of the Attorney General-Grants Division</u>			
Victim Corrdinator & Lialson Grant - 2021	N/A	2107076	28,168
Total Passed through Office of the Attorney General - Grants Division			28,168
TOTAL TEXAS OFFICE OF THE GOVERNOR			704,484
TEXAS COMMISSION ON STATE EMERGENCY COMMUNICATION			
<u>Passed through City of Laredo</u>			
9-1-1 Addressing-Regional Administration	N/A	FY 2021	38,392
Total Passed through City of Laredo			38,392
TOTAL TEXAS COMMISSION ON STATE EMERGENCY COMMUNICATION			38,392
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS, JUDICIARY SECTION			
<u>Passed through the Services Division</u>			
Law Enforcement Officers Standards and Education (LEOSE)	N/A	N/A	7,489
Total Passed through the Services Division			7,489
<u>Passed through the Judiciary Section</u>			
District Attorney's Office Apportionment FY 2021	N/A	N/A	22,500
Total Passed through the Judiciary Section			22,500
TOTAL TEXAS COMPTROLLER OF PUBLIC ACCOUNTS, JUDICIARY SECTION			29,989
TEXAS DEPARTMENT OF PUBLIC SAFETY			
<u>Pass through Texas Homeland Security State Administrative Agency</u>			
Local Border Security Program - 2021 (Sheriff)	N/A	2994706	200,000
Local Border Security Program - 2021 (DA)	N/A	2993106	50,000
TOTAL TEXAS DEPARTMENT OF PUBLIC SAFETY			250,000

STARR COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

<i>STATE GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>State Expenditures</i>
TEXAS A&M FOREST SERVICE			
<i>Direct Program</i>			
Rural Volunteer Fire Department Assistance Program	N/A	102783	\$ 14,837
TOTAL TEXAS A&M FOREST SERVICE			<u>14,837</u>
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY			
<i>Pass through South Texas Development Council</i>			
Regional Solid Waste Grant	N/A	21-19-05	\$ 25,447
TOTAL TEXAS TEXAS COMMISSION ON ENVIRONMENTAL QUALITY			<u>25,447</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 1,787,688</u>

STARR COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF NONFEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Grant Expenditures
AREA AGENCY ON AGING			
<i>Passed through South Texas Development Council</i>			
Nutrition Program	N/A	N/A	\$ 454,769
<i>Total Passed through South Texas Development Council</i>			<u>454,769</u>
TOTAL AREA AGENCY ON AGING			<u>454,769</u>
UNITED STATES FISH AND WILDLIFE SERVICE			
<i>Passed through United States Fish and Wildlife Service</i>			
U.S. Fish and Wildlife	N/A	N/A	44,363
<i>Total Passed through United States Fish and Wildlife Service</i>			<u>44,363</u>
TOTAL UNITED STATES FISH AND WILDLIFE SERVICE			<u>44,363</u>
UNITED WAY OF SOUTH TEXAS			
<i>Passed through United Way of South Texas Servicing Hidalgo & Starr County</i>			
United Way of South Texas-COVID19 Emergency	N/A	N/A	1,750
United Way of South Texas-Community Impact	N/A	N/A	4,250
United Way of South Texas	N/A	N/A	32,110
<i>Total Passed through United Way of South Texas Servicing Hidalgo & Starr County</i>			<u>38,110</u>
TOTAL UNITED WAY OF SOUTH TEXAS			<u>38,110</u>
NORTH AMERICAN DEVELOPMENT BANK			
<i>Passed through Solid Waste Environmental Program</i>			
Solid Waste Environmental Program	N/A	TX0360	60,000
<i>Total Passed through Solid Waste Environmental Program</i>			<u>60,000</u>
TOTAL NORTH AMERICAN DEVELOPMENT BANK			<u>60,000</u>
TOTAL EXPENDITURES OF NONFEDERAL AWARDS			<u>\$ 597,242</u>
TOTAL EXPENDITURES OF FEDERAL, STATE AND NONFEDERAL AWARDS			<u>\$ 5,544,613</u>

STARR COUNTY, TEXAS
NOTES TO THE SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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, 2021, the County did not elect to use this rate.

Sub-recipients:

During the year ended September 30, 2021, the County had no sub-recipients.

Federal Loans and Loan Guarantees:

During the year ended September 30, 2021, the County had no outstanding federal loans payable or loan guarantees.

Federally Funded Insurance:

During the year ended September 30, 2021, the County had no federally funded insurance.

Noncash awards:

During the year ended September 30, 2021, 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	\$ 3,159,682
Exhibit C-3	<u>\$ 3,159,682</u>
Total State Awards Expended	\$ 1,787,688
Exhibit C-3	1,765,188
District Attorney's Office Apportionment FY 2021	22,500
	<u>\$ 1,787,688</u>