

**CAMERON COUNTY, TEXAS  
PARK SYSTEM**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**



**Cameron County Auditor  
1100 E. Monroe St.  
Brownsville, Texas 78520**

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
SEPTEMBER 30, 2023**

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## **INTRODUCTORY SECTION**



CAMERON COUNTY ★  
*Parks and Recreation*

33248 State Park Road 100  
SOUTH PADRE ISLAND, TEXAS 78597

April 9, 2024

Hon. County Judge, Eddie Treviño, Jr.  
Hon. Commissioner Pct. 1, Sofia C. Benavides  
Hon. Commissioner Pct. 2, Joey Lopez  
Hon. Commissioner Pct. 3, David A. Garza  
Hon. Commissioner Pct. 4, Gus Ruiz  
Cameron County Courthouse  
Brownsville, Texas

Honorable County Judge and Commissioners:

The Cameron County Park and Recreation Department's mission is to provide safe, quality outdoor recreation opportunities to the citizens and visitors of Cameron County at an affordable price. The Cameron County Park and Recreation Department also seeks to develop and protect Cameron County Coastal resources and natural habitats.

Isla Blanca and Andy Bowie Park provide beach access for day-use, as well as overnight camping, restroom and shower facilities, picnic pavilions, public parking, and food and beach rental concession areas. Other amenities such as fishing, surfing, bird watching and strolling along the edge of the shoreline are some of the nature activities enjoyed at these parks. Isla Blanca Park located on the south end of South Padre Island also provides retail stores, restaurants, beach equipment rentals, a full service marina, access to a water park and a boat launching facility. The Park accommodates full-service recreational transient vehicle rental sites, and eight cabanas. The cabanas are equipped with bunk beds, restrooms, showers and small kitchenettes. Andy Bowie Park also known as County Beach Access No. 2 is located just north of the City of South Padre Island city limits. This park also offers a flagship Hotel on the beach of the Gulf of Mexico.

Edwin K. Atwood County Parks also known as County Beach Access No. 5 is located north of the South Padre Island city limits. This beautiful coastal park provides five pavilions, dune walkovers, rinse stations, restrooms and showers, an environmental friendly permeable pavement parking lot, food truck parking, two toll booth stations and other associated site improvements. This access area also provides vehicular access to the beach.

Cameron County also maintains and operates the following three public beach access areas on South Padre Island:

County Beach Access No. 3 is located north of Andy Bowie Park Beach Access 2. This is not a vehicular accessible point, but allows public accessibility to the beach. This access area provides public parking spaces, a dune walkover that allows you to access the beach and provides seasonal lifeguards/beach patrol.

County Beach Access No. 4 is located north of Andy Bowie Park. This is not a vehicular accessible point, but allows public accessibility to the beach. This access area provides public gulf side parking spaces and parking spaces on the west side of Park Road 100. This area provides a dune walkover that allows you to access the beach and provides seasonal lifeguards/beach patrol.

County Beach No. 6 is located north of Andy Bowie Park. This area allows for vehicular traffic to access the beach. Many visitors use this area for day camping, surf fishing and nature activities.

Adolph Thoma, Jr. County Park is located on the mainland and situated within the U.S. Fish & Wildlife Service-Laguna Atascosa Wildlife Refuge. The park is adjacent to the bank of the Arroyo Colorado and offers a number of outdoor recreational opportunities such as; lighted fishing piers, picnic areas, playground, educational pavilion, a boat ramp with fish cleaning stations and courtesy docks, nature trail, wildlife observation tower, tent camping area, and 35 full-hookup RV sites. This area provides boat ramps for boaters to launch and load their boats, courtesy docks, fish cleaning stations, shoreline restoration and additional truck/trailer parking spaces to alleviate some of the overcrowding experienced on busy weekends. The parking lot is constructed using a pervious paving system that is environmentally friendly. On February of 2023, Cameron County completed the development of the educational pavilion. The Educational Pavilion is approximately 40' x 48' in size and will accommodate large groups and allow gatherings to take place such as native presentations, school picnics and field trips, family outings/reunions, the Arroyo trash clean-ups and children fishing camp events. Interpretive signage and a kiosk with educational resources about the County's coast and wildlife will be available, along with picnic tables and trash receptacles. This pavilion will be illuminated with environmentally friendly lighting for sunset activities and as an additional security measure for all visitors.

The Cameron County Parks and Recreation Department also maintains and operates recreational and community park facilities that are nestled throughout the County within small underserved communities. The park facilities consist of the following:

La Esperanza Community Park is located in the colonia of Cameron Park. The amenities at the park include a all-inclusive playground, walking trail, picnic pavilion, lighted soccer field, basketball court pavilion and an outdoor basketball court. On May 2021, Texas Parks & Wildlife Department awarded a \$643,097 Outdoor Recreation grant to Cameron County and on December of 2022, Texas Parks & Wildlife Department awarded a State Rider in the amount of \$1,000,000. These two grants will allow for Cameron County to develop the first completely inclusive park in the region. The proposed inclusive improvements will include an aquatic recreational area and other inclusive improvements. The aquatic area will include a splash pad, water table, water playground amenities, and ADA changing rooms/restrooms (with adult diaper changing). Other improvements will include: community building upgrades, ADA trail improvements, access walkways to all amenities, ADA fitness equipment, ADA Soccer Field, habitat improvements with interpretive signage, bench areas with wheelchair sites, accessible picnic stations, fencing for autistic visitors, and additional ADA Low Impact Development parking. Construction on this project is expected to commence in late spring of 2023 and should be completed by fall of 2024.

Santa Rosa Community Park is located in the City of Santa Rosa, Texas. The Park is located in the City of Santa Rosa and is operated and maintained by the Cameron County Parks & Recreation. Amenities at the park include two lighted baseball fields, playground facility, concession stand and a Boys & Girls Club unit operated and maintained by the City of Santa Rosa. Cameron County completed improvements to this park which included construction of a splash pad, covered basketball pavilion, picnic pavilion, walking trail, concession areas native landscaping and other amenities. Funding for these improvements came from a Texas Parks & Wildlife Grant \$750,000, ARPA Funds \$2 million and Cameron County Match \$750,000. Construction on this project commenced in early spring of 2022 and completed in early spring of 2023. In addition, Cameron County started Phase II of the Improvements to this park in September 2023. The improvements include Baseball/Athletic Field Renovations, Landscaping & Irrigation, Bleachers/Benches, Fencing, and new playground. Phase II of this project is scheduled to be completed in the late Spring of 2024.

Esparza-Domanski Community Park is located in the colonia of El Ranchito on the intersection of FM 1577 and US Highway 281. The amenities at the park include a basketball court, playground, picnic pavilion and a swimming pool. Cameron County Park System

El Ranchito Recreational Park is located in the community of El Ranchito on 24103 US Hwy 28, the amenities at the park include a baseball field, one soccer field, a basketball court, and age appropriate playgrounds, walking trails, picnic shelters and a concession/restroom facility.

Bejarano-McFarland Memorial Park is located in the colonia of Laguna Heights, within the city limits of Port Isabel. The park is approximately 2.0 acres in size and borders the Laguna Madre bay. The amenities offered at the park consist of a Bird Watch Overlook with interpretative signs that extend 110 feet into the Laguna Madre, outdoor basketball court, playground, multi-purpose trail, a large picnic pavilion with BBQ pits and a butterfly garden. In August of 2022, Texas Parks & Wildlife Department approved funding of \$750,000 for improvements to this park. The proposed improvements include new pavilion, covered basketball court, splash pad, trail improvements with solar lighting, playground improvements, birdwatch overlook improvements, kayak launching area, native landscaping, restroom renovations and other associated improvements. On October 2022, Cameron County extended the boundaries of the park by purchasing the adjacent property located on the east.

La Paloma Recreational Park is located south of San Benito, Texas, in the rural community of La Paloma. The park offers a number of recreational opportunities for the public to enjoy. Amenities include a walking trail, picnic pavilion, lighted soccer field, lighted baseball field, playground, basketball court, restrooms, concession stand and a splash pad.

Laureles Recreational Park is located just north of Los Fresnos, Texas, in the rural community of Laureles. The Park was completed in 2010 and serves as a major recreational attraction for many of the surrounding communities. Organized little league games for baseball and soccer are commonly played during the respective seasons. The park offers three baseball fields; two of which are lighted, restrooms, a concession stand, two soccer fields, a walking trail, splash pad, playground, picnic pavilion and a butterfly garden.

Pedro Benavides Recreational Park is located at the corner of Browne Road and California, in the southmost area of Brownsville, Texas. The Park is constructed on 64 acres of land adjacent to Resaca de la Guerra. Amenities at the park include; a lighted adult softball field, lighted little league baseball field, two lighted full sized soccer fields, covered basketball court, lighted basketball court, lighted volleyball court, playground and splash pad area, four small picnic pavilions, one large picnic pavilion, BBQ areas, a one mile Resaca frontage nature trail with two nature observation stations, mountain bike trail, and approximately 1 mile walking trail with 5 integrated workout stations. The multi-purpose walking trail receives a substantial amount of traffic on a daily basis. The trail is completely ADA accessible and is extremely user friendly. The addition of the covered basketball court was completed on November of 2022. In addition, Cameron County recently completed in late June of 2023 the development of the mountain bike trail and exercise court. The mountain bike trail is approximately 2.5 miles in total length and features three areas of graduated skill level with an advanced, intermediate and beginner trail. Each trail-head is marked with an informational kiosk letting riders know where they are and what they can expect ahead. Wayfinding and trail exit signs have also been strategically placed along the trail to help riders navigate their way safely through the trail system. The exercise court features eleven workout stations designed for strength and cardio training. Exercise enthusiasts will find a wide variety of workout options with an elliptical machine, hand cycler, balance steps, tai chi wheels, squat press, cardio stepper, chest/back press, pull-up/dip bars, ab crunch/leg lift machine, a mobility ramp with stairs and assisted row/push-up bars, all designed for ages 13 and older. The entire perimeter of the court lies underneath a shade structure and is founded on a poured in-place rubberized surface that is handicap accessible and offers added safety features for accidental falls. The construction of this project was approximately \$513,420 and was completed on June 2023. This project was funded through ARPA and TPWD funds.

Jaime J. Zapata Memorial Boat Ramp is located adjacent to the Brownsville Ship Channel, on Highway 48 between Port Isabel and the Port of Brownsville, the Jaime J. Zapata Memorial Boat Ramp offers more than just a public boat launching facility. Other amenities include; a lighted fishing pier, two picnic pavilions and a kayak launch ramp. This unique site offers fisherman, boaters, bird watchers, nature enthusiast and kayaker's quick access to San Martin Lake and the Brownsville Ship Channel.

The Parks Department also maintains and operates two social service centers. The Bob Clark Social Service Center and El Centro Cultural.

The Bob Clark Social Service Center is located in the hub of 21 colonias, at the corner of Browne Road and California Road, and serves the surrounding community of the southmost area. The Center houses a Head Start Program and a WIC Clinic. It also offers a wide variety of social services and educational programs to the community such as the GED, ESL, home economics, Zumba, sewing, family counseling, assistance with CHIP, Medicaid, Medicare, and employment placement assistance. Cameron County entered into a partnership with University of Texas Health-Rio Grande Valley on developing an Area Health Care Center at the Bob Clark Social Service Center which included examination rooms, triage rooms, conference room and lab.

El Centro Cultural is located in the colonia of Cameron Park. The Center is equipped with a technology center and offers a variety of social service and educational programs such as a GED, ESL, home economics, Zumba, baking classes, family counseling, assistance with Chip, Medicaid, Medicare, and employment placement assistance.

## **OTHER EVENTS**

**Cameron County Parks Administration Office:** The Cameron County Commissioners Court approved entering into an Interlocal Agreement with the Cameron County Regional Mobility Authority for the development of the Cameron County Parks Administration Office at Isla Blanca Park. The Parks Department broke ground on this project in Spring of 2022. Funding for this project included the 2022 Bond Proceeds \$1,189,938, 2021 Bond Proceeds \$1,800,000, 2019 Bond Proceeds \$834,000 and 2016 Bond Proceeds \$666,000. The development of the Parks Administration Office was completed on March 2023.

**Cameron County Parks Toll Collection System:** The Cameron County Commissioners Court approved entering into an Interlocal Agreement with the Cameron County Regional Mobility Authority for the development of the Cameron County Parks Toll Collection System. CCRMA will provide the design, engineering, installation and construction management services for an interoperable tolling system at Isla Blanca Park, Andy Bowie Park, E.K. Atwood Park, Adolph Thomae, Jr. County Park and Beach Access Number.3, Number.5. This project is ongoing. The total construction cost is estimated at approximately \$1,731,662.21.

**Isla Blanca Park Toll Booth Improvements:** On November of 2022, Cameron County started the construction improvements to the entry lanes at Isla Blanca Park. Improvements included the construction of two new toll booths, an automated re-entry lane and implementation of a new and more modernized toll collection system. These improvements are part of the continued effort to create a more enjoyable experience for guests visiting our coastal parks. Funding for these improvements were made possible through certificate of obligation funds (Cos). The total toll booths construction cost was approximately \$386,000 and was completed on November 2022.

**Olmito Park:** The Olmito Nature Park Project is aimed to allow Cameron County to develop a nature park adjacent to Lake Olmito Resaca. The proposed park will be situated on a 39-acre tract of land with approximately 3,240 feet of waterfront. The property was donated to Cameron County by Mr. Frank Michael McKinney and Mrs. Jane E. McKinney. The proposed improvements include nature trails, fishing piers, birdwatch overlooks, wildlife viewing areas, kayak launching area, educational pavilions, nature scape playground, interpretive signage, wildlife friendly lighting, green open space, Indoor Recreational/Educational facility, comfort stations, butterfly gardens, native landscaping and other supporting amenities.



Cameron County Park System  
April 9, 2024

The Olmito Park will include further developing of Recreational Vehicles (RV's) sites to allow visitors to stay in the park and enhance their experience. The park will provide concession areas for kayak, paddleboats, and canoe rentals. Revenues generated from the RV sites and concessions areas will apply to offset the maintenance and operation of the park. The construction of the parking areas will be low impact development (LID) constructed with permeable material that will allow water run off to infiltrate through the system. The total project cost to complete this project is approximately \$9,180,000. The total funding committed for this project is approximately \$5,402,500. The committed funding includes the following: 2011 Bond Proceeds of \$500,000, 2022 Bond Proceeds of \$1,000,000, TPWD Outdoor Grant of \$750,000, TPWD Boating Access Grant of \$52,500, TPWD Trail Grant Program of \$200,000, Valley Baptist Legacy Foundation of \$500,000, and ARPA Funds of \$2,400,000. Construction on this project commence fall of 2023.

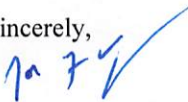
Adolph Thomae, Jr. Park Living Shoreline Restoration Project Phase 3& 4: This project began in the spring of 2022 and was completed in the spring of 2023. This project consists of stabilizing approximately 1,640 LF. of eroding shoreline which included approximately 620 LF. of articulated concrete block mattresses and concrete block wall system (gravity wall), 460 LF. of living shoreline consisting of a rip rap breakwater and a vegetated slope stabilization (Habitat Bench), and an approximate 560 LF. gravity wall shoreline to protect the existing R.V. and campsite facilities. The total project cost, both engineering and construction, for the Shoreline Restoration improvements was approximately \$1,939,746.82 and is being funded through the Texas General Land Office Coastal Erosion Planning and Response Act Program (CEPRA) matched with County funds (CEPRA 60%: \$1,190,550, County 40%: \$749,197).

Isla Blanca Nourishment with Beneficial Use of Dredge Material Project: On March 8, 2023, Cameron County executed a Project Cooperation Agreement with the Texas General Land Office CEPRA Grant Program for the placement of Beneficial Use of Dredge Material to nourished the beach at Isla Blanca Park. This project was also in partnership with the U.S. Army Corps of Engineers. The Isla Blanca Park Beach Nourishment Project started in early July of 2023 and was completed in late July of 2023. Isla Blanca received approximately 62,615 cy of beach quality material. The total project cost for the project was \$1,935,000 (CEPRA \$600,000, US Army Corps of Engineers \$1,135,00 and Cameron County \$200,000).

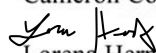
The North Cameron County Beach Nourishment Phase I: This Project is being funded through the CEPRA Cycle 11 Grant Program for engineering and permitting to amend the existing permit to nourish an additional 12 miles of beach north of the currently authorized placement limits. Phase I will include data collection, regulatory coordination and permitting, cost estimates, bathymetric surveys, coastal boundary survey, geotechnical investigation, cultural resource identification, and environmental permitting. This project is ongoing. (CEPRA 60%: \$131,250, County 40%: \$43,750).

The Children's Beach Shoreline Restoration Project Phase I: This project is to protect a section of the children beach shoreline located on the west side of Isla Blanca Park owned by Cameron County and the Brownsville Navigation District. CEPRA Cycle II funds will assist Phase I of the restoration project which includes engineering services for a future construction project to stabilize the shoreline. Engineering services will consist of collecting topographic, hydrographic and geotechnical data, performing an alternative analysis, submitting an application to the US Army Corps of Engineers, and preliminary engineering design of the preferred alternative. This project is ongoing. (CEPRA 60%: \$135,000, County 20%: \$45,000, Brownsville Navigation District 20% \$45,000).

Sincerely,



Joe Vega, Director  
Cameron County Parks and Recreation Department



Lorena Hernandez, CPA  
Cameron County Auditor



## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

The Honorable County Judge  
and Commissioners' Court Cameron County, Texas

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities of the Cameron County, Texas Park System, and enterprise fund of Cameron County, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Cameron County, Texas Park System, as of September 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Emphasis of Matter*

As discussed in Note 1, the financial statements present only the Cameron County, Texas Park System and do not purport to, and do not present fairly the financial position of Cameron County, Texas, as of September 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Other Matters***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages ix - xii be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Cameron County, Texas Park System's basic financial statements. The Letter of Transmittal and Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Letter of Transmittal and Supplementary Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2024, on our consideration of the Cameron County, Texas Park System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cameron County, Texas Park System'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 Cameron County, Texas Park System's internal control over financial reporting and compliance.

*Burton, McCumber, & Longoria LLP.*

Brownsville, Texas  
April 9, 2024

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

This discussion and analysis of the Cameron County Park System (“Park System”) financial performance provides an overview of the Park System financial activities for the fiscal year ended September 30, 2023. The Management’s Discussion and Analysis (MD&A) is designed to focus on the current year’s activities and resulting changes. The MD&A should be considered in conjunction with the letter of transmittal, the accompanying basic financial statements and the related notes to those financial statements.

**FINANCIAL HIGHLIGHTS**

The Park System total assets and deferred outflows exceeded total liabilities and deferred inflows at the close of the FY 2023 and FY 2022 by \$33,066,032 and \$27,795,108 respectively. Of this amount, \$6,339,273 is restricted for specific purposes; the largest restriction is 42%, or \$2,689,900, which is for beach maintenance/construction. As required by GASB 34, net position also reflects \$14,132,234 that is net investment in capital assets. With the presentation of the investment in capital assets, unrestricted net position is \$12,594,525.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Park System basic financial statements are comprised of: 1) Statement of Net Position, 2) Statement of Revenues, Expenditures, and Changes in Net Position, 3) Statement of Cash Flows, and 4) Notes to the Financial Statements. The report also contains other supplementary information in addition to the basic financial statements.

The basic financial statements are designed to provide readers with a broad overview of the Park System finances in a manner similar to a private sector business. They present the financial picture of the Park System from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the Park System (including capital assets) as well as all liabilities (including long-term debt).

The statement of net position presents information on all Park System assets, liabilities, deferred outflows, and deferred inflows with the difference reported as net position. Increases or decreases in net position should serve as a useful indicator of whether the financial position of the Park System is improving or deteriorating.

The statement of revenues, expenditures and changes in net position presents information showing how net position changed during the most recent fiscal year using full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The statement of cash flows presents information on all Park System sources of cash and cash equivalents and the uses of cash and cash equivalents. Specific information about operating cash flows, investing cash flows, and financing cash flows are presented along with information about material non-cash events.

The notes to the basic financial statements present additional information that is essential to a full understanding of the data provided in the basic financial statements.

## PARK SYSTEM FINANCIAL ANALYSIS

Net position serves as a useful indicator of the Park System financial position. As of September 30, 2023, the Park System assets and deferred outflows exceeded liabilities and deferred inflows by \$33,066,032.

The Park System has a net position of \$14,132,234 invested in capital assets (e.g. land, building, improvements, construction in progress, automotive machinery, and other structures) less any outstanding debt and depreciation used to acquire those assets.

A portion of the Park System net position, \$6,339,273, represents resources that are subject to external restrictions on how they may be used. This restricted net position includes net position for debt service, donations, and amounts restricted for construction.

The Park System had \$12,594,525 of unrestricted net position at the end of FY 2023.

The Park System net position for the fiscal years ended September 30, 2023, and 2022, is summarized as follows:

### **CONDENSED STATEMENT OF NET POSITION**

|   | FY<br>2023          | FY<br>2022          | Increase<br>(Decrease) |
|---|---------------------|---------------------|------------------------|
| Current assets                                      | \$26,590,106        | \$21,208,224        | \$5,381,882            |
| Other non-current assets                            | 3,272,492           | 4,804,651           | (1,532,159)            |
| Capital assets, net                                 | <u>37,051,353</u>   | <u>35,842,922</u>   | <u>1,208,431</u>       |
| Total Assets  | 66,913,951          | 61,855,797          | 5,058,154              |
| Deferred outflows of resources                      | <u>1,246,962</u>    | <u>1,357,150</u>    | <u>(110,188)</u>       |
| Total Assets and Deferred Outflows of Resources     | 68,160,913          | 63,212,947          | 4,947,966              |
| Current liabilities                                 | 8,056,922           | 4,443,861           | 3,613,061              |
| Long-term liabilities                               | <u>23,428,143</u>   | <u>24,730,183</u>   | <u>(1,302,040)</u>     |
| Total Liabilities                                   | 31,485,065          | 29,174,044          | 2,311,021              |
| Deferred inflows of resources                       | <u>3,609,816</u>    | <u>6,243,795</u>    | <u>(2,633,979)</u>     |
| Total Liabilities and Deferred Inflows of Resources | 35,094,881          | 35,417,839          | (322,958)              |
| Net Position:                                       |                     |                     |                        |
| Net investment in capital assets                    | 14,132,234          | 11,656,170          | 2,476,064              |
| Restricted  | 6,339,273           | 6,073,579           | 265,694                |
| Unrestricted  | <u>12,594,525</u>   | <u>10,065,359</u>   | <u>2,529,166</u>       |
| Total Net Position                                  | <u>\$33,066,032</u> | <u>\$27,795,108</u> | <u>\$5,270,924</u>     |

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The following table provides a summary of the Park System revenues, expenditures and changes in net position for the fiscal year ended September 30, 2023 and 2022. The Park System experienced an overall increase of \$5,270,924 in net position. The \$533,177 prior year period adjustment resulted from the County's implementation of GASB Statement No.87 – Leases for the fiscal year ended September 30, 2022.

**CONDENSED STATEMENT OF CHANGES IN NET POSITION**

|                                  | FY<br>2023           | FY<br>2022           | Increase<br>(Decrease) |
|----------------------------------|----------------------|----------------------|------------------------|
| Operating revenues               | \$ 12,532,133        | \$ 12,862,979        | \$ (330,846)           |
| Operating expenses               | (10,748,904)         | (8,706,820)          | (2,042,084)            |
| Operating income (loss)          | 1,783,229            | 4,156,159            | (2,372,930)            |
| Non-operating revenue (expenses) | 50,169               | (554,666)            | 604,835                |
| Capital grants and contributions | 2,478,212            | 1,421,512            | 1,056,700              |
| Transfers in (out)               | 959,314              | 41,646               | 917,668                |
| Change in net position           | 5,270,924            | 5,064,651            | 206,273                |
| Net position - beginning of year | 27,795,108           | 22,197,280           | 5,597,828              |
| Prior period adjustments         | -                    | 533,177              | (533,177)              |
| Net position - end of year       | <u>\$ 33,066,032</u> | <u>\$ 27,795,108</u> | <u>\$ 5,270,924</u>    |

**BUDGETARY HIGHLIGHTS**

The budget is prepared in accordance with accounting principles generally accepted in the United States of America, and with financial policies by the County Auditor and approved by the Commissioners' Court following a public hearing. Appropriated budgets are approved and employed as a management control device during the fiscal year. The Park System maintains strict budgetary controls and sets its appropriations at a line item level for each department. Appropriation transfers are allowable between line items or departments only with the approval of the Cameron County Budget Officer.

The FY 2023 budget was adopted on September 6, 2022 with total Park System operating expenditures of \$10,467,677, a 7% increase from Fiscal Year 2022 budgeted operating expenses.

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## CAPITAL ASSETS

The Park System had \$37,051,353 in capital assets (net of accumulated depreciation & amortization). General capital assets include land, buildings, improvements, construction in progress, furniture and fixtures, other structures, right-to-use lease assets, automotive machinery and equipment.

Capital asset activity for the fiscal year ended September 30, 2023:

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u>   | <u>Decreases</u>   | <u>Ending<br/>Balance</u> |
|---|------------------------------|--------------------|--------------------|---------------------------|
| Depreciable Capital Assets:                       |                              |                    |                    |                           |
| Buildings   | \$ 10,869,402                | \$ 668,390         | \$ -               | \$11,537,792              |
| Improvements other than buildings                 | 13,479,781                   | 3,185,537          | -                  | 16,665,318                |
| Equipment   | 1,430,059                    | -                  | -                  | 1,430,059                 |
| Furniture and fixtures                            | 1,020,173                    | -                  | -                  | 1,020,173                 |
| Automotive machinery and equipment                | 3,525,458                    | 1,228,609          | -                  | 4,754,067                 |
| Other structures                                  | 27,336,940                   | 8,825              | -                  | 27,345,765                |
| Less: Accumulated depreciation                    | <u>(26,248,296)</u>          | <u>(2,214,042)</u> | -                  | <u>(28,462,338)</u>       |
| Net Depreciable Capital Assets                    | 31,413,517                   | 2,877,319          | -                  | 34,290,836                |
| Non-Depreciable Capital Assets:                   |                              |                    |                    |                           |
| Construction in progress                          | 2,631,125                    | 2,108,378          | 4,128,369          | 611,134                   |
| Land  | 1,782,132                    | 357,870            | -                  | 2,140,002                 |
| Right-to-use lease assets, net of<br>amortization | <u>16,148</u>                | <u>-</u>           | <u>6,767</u>       | <u>9,381</u>              |
| TOTAL CAPITAL ASSETS, NET                         | <u>\$35,842,922</u>          | <u>\$5,343,567</u> | <u>\$4,135,136</u> | <u>\$37,051,353</u>       |

## DEBT ADMINISTRATION

During the period in which bonds are outstanding, the Park System Bond Order requires the County to create and maintain a Debt Service Fund to be funded (i) out of proceeds of Park System obligations which are secured by a parity pledge on the net revenues, as defined in the Bond Order of the Park System, (ii) from periodic deposits of net revenues, or (iii) from other funds of the County which are lawfully available for such purpose. The County is obligated by the Bond Order to maintain an amount on deposit in the Debt Service Fund equal to the average annual debt service for all Park System obligations, as defined in the Bond Order.

At September 30, 2023, the Park System had certificates of obligation payable of \$22,284,320 of which \$1,634,015 is payable in fiscal year 2024.

At September 30, 2023, the Park System had tax notes payable of \$884,929 of which \$86,305 is payable in fiscal year 2024.

## REQUEST FOR INFORMATION

The Park System financial report is designed to provide citizens, taxpayers and investors with a general overview of the Park System finances and to show the Park System accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Auditor's Office at 1100 E. Monroe, Brownsville, Texas 78520.

## **BASIC FINANCIAL STATEMENTS**

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

**ASSETS**

|   |                      |
|---|----------------------|
| Current Assets:                                       |                      |
| Cash and cash equivalents                             | \$ 17,034,099        |
| Restricted Cash:                                      |                      |
| Bond debt service                                     | 2,630,139            |
| Repairs and replacements reserve                      | 2,000,000            |
| Park Construction Fund:                               |                      |
| 2016 CO(s)  | 184,186              |
| Capital improvements                                  | 50,000               |
| Beach maintenance                                     | 2,689,900            |
| Park Donation/Grants Fund:                            |                      |
| Beach cleanup donations                               | 13,622               |
| Community parks donations                             | 5,612                |
| Grants  | 1,000,000            |
| Total Restricted Cash                                 | <u>8,573,459</u>     |
| Accounts receivable                                   | 23,398               |
| Leases receivable                                     | 433,341              |
| Due from other agencies                               | 188,332              |
| Due from other funds                                  | 72,071               |
| Prepays   | 264,954              |
| Inventory   | 452                  |
| Total Current Assets                                  | <u>26,590,106</u>    |
| Non-Current Assets:                                   |                      |
| Lease receivable, non-current                         | 3,272,492            |
| Depreciable Capital Assets:                           |                      |
| Buildings   | 11,537,792           |
| Improvements other than buildings                     | 16,665,318           |
| Equipment   | 1,430,059            |
| Furniture and fixtures                                | 1,020,173            |
| Automotive, machinery and equipment                   | 4,754,067            |
| Other structures                                      | 27,345,765           |
| Accumulated depreciation                              | <u>(28,462,338)</u>  |
| Net Depreciable Capital Assets                        | 34,290,836           |
| Construction in progress                              | 611,134              |
| Land  | 2,140,002            |
| Right-to-use lease assets, net of amortization        | <u>9,381</u>         |
| Total Capital Assets, net                             | <u>37,051,353</u>    |
| Total Non-Current Assets                              | <u>40,323,845</u>    |
| <b>TOTAL ASSETS</b>                                   | <u>66,913,951</u>    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>                  |                      |
| Deferred charges on refunding                         | 111,846              |
| Deferred outflows of resources- Pension               | 977,315              |
| Deferred outflows of resources- OPEB                  | 157,801              |
| <b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>            | <u>1,246,962</u>     |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b> | <u>\$ 68,160,913</u> |

(Continued)

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

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
STATEMENT OF NET POSITION-CONTINUED  
SEPTEMBER 30, 2023**

**LIABILITIES**

|  |                      |
|--|----------------------|
| Current Liabilities:   |                      |
| Accounts payable   | \$ 342,966           |
| Wages and fringe payable   | 87,582               |
| Due to other agencies  | 951,685              |
| Due to other funds   | 3,366,734            |
| Unearned revenue   | 1,119,052            |
|  |                      |
| Non-current liabilities due within one year:                             |                      |
| Compensated absences payable   | 58,269               |
| Accrued interest payable   | 114,400              |
| Lease liabilities  | 5,389                |
| Tax notes - current  | 86,305               |
| Bonds - current  | 1,634,015            |
| Net pension liability  | 247,587              |
| OPEB liability   | 42,938               |
| Total Current Liabilities  | 8,056,922            |
|  |                      |
| Non-current liabilities due in more than one year:                       |                      |
| Compensated absences payable   | 22,797               |
| Lease liabilities  | 6,924                |
| Tax notes - non current  | 798,624              |
| Bonds - non current  | 20,650,305           |
| Net pension liability  | 593,812              |
| OPEB liability   | 1,355,681            |
| Total Non-Current Liabilities  | 23,428,143           |
|  |                      |
| TOTAL LIABILITIES  | 31,485,065           |
|  |                      |
| <b>DEFERRED INFLOW OF RESOURCES</b>                                      |                      |
| Deferred inflows of resources - Leases                                   | 3,159,841            |
| Deferred inflows of resources - Pension                                  | 162,957              |
| Deferred inflows of resources - OPEB                                     | 287,018              |
| TOTAL DEFERRED INFLOW OF RESOURCES                                       | 3,609,816            |
|  |                      |
| <b>NET POSITION</b>  |                      |
| Net investment in capital assets   | 14,132,234           |
| Restricted for:  |                      |
| Bond debt service  | 2,630,139            |
| Beach maintenance  | 2,689,900            |
| Donations/grants   | 1,019,234            |
| Unrestricted   | 12,594,525           |
| TOTAL NET POSITION   | 33,066,032           |
|  |                      |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b> | <b>\$ 68,160,913</b> |

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

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

|  |                      |
|--|----------------------|
| <b>OPERATING REVENUES</b>                                |                      |
| Entrance fees  | \$ 4,962,187         |
| Commissions  | 1,255,523            |
| Rental income  | 5,766,926            |
| Trash bag program  | 164,616              |
| Other  | 382,881              |
| <b>TOTAL OPERATING REVENUES</b>                          | <u>12,532,133</u>    |
| <b>OPERATING EXPENSES</b>                                |                      |
| Salaries and wages                                       | 3,370,063            |
| Uniforms   | 34,497               |
| Fringe benefits and payroll taxes                        | 1,311,602            |
| Pension  | (30,200)             |
| OPEB   | (148,610)            |
| Supplies   | 467,722              |
| Repairs and maintenance                                  | 1,276,325            |
| Insurance  | 232,829              |
| Travel and training                                      | 16,069               |
| Advertising  | 5,749                |
| Utilities  | 1,546,030            |
| Depreciation and amortization                            | 2,220,809            |
| Other  | 140,867              |
| Equipment and land rental                                | 15,503               |
| Auditing   | 7,166                |
| Contractual services                                     | 282,483              |
| <b>TOTAL OPERATING EXPENSES</b>                          | <u>10,748,904</u>    |
| <b>OPERATING INCOME (LOSS)</b>                           | <u>1,783,229</u>     |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>                 |                      |
| Interest income  | 870,733              |
| Amortization of bond discount                            | (57,808)             |
| Amortization of bond premiums                            | 179,920              |
| Interest and fiscal agent charges                        | (942,676)            |
| <b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>           | <u>50,169</u>        |
| <b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b> | <u>1,833,398</u>     |
| Capital grants and contributions                         | 2,478,212            |
| Transfers in   | 2,852,302            |
| Transfers out  | (1,892,988)          |
| <b>CHANGE IN NET POSITION</b>                            | <u>5,270,924</u>     |
| Net Position - beginning                                 | <u>27,795,108</u>    |
| Net Position - ending                                    | <u>\$ 33,066,032</u> |

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

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

|  |                            |
|--|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                            |
| Cash received from customers   | \$ 12,649,692              |
| Cash payments for goods and services   | (3,520,872)                |
| Cash payments to employees   | (4,666,562)                |
| Cash Provided by Operating Activities  | <u>4,462,258</u>           |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>   |                            |
| Transfers in from other funds  | 2,852,302                  |
| Transfers out to other funds   | (1,892,988)                |
| Interfund loan payments  | 2,563,688                  |
| Cash Provided by Non-Capital Financing Activities  | <u>3,523,002</u>           |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                                   |                            |
| Acquisition and construction of capital assets   | (3,428,421)                |
| Capital grants & contributions   | 2,989,452                  |
| Interest and fiscal agent fees   | (946,913)                  |
| Principal payments on long-term debt   | (1,644,982)                |
| Cash Used for Capital and Related Financing Activities   | <u>(3,030,864)</u>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                            |
| Receipts of interest   | <u>870,733</u>             |
| Cash Provided by Investing Activities  | <u>870,733</u>             |
| Increase in cash and cash equivalents  | 5,825,129                  |
| Cash and cash equivalents at beginning of year   | <u>19,782,429</u>          |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>  | <u><u>25,607,558</u></u>   |
| Displayed as:  |                            |
| Cash and cash equivalents  | 17,034,099                 |
| Restricted cash  | 8,573,459                  |
|  | <u><u>25,607,558</u></u>   |
| <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED<br/>(USED) BY OPERATING ACTIVITIES:</b> |                            |
| Operating Income   | 1,783,229                  |
| Adjustments To Reconcile Operating Income to Cash Provided<br>(Used) by Operating Activities:      |                            |
| Depreciation and amortization  | 2,220,809                  |
| Post-employment benefits   | (148,610)                  |
| Pension  | (30,200)                   |
| Decrease (Increase) in accounts receivable   | (13,526)                   |
| Decrease (Increase) in prepaids  | (121,227)                  |
| Decrease (Increase) in inventory   | 145                        |
| Decrease (Increase) in due from other agencies   | (137,801)                  |
| Increase (Decrease) in accounts payable  | (183,632)                  |
| Increase (Decrease) in wages and fringe payable  | 13,457                     |
| Increase (Decrease) in compensated absences payable  | 1,646                      |
| Increase (Decrease) in reserve payable   | (1,011)                    |
| Increase (Decrease) in customer deposits   | 131,087                    |
| Increase (Decrease) in due to other agencies   | 947,892                    |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>   | <u><u>\$ 4,462,258</u></u> |

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

## **NOTES TO THE FINANCIAL STATEMENTS**



**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 1 – SUMMARY OF ACCOUNTING POLICIES**

The financial statements of Cameron County Park System (the “Park System”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the Park System are described in the following notes to the financial statements.

**A. Reporting Entity**

Cameron County, Texas, a public corporation and a political subdivision of the State of Texas, through its Park System, owns and operates 1) Isla Blanca Park located in the southernmost tip of South Padre Island, 2) Andy Bowie Park (known as County Beach Access No 2) on the north end of South Padre Island, 3) Public Beach Access No 3, No 4 & No 6 all located north of Andy Bowie Park, 4) E.K. Atwood Park (known as County Beach Access No 5) further north of Public Beach Access No 6 on South Padre Island, 5) Adolph Thomae Park located in Arroyo City on the Arroyo Colorado, and other community parks located throughout Cameron County. The island parks provide transient and long-term rentals of trailer spaces, cabanas, and long-term leases of boat slips at the County's marina facilities. Additionally, the County has several concession leases with various food and entertainment establishments. Such concession leases generally require payment of a monthly lease amount and/or a fixed percentage of gross revenues.

**B. Basis of Accounting**

The Parks System follows GASB Statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis – for State and Local Governments (GASB 34) as amended by GASB Statement No. 37 and applied those standards on a retroactive basis. GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following four net position categories:

- Net investment in capital assets: Capital assets, net of accumulated depreciation and amortization and outstanding principal balances of debt, attributable to the acquisition, construction or improvement of those assets.
- Restricted: Net position whose use by the Park System is subject to externally imposed stipulations that can be fulfilled by actions of the Park System pursuant to those stipulations or that expire by the passage of time.
- Unrestricted: Net position that is not subject to externally imposed stipulations.

The accompanying financial statements have been prepared on the accrual basis of accounting. The Park System reports as a Business Type Activity, as defined by GASB Statement No. 34. Business Type Activities are those that are financed in whole or in part by fees charged to external parties for goods and services.

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**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 1 – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**C. Cash and Cash Equivalents**

The Park System considers cash on hand and deposits at banks as well as all highly liquid investments purchased with a maturity of three (3) months or less or with no stated maturity to be cash equivalents. The Park System records investments at fair value in accordance with provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools as superseded by GASB Statement No. 72, Fair Value Measurement and Application, which took effect for reporting periods after June 15, 2015*. All investment income is recognized as revenue in the statement of revenues, expenditures and changes in fund balance. Participation in First Public Lone Star Investment Pool maintains a net asset value of one dollar and its dollar-weighted average maturity is 60 days or less.

**D. Receivables**

Reimbursements and billable services are recorded as receivables and revenues when they are earned in the Parks System statements.

Due from other agencies include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the Park System. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Lending or borrowing between funds is reflected as “due to or from other funds”.

**E. Inventories and Prepaid items**

Inventory and prepaids consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time the inventory items are used.

**F. Leases**

Leases are defined as contractual agreements that conveys control of the right-to-use another entity’s nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. The lease term is defined as the period during which a lessee has a noncancelable right-to-use an underlying asset, plus any applicable periods covered by any renewal options that are reasonably certain to be exercised, or options to terminate that are reasonably certain to be exercised. Contracts that transfer ownership of the underlying asset are recognized as financed purchases in the financial statements. Leases that have a maximum term of less than 12 months are considered short-term leases. Short-term lease payments are recognized in the period of payment.

As a lessor, the Park System recognizes a lease receivable and a corresponding deferred inflow of resources is measured at the present value of lease payments expected to be received during the lease term discounted at either the explicit interest rate or the Park’s System estimated rate of return on investment. Under the lease agreements, the Park System may receive variable lease payments that are dependent upon the lessee’s revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 1 – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**F. Leases (continued)**

As a lessee, the Park System recognizes a lease liability and a right-to-use lease asset. At the commencement of a lease, the lease liability is recorded at the net present value of the future fixed lease payments, discounted at either the explicit interest rate in the agreement or the Park’s System risk free rate at lease inception. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use lease assets are amortized on a straight-line basis over the life of the related lease.

**G. Capital Assets**

Capital assets are defined as assets with a cost value of \$5,000 or more and a useful life greater than a reporting period. The costs of normal maintenance and repairs that do not add value or materially extend assets lives are not capitalized. Constructed or purchased assets are recorded at historical cost. Depreciation is provided over the estimated useful lives on a straight-line basis over the following estimated useful lives:

| <u>ASSETS</u>          | <u>YEARS</u> |
|------------------------|--------------|
| Buildings              | 40           |
| Furniture and Fixtures | 5            |
| General Equipment      | 5            |
| Vehicles               | 5            |
| Computer Hardware      | 5            |
| Infrastructure         | 30           |

**H. Deferred Outflows/Inflows of Resources**

*Deferred outflows of resources* represent a consumption of net assets that applies to a future periods. *Deferred inflows of resources* represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The Park System deferred outflows consist of deferred costs on refunding debt obligations that are applicable to future period(s). In reporting advance refunding of debt, the difference between the reacquisition price and the net carrying amount of the old debt is recorded as deferred charges on refunding and reported as a deferred outflow of resources. These costs are amortized as components of interest expense over the shorter of the remaining life of the refunding or the refunded debt. For the fiscal year, ended September 30, 2023, deferred outflow of resources due to refunding debt was recognized under the Parks System statements of \$111,846.

The Park System reports changes in OPEB Liability as OPEB expense or reported as deferred outflows/ inflows of resources depending on the nature of the change. The OPEB expense totaled \$72,285 for the fiscal year ended September 30, 2023.

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**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 1 – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**H. Deferred Outflows/Inflows of Resources (continued)**

The Park System reports deferred outflows/inflows of resources related to its pension. For the fiscal year ended September 30, 2023 pension expense/(income) totaled \$320,985 and deferred outflows/inflows were as follows:

- Pension contributions after the measurement date – these contributions are deferred and recognized the following fiscal year.
- Difference in projected and actual earnings on pension costs – investment (gains)/losses are recognized in pension expense over a period of five years.
- Difference in expected and actual pension experience – economic/demographic (gains)/losses and assumption changes or inputs are recognized over the rounded average remaining service life for all active, inactive, and retired members.

**I. Compensated Absences**

A liability for unused vacation and compensatory time for all full time employees is calculated and reported in the Park System statements. For financial reporting, the following criteria must be met to be considered compensated absences;

- a. leave or compensation is attributable to services already rendered
- b. leave or compensation is not contingent on a specific event (such as illness)

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the Parks System statements.

The Park's System permanent, full-time employees accrue vacation leave at 3.08 hours of vacation per biweekly pay period from date of employment to five years of service, 4.62 hours per pay period from 5 years to 15 years of service and 6.16 hours per pay period in excess of 15 years of continuous employment. The maximum accrual is two, three or four weeks of vacation for the respective accrual categories specified. Upon termination from Park System employment, an employee shall be entitled to payment for total accrued but unused hours of vacation.

The Park's System permanent, full-time employees accrue sick leave at the rate of 3.08 hours per biweekly pay period. Sick leave is paid to current employees if the employees are absent from work due to illness, injury or other situations requiring medical attention. An employee who leaves the employment of the County for any reason shall receive no compensation for accrued sick leave.

Unused holiday leave is cancelled upon separation from employment without compensation to employee.

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**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 1 – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**J. Unemployment and Worker’s Compensation Benefits**

The Parks System is a reimbursing employer for unemployment compensation benefits. The Park System processes workers’ compensation payments through a third-party administrator as the claims become due. These obligations are budgeted and paid from current resources.

**K. Long-term Obligations**

In the Park System financial statements, long-term debt and other long-term obligations are reported as liabilities under the statement of net position. Bond/Tax Note premiums and discounts, as well as prepaid insurance costs, are deferred and amortized over the life of the bond/tax note. Bond/Tax Note payables are reported net of the applicable premium or discount. Issuance costs are recognized as an expense in the period incurred.

**L. Use of Estimates**

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

**M. Subsequent Events**

Management has evaluated subsequent events through April 9, 2024, the date the financial statements were available to be issued.

**Note 2 – DEPOSITS AND INVESTMENTS**

**A. Deposits, Including Certificates of Deposit**

The Park System considers account balances in demand deposit accounts and certificates of deposit with a maturity of less than three months to be cash equivalents. It is the Cameron County’s policy for cash to be 105% secured by collateral valued at market or par, whichever is lower, less the amount insured by the Federal Deposit Insurance Corporation (FDIC). At September 30, 2023, the Park System cash and cash equivalents totaled \$25,607,558. Demand deposits were insured by the County’s depository institution at \$250,000 through FDIC and collateralized for amounts above the FDIC limits by pledged securities in the Cameron County’s name. Collateral that is pledged to Cameron County complies with the depository contract requirements, County Investment Policy and Procedures Section 9.01 and Government Code Title 10, Chapters 2256 and 2257.

GASB 72, *Fair Value Measurement and Application* requires disclosures regarding investments that calculate net asset value per share (or its equivalent). It addresses accounting and financial reporting issues related to fair value measurements by providing guidance for determining fair value for financial reporting purposes. All investments of the Park System have a determining fair value for financial reporting purposes. All investments of the Park System have a determined net asset value per share of \$1.00 per share and a dollar weighted average maturity of 60 days or less.

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**A. Deposits, Including Certificates of Deposit (continued)**

GASB 79, Certain External Investment Pools and Pool Participation certain disclosures for an external investment pool to measure investments at amortized cost for financial reporting purposes. Cameron County’s participation in investment pools does not meet the reporting criteria of this statement.

As of September 30, 2023, the Park System’s carrying amount of demand deposits and investments are as follows:

| <u>CASH</u>                        | <u>FAIR<br/>VALUE</u> |
|------------------------------------|-----------------------|
| Cash and equivalents               | \$17,034,099          |
| <br><u>RESTRICTED CASH</u>         |                       |
| Park Construction Fund             |                       |
| Cash and Equivalents               | 2,924,086             |
| Park Donations/Grants              |                       |
| Cash and Equivalents               | 1,019,234             |
| Bond Debt Service                  |                       |
| Cash and Equivalents               | 2,630,139             |
| Repair & Replacements Reserve Fund |                       |
| Cash and Equivalents               | <u>2,000,000</u>      |
| <b>TOTAL</b>                       | <b>\$25,607,558</b>   |

**B. Investments**

Investments are under the custody of the County Treasurer. Investing is performed in accordance with investment policies complying with State Statutes (Texas Government Code, Title 10, Chapter 2256 V.T.C.A GOVT Sec. 2256, as amended by Act 1995, 74<sup>th</sup> Legislature, Chapter 402, Section 1, effective September 1, 1995). This law requires the government entity to maintain safety of principal, maintenance of adequate liquidity, desired diversification to maximize rate of return with the previous considerations and have portfolio maturities structured to achieve the highest rate of return of interest consistent with liquidity requirements of the cash needs. The County’s Investment Policy and Funds Strategy is consistent with this law and states that it will be the objective of Cameron County to earn the maximum rate of return on its investments within the policies imposed by its safety and liquidity objectives and state and federal law governing investment of public funds.

*Custodial Credit Risk* – In accordance with the County’s investment policy, the County shall require monthly reports with market values of pledged securities from all financial institutions with which the County has collateralized deposits. The Investment Officer will monitor adequacy of collateralization levels to verify market values and total collateral positions.

*Credit Risk* - The County identifies and manages credit risk by following the Investment Policy. The Investment Officer implements its investment strategy, establishes and monitors compliance with investment policies and procedures and consistently monitors prudent risk controls. The Cameron County seeks to control its risk of loss by monitoring the ratings of portfolio positions to assure compliance with the rating requirements imposed by the Public Funds Investment Act.

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (continued)**

The County specifically addresses credit risk in stating that all county funds are fully collateralized or insured consistent with federal and state law in one or more of the following manners:

- FDIC insurance coverage
- United States Government Bonds, Notes and Bills,
- Securities of federally sponsored U. S. Agencies and instrumentality's of the United States Government and/or obligations, including
- Letters of credit, of the United States or its agencies and instrumentalities,
- No Collateralized Mortgage Obligations are acceptable.

*Concentration of Credit Risk* – In accordance with the Investment Policy, the County will manage its credit risk exposure through diversification and limiting its investments in each government-sponsored security to eliminate the risk of loss resulting from over concentration of liquid assets with a specific maturity, a specific issuer or a specific class of investments.

The Cameron County has investments with Lone Star Investment Pool, managed by First Public, LLC, the State of Texas investment pool available to governmental entities. Lone Star is neither a registered investment pool with the SEC nor backed by pledged collateral, but the underlying investments are mutual funds, U.S. Treasury Bonds, T-bills, government agency securities and repurchase agreements allowed under the Public Funds Investment Act as described by V.T.C.A., Title 10, Government Code, Section 2256. Investments are stated at fair value, which approximates market value. Lone Star's investments maintain weighted average maturity of the portfolio at sixty days or less, with no security exceeding thirteen months in maturity. Lone Star's investment portfolio is required to maintain a stable \$1.00 net asset value.

**Note 3 – RECEIVABLES**

**A. Lease Receivable**

The Park System has entered into agreements to lease certain assets as a lessor. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Land agreement effective August 1, 2015 requires 240 monthly payments of \$1,500. There are no variable payment components of the lease. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.7%, which is the estimated rate of return on investments. For fiscal year ended September 30, 2023, the County recognized \$13,897 of lease revenue and \$5,107 of interest revenue under the lease.

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**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 3 –RECEIVABLES (CONTINUED)**

**A. Lease Receivable (continued)**

Land agreement effective January 1, 2013 requires 238 monthly payments. For the period of 1/1/2013 - 12/31/2017, monthly payments were fixed at \$18,750. For the period of 1/1/2018 - 12/31/2022, monthly payments were fixed at \$19,688. For the period of 1/1/2023 - 12/31/2027, monthly payments are fixed at \$20,672. For the period of 1/1/2028 - 10/31/2032, monthly payments are fixed at \$21,705. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.7%, which is the estimated rate of return on investments. For fiscal year ended September 30, 2023, the Park System recognized \$186,348 of lease revenue and \$58,027 of interest revenue under the lease.

Land agreement effective December 5, 2014 requires 132 monthly payments of \$10,000. There are no variable payment components of the lease. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.7%, which is the estimated rate of return on investments. For fiscal year ended September 30, 2023, the County recognized \$103,720 of lease revenue and \$8,449 of interest revenue under the lease.

Waterpark land agreement effective August 8, 2013 requires 240 monthly payments of \$8,333. There are no variable payment components of the lease. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.7%, which is the estimated rate of return on investments. For fiscal year ended September 30, 2023, the County recognized \$77,203 of lease revenue and \$24,405 of interest revenue under the lease.

Waterpark parking space agreement effective August 8, 2013 requires 240 monthly payments of \$3,500. There are no variable payment components of the lease. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.7%, which is the estimated rate of return on investments. For fiscal year ended September 30, 2023, the County recognized \$32,425 of lease revenue and \$10,250 of interest revenue under the lease.

The net present value of the future minimum less lease payments to be received as of September 30, 2023 are as follows:

| <b>Fiscal Year Ending</b>   |                                   |                                |                                   |
|-----------------------------|-----------------------------------|--------------------------------|-----------------------------------|
| <b><u>September 30,</u></b> | <b><u>Principal</u></b>           | <b><u>Interest</u></b>         | <b><u>Total</u></b>               |
| 2024                        | \$ 433,341                        | \$ 94,721                      | \$ 528,062                        |
| 2025                        | 445,187                           | 82,875                         | 528,062                           |
| 2026                        | 356,339                           | 71,724                         | 428,063                           |
| 2027                        | 345,602                           | 62,460                         | 408,062                           |
| 2028                        | 364,436                           | 52,928                         | 417,364                           |
| Thereafter                  | <u>1,760,928</u>                  | <u>111,971</u>                 | <u>1,872,899</u>                  |
| <b>TOTAL</b>                | <b><u><u>\$ 3,705,833</u></u></b> | <b><u><u>\$476,679</u></u></b> | <b><u><u>\$ 4,182,512</u></u></b> |

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 4 – RIGHT-TO-USE LEASE ASSET**

The Park System has recorded right-to-use assets for leased equipment and easement. The right-to-use assets are amortized on a straight-line basis over the terms of the related leases.

Right-to-use lease asset activity for the fiscal year ended September 30, 2023 are as follows:

|                                 | Beginning<br>Balance<br>9/30/2022 | Increases         | Decreases    | Ending<br>Balance<br>9/30/2023 |
|---------------------------------|-----------------------------------|-------------------|--------------|--------------------------------|
| Right-to-use lease assets:      |                                   |                   |              |                                |
| Leased easement                 | \$ 3,921                          | \$ -              | \$ -         | \$ 3,921                       |
| Leased equipment                | 21,450                            | -                 | (818)        | 20,632                         |
| Total right-to-use lease assets | <u>25,371</u>                     | <u>-</u>          | <u>(818)</u> | <u>24,553</u>                  |
| Leased easement                 | (214)                             | (214)             | -            | (428)                          |
| Leased equipment                | (9,010)                           | (6,552)           | 818          | (14,744)                       |
| Total accumulated amortization  | <u>(9,224)</u>                    | <u>(6,766)</u>    | <u>818</u>   | <u>(15,172)</u>                |
| Right-to-use lease assets, net  | <u>\$ 16,147</u>                  | <u>\$ (6,766)</u> | <u>\$ -</u>  | <u>\$ 9,381</u>                |

**Note 5 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2023 are as follows:

|  | Beginning<br>Balance<br>09/30/2023 | Increases          | Decreases          | Ending<br>Balance<br>09/30/2023 |
|--|------------------------------------|--------------------|--------------------|---------------------------------|
| Depreciable Capital Assets:                    |                                    |                    |                    |                                 |
| Buildings                                      | \$10,869,402                       | \$ 668,390         | \$ -               | \$11,537,792                    |
| Improvements other than buildings              | 13,479,781                         | 3,185,537          | -                  | 16,665,318                      |
| Equipment                                      | 1,430,059                          | -                  | -                  | 1,430,059                       |
| Furniture and fixtures                         | 1,020,173                          | -                  | -                  | 1,020,173                       |
| Automotive machinery and equipment             | 3,525,458                          | 1,228,609          | -                  | 4,754,067                       |
| Other structures                               | 27,336,940                         | 8,825              | -                  | 27,345,765                      |
| Less: Accumulated depreciation                 | <u>(26,248,296)</u>                | <u>(2,214,042)</u> | <u>-</u>           | <u>(28,462,338)</u>             |
| Net Depreciable Capital Assets                 | 31,413,517                         | 2,877,319          | -                  | 34,290,836                      |
| Non-Depreciable Capital Assets:                |                                    |                    |                    |                                 |
| Construction in progress                       | 2,631,125                          | 2,108,378          | 4,128,369          | 611,134                         |
| Land   | 1,782,132                          | 357,870            | -                  | 2,140,002                       |
| Right-to-use lease assets, net of amortization | <u>16,148</u>                      | <u>-</u>           | <u>6,767</u>       | <u>9,381</u>                    |
| TOTAL CAPITAL ASSETS, NET                      | <u>\$35,842,922</u>                | <u>\$5,343,567</u> | <u>\$4,135,136</u> | <u>\$37,051,353</u>             |

For the fiscal year ended September 30, 2023 depreciation and amortization expense totaled \$2,220,809.

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 6 – LONG-TERM DEBT**

**A. Lease Liabilities**

The Park System has entered into agreements to lease certain assets. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The lease copiers/postage equipment agreement executed January 1, 2019 requires 60 monthly payments of \$118. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.06%, which is the risk free rate. As a result of the lease, the Park System has recorded a right-to-use lease asset with a net book value of \$320 at September 30, 2023. The right-to-use lease asset is discussed in more detail in Note 4. Right-to-use Lease Asset.

The copiers/postage equipment agreement executed January 1, 2020 requires 60 monthly payments of \$411. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.06%, which is the risk free rate. As a result of the lease, the Park System has recorded right-to-use lease asset with a net book value of \$5,568 at September 30, 2023. The right-to-use lease asset is discussed in more detail in Note 4. Right-to-use Lease Asset.

The easement lease agreement executed February 1, 1990 requires 600 monthly payments of \$42. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.06%, which is the risk free rate. As a result of the lease, the Park System has recorded a right-to-use lease asset with a net book value of \$3,493 at September 30, 2023. The right-to-use lease asset is discussed in more detail in Note 4. Right-to-use Lease Asset.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2023, were as follows:

| <b>Fiscal Year Ending</b>   | <b>Principal</b> | <b>Interest</b> | <b>Total</b>    |
|-----------------------------|------------------|-----------------|-----------------|
| <b><u>September 30,</u></b> |                  |                 |                 |
| 2024                        | \$ 5,389         | \$ 395          | \$ 5,784        |
| 2025                        | 1,498            | 235             | 1,733           |
| 2026                        | 285              | 215             | 500             |
| 2027                        | 296              | 203             | 499             |
| 2028                        | 309              | 191             | 500             |
| Thereafter                  | 4,536            | 1,131           | 5,667           |
| Subtotal                    | 12,313           | 2,370           | 14,683          |
| Less current maturities     | (5,389)          | (395)           | (5,784)         |
| Long-term                   | <u>\$ 6,924</u>  | <u>\$ 1,975</u> | <u>\$ 8,899</u> |

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**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 6 – LONG-TERM DEBT (CONTINUED)**

**B. Tax Notes**

Tax notes are issued pursuant to the general laws of the State of Texas, Chapters 1371 and 1431, Texas Government Code and are direct obligations of the County, payable from the levy and collection of ad valorem tax, within the limits prescribed by law, on all taxable property in the County.

Cameron County issued \$6,850,000 Cameron County, Texas Tax Notes, Series 2022 dated May 5, 2022 for the purpose of purchasing equipment, and the paying costs of issuance. Payments are due semiannually on February 15<sup>th</sup> and August 15<sup>th</sup>, maturing on February 15, 2029 with interest rates of 5.00%. Proceeds received were \$6,973,342 with premium costs of \$693,342 and bond issuance cost of \$33,757. Cameron County Park System received proceeds of \$769,037 from this issuance.

Cameron County issued \$5,570,000 Cameron County, Texas Tax Notes, Series 2020 dated February 1, 2020 for the purpose of providing for the payment of contractual obligations to be incurred in connection with the purchase of equipment, technology upgrades for County departments, vehicles, HVAC and cooling system improvements to County building, costs of issuing the Notes and payment of contractual obligations for professional services rendered in connection therewith. Payments are due semiannually on February 15<sup>th</sup> and August 15<sup>th</sup>, maturing on February 15, 2025 with interest rates of 5.00%. Proceeds received were \$6,096,346 with premium costs of \$646,858 and bond issuance cost of \$120,512. Cameron County Park System received proceeds of \$318,075 from this issuance.

No new tax notes were issued during fiscal year. The annual requirements to amortize the amounts outstanding attributable to Parks System as of September 30, 2023, including estimated interest payments of \$135,518 are as follows:

| <b><u>Fiscal Year Ending<br/>September 30, 2023</u></b> | <b><u>Principal</u></b> | <b><u>Interest</u></b>  | <b><u>Total</u></b>       |
|---|-------------------------|-------------------------|---------------------------|
| 2024  | \$ 86,306               | \$ 38,822               | \$ 125,128                |
| 2025  | 121,432                 | 33,629                  | 155,061                   |
| 2026  | 142,019                 | 27,043                  | 169,062                   |
| 2027  | 148,755                 | 19,773                  | 168,528                   |
| 2028-2029   | 321,086                 | 16,251                  | 337,337                   |
| <b>TOTAL</b>  | <b>819,598</b>          | <b>135,518</b>          | <b>955,116</b>            |
| Unamortized Premium                                     | 65,331                  | -                       | 65,331                    |
| <b>TOTAL</b>  | <b><u>\$884,929</u></b> | <b><u>\$135,518</u></b> | <b><u>\$1,020,447</u></b> |

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**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 6 – LONG-TERM DEBT (CONTINUED)**

**C. Certificates of Obligation**

During the period in which the bonds are outstanding, the Park System Bond Order requires the County to create and maintain a Debt Service Fund to be funded (i) out of proceeds of Park System obligations which are secured by a parity pledge on the net revenues, as defined in the Bond Order of the Park System, (ii) from periodic deposits of net revenues, or (iii) from other funds of the County which are lawfully available for such purpose. The County is obligated by the Bond Order to maintain an amount on deposit in the Debt Service Fund equal to the average annual debt service for all Park System obligations, as defined in the Bond Order.

The Bond Order also obligates the County to fund a Repairs & Replacements Reserve Fund. The reserve will be used to pay items of extraordinary maintenance or extraordinary repairs and replacements of the Park System and minor capital improvements to the Park System. Amounts on the unrestricted net position may be used to pay debt service on Park Obligations in the event that amounts on deposit in the respective interest and sinking fund and the Debt Service Reserve are insufficient for such purpose.

The County issued Certificates of Obligation, Series 2011 in the amount of \$23,570,000 at issuance June 1, 2011. The County Parks were liable for \$1,897,600 of the Certificate of Obligation, Series 2011. The purposes of the Certificates of Obligation are to provide for the payment of contractual obligations to be incurred in connection with the construction of a community center in Olmito and for improvements to Benavides County Park and Browne Road Social Service Center. Certificates of Obligation, Series 2011 were refinanced in fiscal year 2020 with Refunding Series 2019, leaving a principal balance of \$93,793 on series 2011 that was paid in fiscal year 2021 and \$1,407,600 on Series 2019.

The County issued Certificates of Obligation, Series 2016B in the amount of \$21,160,000 on September 1, 2016. The purpose of the Certificates of Obligation are to provide for the payment of contractual obligations to be incurred in connection with the design, planning, acquisition, construction, equipping, expansion, repair, and/or renovation of County Parks, including Isla Blanca Park, Andy Bowie Park, EK Atwood Park, and Olmito Community Park, and to pay costs of issuance of the 2016B Certificates.

The County issued Certificates of Obligation, Series 2007 in the amount of \$8,000,000 on February 15, 2007. The purpose of the Certificates of Obligation are to provide for the payment of contractual obligations to be incurred in connection with the design, planning, acquisition, construction, equipping, expansion, and/or renovation of certain public property, specifically being improvements and additions to, and/or acquisition of, various public parks and other public recreation facilities located throughout the County; and to pay costs of issuance of the Certificates. The Park System raised the R.V. rental space rates and will use the funds formally designated for payment of the Refunding Bonds, Series 1996C, which final payment will be December 1, 2028, to pay the General Funds I & S Fund to make payments on these bonds. Certificates of Obligation, Series 2007 in the amount of \$5,572,648 were refinanced with Refunding Series 2015 on March 31, 2015.

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**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 6 – LONG-TERM DEBT (CONTINUED)**

**C. Certificates of Obligation (continued)**

The annual requirements to amortize the amounts outstanding attributable to Parks System as of September 30, 2023, including estimated interest payments of \$5,620,204 are as follows:

| <b>Fiscal Year Ending<br/>September 30,</b> | <b>Principal</b>    | <b>Interest</b>    | <b>Total</b>        |
|---|---------------------|--------------------|---------------------|
| 2024  | \$ 1,634,015        | \$ 839,686         | \$ 2,473,701        |
| 2025  | 1,706,082           | 768,996            | 2,475,078           |
| 2026  | 1,751,978           | 695,714            | 2,447,692           |
| 2027  | 1,831,369           | 620,736            | 2,452,105           |
| 2028  | 1,688,703           | 552,241            | 2,240,944           |
| 2029-2033                                   | 6,822,779           | 1,850,906          | 8,673,685           |
| 2034-2036                                   | 4,655,000           | 291,925            | 4,946,925           |
| <b>TOTAL</b>                                | <b>\$20,089,926</b> | <b>\$5,620,204</b> | <b>\$25,710,130</b> |
| Unamortized Premium                         | 2,194,394           | -                  | 2,194,394           |
| <b>TOTAL</b>                                | <b>\$22,284,320</b> | <b>\$5,620,204</b> | <b>\$27,904,524</b> |

**Note 7 – RETIREMENT PLAN**

**A. Texas County and District Retirement System**

**Plan Description**

Cameron County provides retirement, disability and death benefits, for all of its full-time employees through a nontraditional defined benefit pension plan administered by the statewide, public employee Texas County and District 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 approximately 800 counties and districts pension plans.

TCDRS issues an aggregate annual comprehensive financial report on a calendar year basis. The ACFR is available on the TCDRS website at [www.TCDRS.org](http://www.TCDRS.org) or upon request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

The plan's provisions are adopted by the governing body of the employer, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years of service regardless of age, or when the sum of their age and years of service 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 personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 7 – RETIREMENT PLAN (CONTINUED)**

**A. Texas County and District Retirement System (continued)**

**Plan Description (continued)**

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits, with interest. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can 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.

The employer has elected the annually determined contribution rate (ADCR) 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. The employer's contribution is determined using an actuarially determined rate of 10.50% for the months of the calendar year in 2021 and 12.20% for the months of the calendar year in 2022. As of December 31, 2022, the Summary Valuation for the County's TCDRS plan recognized an investment gain. Previous years' deferred actuarial investment losses are first used to reduce that year's actuarial investment loss. In cases where there are deferred actuarial gains in the prior years, any current year actuarial loss is offset against the oldest actuarial gain. If any of the current year actuarial loss remains after the initial offset, the remainder is offset against the next oldest gain, and so on.

The contribution rate payable by the employee members for the calendar years 2021 and 2022 is the rate of 7.00% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. For the Cameron County's fiscal year ended September 30, 2023, the actual employer contributions were \$8,779,640, and were equal to the required contribution.

**County Pension Plan Provisions**

|                       |       |
|-----------------------|-------|
| Employee Deposit Rate | 7 %   |
| Employee Matching     | 200 % |
| Prior Service Credit  | 160 % |

**Retirement Eligibility**

|                  |                              |
|------------------|------------------------------|
| Age 60 (vesting) | 8 years of services          |
| Rule of          | 75 years total age + service |
| At any age       | 30 years of service          |

**Optional Benefits**

|  |     |
|--|-----|
| Partial Lump-Sum Payment at Retirement | Yes |
|--|-----|

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**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 7 – RETIREMENT PLAN (CONTINUED)**

**A. Texas County and District Retirement System (continued)**

**Net Pension Liability/(Asset)**

Governmental Accounting Standards Board (GASB), Statement No. 68 provides accounting and financial reporting standards for public pension plan obligations for employers. Employers are required to recognize a liability as Net Pension Liability (NPL) or an asset as Net Pension Asset (NPA) on the balance sheets, with changes recognized as Pension Expense on the income statement or reported as deferred inflows/outflows of resources over a period of time. Changes in Net pension liability (NPL) for Cameron County was determined as of December 31, 2022, and total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Events that occurred subsequent to December 31, 2022, are not reflected in this report.

**Note 8 – OTHER POST EMPLOYMENT BENEFITS**

**Post- Retirement Medical Benefits:**

Texas Local Government Code, Chapter 175 requires counties make available continued health benefit coverage to retirees and their dependents beyond the end of an individual's employment with County. Texas Law does not require counties to fund all or any portion of such coverage. Effective October 1, 2007, County discontinued medical coverage after age 65. The County may incur a debt obligation to pay for OPEB cost for its retired employees so long as the County follows the constitutional requirement that it have sufficient taxing authority available at the time such debt is incurred to provide the payment of the debt and has levied a tax for such purpose. Information and amounts presented in the County's Annual Comprehensive Financial Report relative to OPEB expense/expenditures, related liabilities (assets), note disclosures, and supplementary information are only intended to achieve compliance with the requirements of generally accepted accounting principles (GASB 75) and does not constitute or imply that the County has made a commitment or is legally obligated to provide OPEB benefits. Cameron County has not incurred a legal debt obligation for OPEB nor has it levied a tax for the same. The County does not have a separate audited GAAP basis postemployment benefit plan report available for defined benefit plans. Currently, the County funds costs associated with OPEB on a current "pay as you go" basis for each single year through annual appropriations authorized by Commissioners Court during the annual County Budget Adoption Process.

**A. The Plan: Health Insurance Benefit**

Cameron County administers a single-employer defined health benefit plan that covers employees, retirees and their spouses. Benefits provided by the Cameron County to retirees only includes medical benefits for which the retiree pays a monthly premium. This benefit is not available after retiree reaches the age of 65. The plan provisions allow members to retire upon attaining age 60 with 8 or more years of service or when the sum of their age and years of service equals 75 or more.

Dependents of retirees who are not eligible for Medicare are also eligible for coverage while retiree is alive but they must pay for dependent coverage. Participants under disability are eligible for continued medical coverage under COBRA but must pay the full premium.

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 8 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**A. The Plan: Health Insurance Benefit (continued)**

After COBRA expires, there is no additional medical coverage for disabled participants. Cameron County does not offer dental, vision or hearing medical benefits to retirees. Transactions are recorded using the accrual basis of accounting. Plan member and employer contributions are recognized in the period for which the contributions are due. Benefits and refunds are recognized when due and payable. Cameron County does not pre-fund benefits. Benefits are paid directly from general assets on a pay-as-go basis and there is no trust for accumulating plan assets. Local Government Code Section 157.101 assigns the authority to establish and amend benefit provisions to Commissioner’s Court.

Monthly medical contributions required by retirees are as follows:

|            | <u>Retiree</u> | <u>Retiree &amp; Spouse</u> | <u>Retiree &amp; 1 Child</u> | <u>Retiree &amp; Children</u> | <u>Retiree &amp; Family</u> |
|------------|----------------|-----------------------------|------------------------------|-------------------------------|-----------------------------|
| Medical/TX | \$ 275.86      | \$ 633.58                   | \$ 551.08                    | \$ 585.45                     | \$ 722.95                   |

The Park System membership in the plan at 10/1/21, the date of the latest actuarial valuation, consists of the following:

|  |    |
|--|----|
| Active Members                                 | 67 |
| Retirees and beneficiaries receiving benefits: | 2  |
| Spouses of Retirees:                           | 1  |
| Total  | 70 |

The valuation date of GASB75 for Cameron County is October 1, 2021, the date as of which the actuarial valuation was performed. Measurement date is September 30, 2023, the entity’s fiscal year end. The OPEB liability was determined as of September 30, 2023, which is the reporting date. There have been no significant changes between the valuation date and the fiscal year end.

|                       |                    |
|-----------------------|--------------------|
| Valuation Date        | October 1, 2021    |
| Measurement Date      | September 30, 2023 |
| Actuarial Cost Method | Entry Age Normal   |

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost method. This method uses a projected retirement benefit at assumed retirement age computed for each participant using anticipated future pay increases. Normal cost is computed for each participant as the level percentage of pay would accumulate with interest at the rate assumed in the valuation to an amount sufficient to fund his projected retirement benefit. The normal cost for the plan is the total of the individually computed normal costs for all participants including costs for any death or disability benefits under the plan. The accrued liability at any point in time is the theoretical fund that would have been accumulated on his behalf from his normal cost payments and prior year’s earnings if plan had been in effect. For persons receiving benefits or entitled to a deferred vested retirement income, the accrued liability cost is equal to the present value of their future benefit payments. The accrued liability for the plan is the total participant computed accrued liability. Unfunded accrued liability for the plan is the excess of the accrued liability over the assets which have accumulated for the plan.

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 8 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**A. The Plan: Health Insurance Benefit (continued)**

The accrued liability as of any date is not the actuarially computed present value of accrued or accumulated plan benefits as of that date. The accrued liability is the portion of the ultimate cost assigned to prior years by the cost method being used.

|               |                    |                 |
|---------------|--------------------|-----------------|
| Discount Rate | September 30, 2022 | 4.02% per annum |
|               | September 30, 2023 | 4.09% per annum |

*The discount rate is based on the Bond Buyer’s General Obligation 20-Bond Municipal Index immediately prior to or coincident with the measurement date.*

|           |                    |                 |
|-----------|--------------------|-----------------|
| Inflation | September 30, 2022 | 2.40% per annum |
|           | September 30, 2023 | 2.40% per annum |

*Price inflation from December 31, 2022 actuarial report from TCDRS.*

Salary merit increases used in this valuation are based on years of service provided. Employees are projected to receive a higher percentage rate increase (7.89% to 4.70%) in the beginning years of employment and at 20 years of service this drops to 3.93%. It is assumed to 50% of active employees will elect coverage at retirement. For active employees, husbands are presumed to be three years older than their spouse and 50% of active participants that retire are assumed to elect spousal coverage. Entry level employees are presumed to have a higher termination rate than those vested employees. It is presumed that a majority of employees will retire at the age of 65. Rates used in determining termination, retirement and disability were updated using the prescribed rates in the 2021 TCDRS Report. Medical trend assumptions for this valuation were based on Society of Actuaries’ published report on long-term medical trend. It is assumed that out of pocket and deductible medical costs will increase periodically as trends increase.

Governmental Accounting Standards Board (GASB) issued Statement No. 74 & 75 in 2016 to improve accounting and financial reporting by state and local governments. These Statements substantially revised the accounting requirements previously mandated under GASB 43 and 45. In compliance with Statement 75, Cameron County implemented these requirements during fiscal year 2018. GASB75 requires employers to recognize a liability for OPEB obligations, OPEB Liability, (Total OPEB Liability for unfunded plans) on the Statement of Net Position. Changes in OPEB Liability are required to be recognized as OPEB expense or reported as deferred outflows/inflows of resources depending on the nature of the change.

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**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 8 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**A. The Plan: Health Insurance Benefit (continued)**

| <b>Medical OPEB Liability</b>              | <b><u>September 30, 2022</u></b> | <b><u>September 30, 2023</u></b> |
|--|----------------------------------|----------------------------------|
| Park System OPEB Liability                 | \$ 1,098,090                     | \$ 1,183,285                     |
| Covered Payroll                            | 2,105,835                        | 2,212,391                        |
| OPEB Liability a % of covered payroll      | 52.15%                           | 53.48%                           |
| OPEB Liability a % of Total OPEB Liability | 4.07%                            | 4.00%                            |

Total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement dates. Any significant changes during this period have been reflected as prescribed by GASB75.

|                        | <b><u>Beginning Date</u></b> | <b><u>Ending Date</u></b> |
|------------------------|------------------------------|---------------------------|
| Valuation date         | October 1, 2021              | October 1, 2021           |
| Measurement date       | September 30, 2022           | September 30, 2023        |
| Employer's fiscal year | September 30, 2022           | September 30, 2023        |

**Discount Rate:**

|   | <b><u>September 30, 2022</u></b> | <b><u>September 30, 2023</u></b> |
|---|----------------------------------|----------------------------------|
| Discount Rate                           | 4.02%                            | 4.09%                            |
| 20 Year Tax-Exempt Municipal Bond Yield | 4.02%                            | 4.09%                            |

Changes in OPEB Liability - Medical

**Changes in Cameron County's -  
OPEB Liability - Medical**

|   | <b><u>Incr(Decrease)<br/>Total OPEB<br/>Liability</u></b> |
|---|---|
| Balance as of September 30, 2022            | \$ 26,979,152   |
| Changes for the year:                       |   |
| Service Cost                                | 1,650,656   |
| Interest on total OPEB Liability            | 1,129,180   |
| Effect on economic/demographic gains/losses | 1,080,895   |
| Effect on assumptions changes or inputs     | (177,806)   |
| Expected benefit payments                   | <u>(1,092,239)</u>  |
| Balance as of September 30, 2023            | 29,569,838  |
| Due within one year                         | <u>\$ 1,217,749</u>                                       |

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**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 8 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**A. The Plan: Health Insurance Benefit (continued)**

**Sensitivity Analysis**

The following presents the total OPEB liability of Cameron County, calculated using the 4.09%, as well as what County’s total OPEB liability would be if it were calculated using a discount rate that is 1% point lower (3.09%) or 1% point higher (5.09%) than the current rate.

| 1% Decrease | Discount Rate | 1% Increase |
|-------------|---------------|-------------|
| 3.09%       | 4.09%         | 5.09%       |

|                      |               |               |               |
|----------------------|---------------|---------------|---------------|
| Total OPEB liability | \$ 32,201,174 | \$ 29,569,838 | \$ 27,136,888 |
|----------------------|---------------|---------------|---------------|

The following represents the total OPEB liability of Cameron County, calculated using the current healthcare cost trend rates as well as what the County’s total OPEB liability would be if it were calculated using trend rates that are 1% point lower or 1% point higher than the current trend rates.

| 1% Decrease | Current Trend Rate | 1% Increase |
|-------------|--------------------|-------------|
|             |                    |             |

|                      |               |               |               |
|----------------------|---------------|---------------|---------------|
| Total OPEB liability | \$ 25,707,230 | \$ 29,569,838 | \$ 34,200,453 |
|----------------------|---------------|---------------|---------------|

**B. OPEB – Multiple Employer Defined Benefit Group Term Plan Group Term Life Fund**

Cameron County participates in a cost-sharing multiple-employer defined-benefit group term life insurance plan operated by the Texas County & District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GTLF). The GTLF retiree death benefit paid from the Group Term Life (GTL) program is an OPEB benefit. This OPEB program is treated as an unfunded trust, because the GTL program covers both active and retirees and is not segregated. The TCERS GTL program is an unfunded OPEB plan, as the GTL fund does not meet the requirements of a trust fund under Paragraph 4b of GASB75, because the assets of GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan. For GASB75 purposes the OPEB plan is not a cost sharing plan, so the annual benefit payments are treated as being equal to the employer’s actual retiree GTL contributions for the year.

|                      |                                 |                                 |
|----------------------|---------------------------------|---------------------------------|
|                      | <u><b>December 31, 2021</b></u> | <u><b>December 31, 2022</b></u> |
| Total OPEB Liability | \$ 4,337,807                    | \$ 3,236,489                    |

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

**Discount Rate:**

|  |                |                |
|--|----------------|----------------|
| Discount rate (1)  | 2.06 %         | 3.72 %         |
| Long-term expected rate of return,<br>net of investment expenses | Does not apply | Does not apply |
| Municipal bond rate  | 2.06 %         | 3.72 %         |

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 9 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**B. OPEB – Multiple Employer Defined Benefit Group Term Plan Group Term Life Fund (continued)**

*(1)The OPEB plan has been determined to be an unfunded OPEB plan: therefore only the municipal bond rate applies*

**Key Actuarial Assumptions:**

All actuarial assumptions that determined the total OPEB liability as of December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2020, except where required to be different by GASB75.

|                        | <u>Beginning Date</u> | <u>Ending Date</u> |
|------------------------|-----------------------|--------------------|
| Valuation date         | December 31, 2021     | December 31, 2022  |
| Measurement date       | December 31, 2021     | December 31, 2022  |
| Employer's fiscal year | October 1, 2022       | September 30, 2023 |

**Changes in Cameron County's - OPEB Liability - GTL**

|   | <u>Incr(Decrease)<br/>Total OPEB<br/>Liability</u> |
|---|--|
| Balance as of December 31, 2021           | \$ 4,337,807                                       |
| Changes for the year:                     |  |
| Service Cost                              | 153,438  |
| Interest on total OPEB Liability          | 91,669   |
| Effect on economic/demographic experience | (19,450)   |
| Effect on assumptions changes or inputs   | (1,244,008)  |
| Expected benefit payments                 | (82,967)   |
| Balance as of December 31, 2022           | <u>\$ 3,236,489</u>                                |

*(1) Reflects the change in the liability due to the time value of money.*

**Sensitivity Analysis**

The GTL program covers both active and retirees and is treated as an unfunded OPEB plan. Under GASB75 paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds.

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**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Note 9 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**B. OPEB – Multiple Employer Defined Benefit Group Term Plan Group Term Life Fund (continued)**

Therefore, a discount rate of 3.72% is used in this actuarial based on 20 Year Bond GO Index published as of the measurement date of December 31, 2021. The following presents the total OPEB liability of Cameron County, calculated using the discount rate of 3.72%, as well as what County’s total OPEB liability would be if it were calculated using a discount rate that is 1% point lower (2.72%) or 1% point higher (4.72%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

| 1% Decrease | Discount Rate | 1% Increase |
|-------------|---------------|-------------|
| 2.72%       | 3.72%         | 4.72%       |

|                      |              |              |              |
|----------------------|--------------|--------------|--------------|
| Total OPEB liability | \$ 3,918,093 | \$ 3,236,489 | \$ 2,711,755 |
|----------------------|--------------|--------------|--------------|

**Additional Disclosures**

Texas Local Government Code, Chapter 175 requires counties make available continued health benefits coverage to retirees and their dependents beyond the end of an individual’s employment with County. Texas Law does not require counties to fund all or any portion of such coverage. Effective October 1, 2007, Cameron County discontinued medical coverage after age 65. The County may incur a debt obligation to pay for OPEB for its retired employees so long as the County follows the constitutional requirement that it have sufficient taxing authority available at the time such debt is incurred to provide the payment of the debt and has levied a tax for such purpose. Inclusion of OPEB expense/expenditures, related liabilities (assets), note disclosures are intended to achieve compliance with the requirements of GASB75. Cameron County has not incurred a legal debt obligation for OPEB nor has it levied a tax for the same. Currently, the County funds costs associated with OPEB on a current “pay as you go” basis for each single year through annual appropriations authorized by Commissioners Court during the annual County Budget Adoption Process.

## **SUPPLEMENTARY INFORMATION**



## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Honorable County Judge  
and Commissioners' Court  
Cameron County, Texas

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Burton, McCumber & Longoria LLP.*

Brownsville, Texas  
April 9, 2024

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
SCHEDULE OF INSURANCE COVERAGE  
SEPTEMBER 30, 2023**

| INSURER                                      | POLICY              | COVERAGE   | AMOUNT OF COVERAGE LIMITS   | POLICY EXPIRATION DATE | DEDUCTIBLE  |
|--|---------------------|--|---|------------------------|---|
| Underwriters At Lloyd's of London (Velocity) | Commercial Property | All risks of direct physical loss or damage including Flood and Earthquake excluding earthquake sprinkler leakage, Equipment Breakdown, Terrorism and as further discussed in the policy.<br>Real Property, Personal Property, Business Income/Extra Expense and as further discussed in the policy. | \$15,000,000 / (50%) Per Occurrence<br>Part of \$30,000,000/ Per Occurrence<br>Primary Limits, except for the per occurrence Sub-limits that are listed in the policy and are within and not in addition to this limit. (Limits are per schedule by Building, NOT Blanket - 110% margin clause to apply   | 7/1/2023               | Property Damage - \$25,000/ per occurrence<br>Flood - \$100,000 / per occurrence<br>Earthquake - \$25,000/per occurrence<br>Wind/Hail - \$100,000 / per occurrence<br>Wind Driven Precipitation - 2% per unit of insurance subject to a minimum of \$100,000 per occurrence<br>Named Storm - 2% per unit of insurance subject to a minimum of \$100,000 per occurrence, except 10% per unit of insurance subject to a minimum of \$1,000,000 as respects to the locations listed in the policy. |
| National Fire & Marine Insurance Co          | Commercial Property | All risks of direct physical loss or damage including Flood and Earthquake excluding earthquake sprinkler leakage, Equipment Breakdown, Terrorism and as further discussed in the policy.<br>Real Property, Personal Property, Business Income/Extra Expense and as further discussed in the policy. | \$3,500,000 / (35%) Per Occurrence<br>Part of \$10,000,000/ Per Occurrence<br>Primary Limits, except for \$10,000,000 per occurrence primary limits, except for the per occurrence sub-limits that are listed in the policy and are within and not in addition to this limit. (Limits are per schedule by Building, NOT Blanket - 110% margin clause to apply | 7/1/2023               | Property Damage - \$25,000/ per occurrence<br>Flood - \$100,000 / per occurrence<br>Earthquake - \$25,000/per occurrence<br>Wind/Hail - \$100,000 / per occurrence<br>Wind Driven Precipitation - 2% per unit of insurance subject to a minimum of \$100,000 per occurrence<br>Named Storm - 2% per unit of insurance subject to a minimum of \$100,000 per occurrence, except 10% per unit of insurance subject to a minimum of \$1,000,000 as respects to the locations listed in the policy. |
| StarStone Specialty Insurance Co.            | Commercial Property | All risks of direct physical loss or damage including Flood and Earthquake excluding earthquake sprinkler leakage, Equipment Breakdown, Terrorism and as further discussed in the policy.<br>Real Property, Personal Property, Business Income/Extra Expense and as further discussed in the policy. | \$4,500,000 / (15%) Per Occurrence<br>Part of \$30,000,000/ Per Occurrence<br>primary limits, except for the following per occurrence sub-limits that are listed in the policy and are within and not in addition to this limit. (Limits are per schedule by Building, NOT Blanket - 110% margin clause to apply  | 7/1/2023               | Property Damage - \$25,000/ per occurrence<br>Flood - \$100,000 / per occurrence<br>Earthquake - \$25,000/per occurrence<br>Wind/Hail - \$100,000 / per occurrence<br>Wind Driven Precipitation - 2% per unit of insurance subject to a minimum of \$100,000 per occurrence<br>Named Storm - 2% per unit of insurance subject to a minimum of \$100,000 per occurrence, except 10% per unit of insurance subject to a minimum of \$1,000,000 as respects to the locations listed in the policy. |
| Arch Specialty Insurance Co                  | Commercial Property | All risks of direct physical loss or damage including Earthquake excluding Flood, Earthquake Sprinkler leakage, Equipment Breakdown, Terrorism and as further discussed in the policy.<br>Real Property, Personal Property, Business Income/Extra Expense and as further discussed in the policy.    | \$4,000,000 / (20%) Per Occurrence<br>Part of \$20,000,000/ Per Occurrence Limits<br>Excess for \$10,000,000 per occurrence primary limits, except for the per occurrence sub-limits that are listed in the policy and are within and not in addition to this limit. (Limits are per schedule by Building, NOT Blanket - 110% margin clause to apply          | 7/1/2023               | Excess of underlying limits and deductibles   |
| Hanover Insurance Company                    | Crime Policy        | Public Employee Theft<br>Forgery Or Alteration<br>Inside Premises/Theft of Money & Sec.<br>Inside Premises/Robbery Or Safe Burglary<br>Outside The Premises<br>Computer and Funds Transfer Fraud<br>Money Orders/Counterfeit Currency  | \$500,000<br>\$250,000<br>\$175,000<br>\$150,000<br>\$150,000<br>\$500,000<br>\$500,000   | 7/1/2023               | \$7,500/ per loss<br>\$5,000/ per loss<br>\$1,500/ per loss<br>\$1,500/ per loss<br>\$1,500/ per loss<br>\$7,500/ per loss<br>\$5,000/ per loss   |

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
SCHEDULE OF INSURANCE COVERAGE (CONTINUED)  
SEPTEMBER 30, 2023**

| INSURER                           | POLICY   | COVERAGE   | AMOUNT OF COVERAGE LIMITS  | POLICY EXPIRATION DATE                   | DEDUCTIBLE   |
|-----------------------------------|--|--|--|--|--|
| Underwriters At Lloyd's           | Terroism Policy  | Terrorism, only  | First Loss USD \$100,000,000 each and every occurrence and in the aggregate in respect to Terrorism only.  | 7/1/2023                                 | -  |
| Liberty Mutual Fire Insurance Co. | Equipment Breakdown Policy<br>Per the Liberty Mutual PowerPro Select policy, does not include mobile equipment | Property Damage<br>Ammonia Contamination<br>Consequential Loss<br>Data and Media<br>Hazardous Substance<br>Water Damage<br>Fungus, Wet Rot and Dry Rot<br>Expediting Expenses<br>Business Income<br>Spoilage<br>Utility Interruption<br>Newly Acquired Premises<br>Ordinance or Law  | \$50,000,000 Per Breakdown<br>\$500,000<br>\$100,000<br>\$500,000<br>\$250,000<br>\$500,000<br>\$15,000<br>\$1,000,000<br>\$7,000,000<br>\$250,000<br>\$1,000,000<br>\$1,000,000<br>\$1,000,000  | 7/1/2023                                 | \$10,000<br>\$10,000<br>\$10,000<br>\$10,000<br>\$10,000<br>-<br>-<br>24 hours<br>Included in Property Damage<br>-<br>-<br>-   |
| Texas Association of Counties     | Auto Liability<br><br>Auto Physical Damage<br><br>General Liability  | Bodily Injury per person/per occurrence<br>Property Damage/Each Accident<br>Personal Injury Protection<br>Hired and Non-Owned<br>Supplementary Death Benefit<br>Comprehensive & Collision Coverage<br><br>Bodily Injury per person/per occurrence<br>Property Damage/ each accident<br>Crisis Management<br>Employee Benefits Liability<br>Garage Keeper's Legal Liability<br>Personal & Advertising Injury per person/<br>per offense/aggregate | \$100,000/\$300,000<br>\$100,000<br>\$5,000<br>Not Covered<br>Not Covered<br>The lesser of the Actual Cash Value @ the time of loss or cost of repair w/like kind and quality<br><br>\$100,000/\$300,000<br>\$100,000<br>\$100,000<br>\$500,000<br>\$50,000<br>\$100,000/\$300,000 | 7/1/2023<br><br>7/1/2023<br><br>7/1/2023 | \$1,000/ per occurrence<br>\$1,000/ per occurrence<br>\$1,000/ per occurrence<br>N/A<br>N/A<br>\$5,000/ per occurrence<br><br>\$5,000/ per occurrence<br>\$5,000/ per occurrence<br>\$5,000/ per occurrence<br>\$1,000/ per occurrence<br>\$1,000/ per occurrence<br>\$5,000/ per occurrence |

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
SCHEDULE OF OPERATING REVENUES  
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023**

|                           | <b>ISLA<br/>BLANCA</b> | <b>ANDY BOWIE</b> | <b>PUBLIC<br/>BEACHES</b> | <b>ADOLPH<br/>THOMAE</b> | <b>BEACH<br/>SAFETY</b> | <b>PARK<br/>RANGERS</b> | <b>COMMUNITY<br/>PARKS</b> | <b>BEACH<br/>CLEANUP</b> | <b>TOTAL</b>         |
|---------------------------|------------------------|-------------------|---------------------------|--------------------------|-------------------------|-------------------------|----------------------------|--------------------------|----------------------|
| <b>OPERATING REVENUES</b> |                        |                   |                           |                          |                         |                         |                            |                          |                      |
| Charges for services      | \$ 2,128,821           | \$ 192,178        | \$ 1,892,398              | \$ 396,355               | \$ 352,435              | \$ -                    | \$ -                       | \$ -                     | \$ 4,962,187         |
| Commissions               | 1,019,330              | 236,193           | -                         | -                        | -                       | -                       | -                          | -                        | 1,255,523            |
| Rental income             | 4,076,384              | 165,621           | -                         | 176,414                  | -                       | -                       | 7,654                      | -                        | 4,426,073            |
| Apartment rental          | -                      | -                 | -                         | 2,100                    | -                       | -                       | -                          | -                        | 2,100                |
| Concession leases         | 961,132                | 15,628            | -                         | -                        | -                       | -                       | -                          | -                        | 976,760              |
| Electricity               | 289,042                | 11,718            | -                         | 8,829                    | -                       | -                       | -                          | -                        | 309,588              |
| Water                     | 262                    | -                 | -                         | -                        | -                       | -                       | -                          | -                        | 262                  |
| Tents                     | 22,999                 | 18,765            | -                         | 10,380                   | -                       | -                       | -                          | -                        | 52,143               |
| Trashbag program          | -                      | -                 | 164,616                   | -                        | -                       | -                       | -                          | -                        | 164,616              |
| Beach fee reimbursement   | 137,801                | -                 | -                         | -                        | -                       | -                       | -                          | -                        | 137,801              |
| Donations                 | -                      | -                 | -                         | -                        | -                       | -                       | 300                        | 2,350                    | 2,650                |
| Park summer program       | -                      | -                 | -                         | -                        | 1,600                   | -                       | 1,970                      | -                        | 3,570                |
| Other                     | 200,308                | 12,803            | 621                       | 15,640                   | -                       | 9,488                   | -                          | -                        | 238,860              |
| <b>TOTAL</b>              | <b>\$ 8,836,079</b>    | <b>\$ 652,904</b> | <b>\$ 2,057,635</b>       | <b>\$ 609,718</b>        | <b>\$ 354,035</b>       | <b>\$ 9,488</b>         | <b>\$ 9,924</b>            | <b>\$ 2,350</b>          | <b>\$ 12,532,133</b> |

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
SCHEDULE OF OPERATING EXPENDITURES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

|                                   | <b>PARK<br/>ADMIN</b> | <b>ISLA<br/>BLANCA</b> | <b>ANDY BOWIE</b> | <b>PUBLIC<br/>BEACHES</b> | <b>ADOLPH<br/>THOMAE</b> | <b>BEACH<br/>SAFETY</b> | <b>BEACH<br/>CLEANUP</b> | <b>PARKS<br/>SUMMER<br/>PROGRAM</b> | <b>PARK<br/>RANGERS</b> | <b>CODE<br/>ENFORCEMENT</b> | <b>COMMUNITY<br/>PARKS</b> |
|-----------------------------------|-----------------------|------------------------|-------------------|---------------------------|--------------------------|-------------------------|--------------------------|-------------------------------------|-------------------------|-----------------------------|----------------------------|
| <b>OPERATING EXPENDITURES</b>     |                       |                        |                   |                           |                          |                         |                          |                                     |                         |                             |                            |
| Salaries and wages                | \$ 723,043            | \$ 729,085             | \$ 169,983        | \$ 250,945                | \$ 166,376               | \$ 258,092              | \$ -                     | \$ 17,798                           | \$ 453,908              | \$ 20,678                   | \$ 238,756                 |
| Uniforms                          | 1,505                 | 8,036                  | 3,596             | 2,175                     | 2,073                    | 6,702                   | -                        | 0                                   | 4,964                   | 700                         | 1,163                      |
| Fringe benefits and payroll taxes | 288,009               | 345,288                | 70,519            | 43,092                    | 86,400                   | 51,798                  | -                        | 1,605                               | 188,754                 | 1,911                       | 97,856                     |
| Pension<br>(30,200)               | -                     | -                      | -                 | -                         | -                        | -                       | -                        | -                                   | -                       | -                           | -                          |
| OPEB<br><b>(148,610)</b>          | -                     | -                      | -                 | -                         | -                        | -                       | -                        | -                                   | -                       | -                           | -                          |
| Supplies                          | 44,405                | 120,627                | 35,877            | 28,871                    | 32,757                   | 22,489                  | 2,777                    | 1,703                               | 92,797                  | 2,009                       | 46,540                     |
| Repairs and maintenance           | 42,408                | 286,903                | 23,442            | 5,694                     | 770,348                  | 8,236                   | -                        | -                                   | 68,429                  | 267                         | 36,026                     |
| Audit                             | -                     | 7,166                  | -                 | -                         | -                        | -                       | -                        | -                                   | -                       | -                           | -                          |
| Insurance                         | 16,618                | 79,882                 | 5,803             | 34,799                    | 17,533                   | 2,026                   | -                        | -                                   | 6,560                   | -                           | 21,847                     |
| Travel and training               | 4,322                 | 41                     | -                 | -                         | -                        | 7,367                   | 255                      | -                                   | 4,084                   | -                           | -                          |
| Advertising                       | -                     | 1,424                  | 925               | -                         | 3,400                    | -                       | -                        | -                                   | -                       | -                           | -                          |
| Utilities                         | 20,027                | 1,078,600              | 99,640            | 67,703                    | 64,567                   | 471                     | -                        | -                                   | 3,850                   | -                           | 95,194                     |
| Depreciation and amortization     | 170,643               | 1,298,299              | 4,977             | 39,023                    | 102,056                  | 20,340                  | -                        | -                                   | 75,139                  | -                           | 45,302                     |
| Other                             | 5,598                 | 90,959                 | 10,736            | 7,290                     | 15,306                   | 1,855                   | -                        | -                                   | 8,666                   | -                           | 456                        |
| Equipment and land rental         | 7,967                 | 2,577                  | 1,509             | 555                       | 308                      | 4,592                   | -                        | -                                   | (4,930)                 | -                           | 2,253                      |
| Contractual                       | 72,268                | 179,922                | 952               | 1,418                     | 9,313                    | 8,800                   | -                        | -                                   | -                       | -                           | 1,335                      |
| <b>TOTAL</b>                      | <b>\$ 1,218,004</b>   | <b>\$ 4,228,812</b>    | <b>\$ 427,961</b> | <b>\$ 481,564</b>         | <b>\$ 1,270,440</b>      | <b>\$ 392,769</b>       | <b>\$ 3,032</b>          | <b>\$ 21,105</b>                    | <b>\$ 902,220</b>       | <b>\$ 25,564</b>            | <b>\$ 586,727</b>          |

|   | <b>LAURELES<br/>PARK</b> | <b>CAMERON /<br/>LA<br/>ESPERANZA</b> | <b>SANTA ROSA<br/>LEARNING<br/>CENTER</b> | <b>RIO HONDO</b> | <b>LOS INDIOS<br/>LEARNING<br/>CENTER</b> | <b>LA<br/>PALOMA</b> | <b>SANTA ROSA<br/>PARK</b> | <b>BROWNE<br/>PARK</b> | <b>EL<br/>RANCHITO</b> | <b>OLMITO PARK</b> | <b>GREENS<br/>DIVISION</b> | <b>TOTAL</b>      |
|---|--------------------------|---------------------------------------|---|------------------|---|----------------------|----------------------------|------------------------|------------------------|--------------------|----------------------------|-------------------|
| <b>OPERATING EXPENDITURES (continued)</b> |                          |                                       |   |                  |   |                      |                            |                        |                        |                    |                            |                   |
| Salaries and wages                        | \$ 12,305                | \$ -                                  | \$ -                                      | \$ -             | \$ -                                      | \$ 13,384            | \$ -                       | \$ 92,233              | \$ 12,752              | \$ -               | \$ 210,725                 | \$ 3,370,063      |
| Uniforms                                  | 199                      | -                                     | -   | -                | -   | 200                  | -                          | 703                    | 111                    | -                  | 2,370                      | 34,497            |
| Fringe benefits and payroll taxes         | 1,149                    | -                                     | -   | -                | -   | 1,214                | -                          | 37,408                 | 1,172                  | -                  | 95,426                     | 1,311,602         |
| Pension                                   | -                        | -                                     | -   | -                | -   | -                    | -                          | -                      | -                      | -                  | -                          | (30,200)          |
| OPEB                                      | -                        | -                                     | -   | -                | -   | -                    | -                          | -                      | -                      | -                  | -                          | (148,610)         |
| Supplies                                  | 2,417                    | -                                     | -   | -                | -   | 4,476                | -                          | 12,657                 | 5,107                  | -                  | 12,211                     | 467,722           |
| Repairs and maintenance                   | 4,280                    | -                                     | -   | -                | -   | 1,315                | -                          | 16,946                 | 4,831                  | -                  | 7,198                      | 1,276,325         |
| Audit                                     | -                        | -                                     | -   | -                | -   | -                    | -                          | -                      | -                      | -                  | -                          | 7,166             |
| Insurance                                 | 5,809                    | -                                     | -   | -                | -   | 5,005                | 6,067                      | 28,373                 | 2,203                  | -                  | 305                        | 232,829           |
| Travel and training                       | -                        | -                                     | -   | -                | -   | -                    | -                          | -                      | -                      | -                  | -                          | 16,069            |
| Advertising                               | -                        | -                                     | -   | -                | -   | -                    | -                          | -                      | -                      | -                  | -                          | 5,749             |
| Utilities                                 | 38,676                   | 0                                     | -   | -                | -   | 11,781               | -                          | 56,556                 | 8,965                  | -                  | -                          | 1,546,030         |
| Depreciation and amortization             | 100,963                  | 23,089                                | 39,627                                    | 65,140           | 3,120                                     | 87,871               | -                          | 111,279                | 33,942                 | -                  | -                          | 2,220,809         |
| Other                                     | -                        | -                                     | -   | -                | -   | -                    | -                          | -                      | -                      | -                  | -                          | 140,867           |
| Equipment and land rental                 | -                        | -                                     | -   | -                | -   | -                    | -                          | 671                    | -                      | -                  | -                          | 15,502            |
| Contractual                               | -                        | -                                     | -   | -                | -   | -                    | -                          | 474                    | -                      | 8,000              | -                          | 282,483           |
| <b>TOTAL</b>                              | <b>165,798</b>           | <b>23,089</b>                         | <b>39,627</b>                             | <b>65,140</b>    | <b>3,120</b>                              | <b>125,246</b>       | <b>6,067</b>               | <b>357,300</b>         | <b>69,083</b>          | <b>8,000</b>       | <b>328,235</b>             | <b>10,748,904</b> |

**CAMERON COUNTY, TEXAS**  
**PARK SYSTEM**  
**SCHEDULE OF COMBINED DEBT SERVICE REQUIREMENTS**  
**SEPTEMBER 30, 2023**

| <u>FISCAL<br/>YEAR</u> | <u>PRINCIPAL<br/>FEBRUARY 15</u> | <u>INTEREST<br/>FEBRUARY 15</u> | <u>INTEREST<br/>AUGUST 15</u> | <u>FISCAL<br/>YEAR<br/>REQUIREMENT</u> |
|------------------------|----------------------------------|---------------------------------|-------------------------------|--|
| 2024                   | 1,720,321                        | 457,600                         | 420,908                       | 2,598,829                              |
| 2025                   | 1,827,514                        | 420,908                         | 381,717                       | 2,630,139                              |
| 2026                   | 1,893,997                        | 381,717                         | 341,040                       | 2,616,754                              |
| 2027                   | 1,980,124                        | 341,040                         | 299,469                       | 2,620,633                              |
| 2028                   | 1,845,317                        | 299,469                         | 264,911                       | 2,409,697                              |
| 2029                   | 1,456,507                        | 264,911                         | 235,820                       | 1,957,238                              |
| 2030                   | 1,351,061                        | 235,820                         | 203,546                       | 1,790,427                              |
| 2031                   | 1,419,683                        | 203,546                         | 169,525                       | 1,792,754                              |
| 2032                   | 1,345,000                        | 169,525                         | 135,900                       | 1,650,425                              |
| 2033                   | 1,415,000                        | 135,900                         | 100,525                       | 1,651,425                              |
| 2034                   | 1,485,000                        | 100,525                         | 63,400                        | 1,648,925                              |
| 2035                   | 1,555,000                        | 63,400                          | 32,300                        | 1,650,700                              |
| 2036                   | 1,615,000                        | 32,300                          | -                             | 1,647,300                              |
| <b>TOTAL</b>           | <u><u>20,909,524</u></u>         | <u><u>3,106,661</u></u>         | <u><u>2,649,061</u></u>       | <u><u>26,665,246</u></u>               |

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
\$5,572,648 LIMITED TAX REFUNDING BONDS, SERIES 2015  
SEPTEMBER 30, 2023**

| <u>FISCAL<br/>YEAR</u> | <u>PRINCIPAL<br/>FEBRUARY 15</u> | <u>INTEREST<br/>FEBRUARY 15</u> | <u>INTEREST<br/>AUGUST 15</u> | <u>FISCAL<br/>YEAR<br/>REQUIREMENT</u> |
|------------------------|----------------------------------|---------------------------------|-------------------------------|--|
| 2024                   | 577,277                          | 61,045                          | 46,613                        | 684,935                                |
| 2025                   | 606,526                          | 46,613                          | 31,450                        | 684,589                                |
| 2026                   | 609,604                          | 31,450                          | 16,210                        | 657,264                                |
| 2027                   | 635,775                          | 16,210                          | 6,673                         | 658,658                                |
| 2028                   | 444,888                          | 6,673                           | -                             | 451,561                                |
| <b>TOTAL</b>           | <u><u>2,874,070</u></u>          | <u><u>161,991</u></u>           | <u><u>100,946</u></u>         | <u><u>3,137,007</u></u>                |

**CAMERON COUNTY, TEXAS**  
**PARK SYSTEM**  
**\$1,407,600 CERTIFICATES OF OBLIGATION, REFUNDING SERIES 2019**  
**SEPTEMBER 30, 2023**

| <u>FISCAL<br/>YEAR</u> | <u>PRINCIPAL<br/>FEBRUARY 15</u> | <u>INTEREST<br/>FEBRUARY 15</u> | <u>INTEREST<br/>AUGUST 15</u> | <u>FISCAL<br/>YEAR<br/>REQUIREMENT</u> |
|------------------------|----------------------------------|---------------------------------|-------------------------------|--|
| 2024                   | 116,738                          | 13,115                          | 11,813                        | 141,666                                |
| 2025                   | 119,556                          | 11,813                          | 10,420                        | 141,789                                |
| 2026                   | 122,374                          | 10,420                          | 8,934                         | 141,728                                |
| 2027                   | 125,594                          | 8,934                           | 7,369                         | 141,897                                |
| 2028                   | 128,815                          | 7,369                           | 5,699                         | 141,883                                |
| 2029                   | 132,035                          | 5,699                           | 3,920                         | 141,654                                |
| 2030                   | 136,061                          | 3,920                           | 2,021                         | 142,002                                |
| 2031                   | 139,683                          | 2,021                           | -                             | 141,704                                |
| <b>TOTAL</b>           | <u><u>1,020,856</u></u>          | <u><u>63,291</u></u>            | <u><u>50,176</u></u>          | <u><u>1,134,323</u></u>                |



**CAMERON COUNTY, TEXAS**  
**PARK SYSTEM**  
**\$21,160,000 CERTIFICATES OF OBLIGATION, SERIES 2016B**  
**SEPTEMBER 30, 2023**

| <u>FISCAL<br/>YEAR</u> | <u>PRINCIPAL<br/>FEBRUARY 15</u> | <u>INTEREST<br/>FEBRUARY 15</u> | <u>INTEREST<br/>AUGUST 15</u> | <u>FISCAL<br/>YEAR<br/>REQUIREMENT</u> |
|------------------------|----------------------------------|---------------------------------|-------------------------------|--|
| 2024                   | 940,000                          | 362,950                         | 344,150                       | 1,647,100                              |
| 2025                   | 980,000                          | 344,150                         | 324,550                       | 1,648,700                              |
| 2026                   | 1,020,000                        | 324,550                         | 304,150                       | 1,648,700                              |
| 2027                   | 1,070,000                        | 304,150                         | 277,400                       | 1,651,550                              |
| 2028                   | 1,115,000                        | 277,400                         | 255,100                       | 1,647,500                              |
| 2029                   | 1,160,000                        | 255,100                         | 231,900                       | 1,647,000                              |
| 2030                   | 1,215,000                        | 231,900                         | 201,525                       | 1,648,425                              |
| 2031                   | 1,280,000                        | 201,525                         | 169,525                       | 1,651,050                              |
| 2032                   | 1,345,000                        | 169,525                         | 135,900                       | 1,650,425                              |
| 2033                   | 1,415,000                        | 135,900                         | 100,525                       | 1,651,425                              |
| 2034                   | 1,485,000                        | 100,525                         | 63,400                        | 1,648,925                              |
| 2035                   | 1,555,000                        | 63,400                          | 32,300                        | 1,650,700                              |
| 2036                   | 1,615,000                        | 32,300                          | -                             | 1,647,300                              |
| <b>TOTAL</b>           | <u><u>16,195,000</u></u>         | <u><u>2,803,375</u></u>         | <u><u>2,440,425</u></u>       | <u><u>21,438,800</u></u>               |

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
\$290,613 TAX NOTE, SERIES 2020  
SEPTEMBER 30, 2023**

| <u>FISCAL<br/>YEAR</u> | <u>PRINCIPAL<br/>FEBRUARY 15</u> | <u>INTEREST<br/>FEBRUARY 15</u> | <u>INTEREST<br/>AUGUST 15</u> | <u>FISCAL<br/>YEAR<br/>REQUIREMENT</u> |
|------------------------|----------------------------------|---------------------------------|-------------------------------|--|
| 2024                   | \$ 61,044                        | \$ 3,131                        | \$ 1,604                      | \$ 65,779                              |
| 2025                   | \$ 64,175                        | \$ 1,604                        | \$ -                          | \$ 65,779                              |
| TOTAL                  | <u>\$ 125,219</u>                | <u>\$ 4,736</u>                 | <u>\$ 1,604</u>               | <u>\$ 131,558</u>                      |

**CAMERON COUNTY, TEXAS  
PARK SYSTEM  
\$705,045 TAX NOTE, SERIES 2022  
SEPTEMBER 30, 2023**

| <u>FISCAL<br/>YEAR</u> | <u>PRINCIPAL<br/>FEBRUARY 15</u> | <u>INTEREST<br/>FEBRUARY 15</u> | <u>INTEREST<br/>AUGUST 15</u> | <u>FISCAL<br/>YEAR<br/>REQUIREMENT</u> |
|------------------------|----------------------------------|---------------------------------|-------------------------------|--|
| 2024                   | \$ 25,260                        | \$ 17,359                       | \$ 16,728                     | \$ 59,348                              |
| 2025                   | \$ 57,257                        | \$ 16,728                       | \$ 15,297                     | \$ 89,281                              |
| 2026                   | \$ 142,019                       | \$ 15,297                       | \$ 11,746                     | \$ 169,062                             |
| 2027                   | \$ 148,755                       | \$ 11,746                       | \$ 8,027                      | \$ 168,529                             |
| 2028                   | \$ 156,614                       | \$ 8,027                        | \$ 4,112                      | \$ 168,753                             |
| 2029                   | \$ 164,473                       | \$ 4,112                        | \$ -                          | \$ 168,585                             |
| <b>TOTAL</b>           | <u><u>\$ 694,379</u></u>         | <u><u>\$ 73,269</u></u>         | <u><u>\$ 55,910</u></u>       | <u><u>\$ 823,557</u></u>               |

**INDEPENDENT AUDITOR’S 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***

The Honorable County Judge  
and Commissioners’ Court Cameron County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Cameron County Park System, as of and for the year ended September 30, 2023, and the related notes to the financial, and have issued our report thereon dated April 9, 2024.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

## Purpose of This Report

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

*Burton, McCumber, & Longoria LLP.*

Brownsville, Texas  
April 9, 2024