

**CAMERON COUNTY, TEXAS
PARK SYSTEM**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024**



**CAMERON COUNTY
PARKS & RECREATION**

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

**CAMERON COUNTY, TEXAS
PARK SYSTEM
SEPTEMBER 30, 2024**

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INTRODUCTORY SECTION



CAMERON COUNTY ★
Parks and Recreation

33248 State Park Road 100
SOUTH PADRE ISLAND, TEXAS 78597

April 4, 2025

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 No. 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. On September 24, 2024, Cameron County started construction improvements to Beach Access No. 3 consisting of an ADA dune walkover, installation of waterlines, permeable paving system, and dune mitigation on Cameron County Beach Access No. 3. These improvements are expected to be completed by summer of 2025. This project is being funded by a Texas General Land CMP Project of Special Merit Grant in the amount of \$650,000, and Cameron County funds for a total of \$127,501.

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 Thomae, 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 and fish cleaning stations, shoreline restoration and additional truck/trailer parking spaces to alleviate some of the overcrowding experienced on busy weekends. The parking lot was constructed using a pervious paving system that is environmentally friendly. Interpretive signage and a kiosks with educational resources about the County's coast and wildlife are situated within different areas of the park.

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 an all-inclusive playground, walking trail, picnic pavilion, lighted soccer field, a basketball court pavilion and an outdoor basketball court. On February 2024, Cameron County started construction improvements to El Centro Cultural located at the Esperanza Park. Construction improvements consists of a splash pad, ADA changing rooms/restrooms, ADA trail improvements, access walkways to all amenities, ADA fitness equipment, interpretive signage, bench areas with wheelchair sites, accessible picnic stations, fencing for autistic visitors, native landscaping and additional ADA Low Impact Development parking area. Construction project is being funded through a Texas Parks & Wildlife Outdoor Recreation Grant in the amount of a \$643,097, and a Texas Parks & Wildlife State Rider in the amount of \$1,000,000. These two grants will allow for Cameron County to develop the first completely all-inclusive park in the region. Construction is expected to be completed by summer of 2025.

Santa Rosa Community Park is located in the City of Santa Rosa, Texas. The Park is operated and maintained by the Cameron County Parks and Recreation. Amenities at the park include: splash pad, covered basketball pavilion, picnic pavilion, walking trail, concession areas native landscaping, two lighted baseball fields, playground facility, and a Boys & Girls Club unit operated and maintained by the City of Santa Rosa. On September 11, 2023, the Cameron County started Santa Rosa Improvements Phase II. These improvements included baseball/athletic field renovations, landscaping and irrigation, bleachers/benches, fencing, and a new playground. Improvements for Phase II were completed on August of 2024. Further developing of a Santa Rosa Park Supplemental baseball field and parking lot are currently ongoing. This supplemental development are being funded through American Rescue Plan Act (ARPA) funds.

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. 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. On January of 2025, Cameron County Park System started the development of improvements to this park which includes a new pavilion, covered basketball court, splash pad, trail improvements with solar lighting, playground improvements, bird watch overlook improvements, native landscaping, restroom renovations and other associated improvements. Improvements to the Bejarano-McFarland Memorial Park are estimated to be completed by the summer of 2025. This project is being funded with the assistance of a Texas Parks & Wildlife Outdoor Grant of \$750,000, and Cameron County Park System Certificates of Obligations.

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 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 cyler, balance steps, tai chi wheels, squat press, cardio stepper, chest and 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 founded on a poured in-place rubberized surface that is handicap accessible offering added safety features for accidental falls. On June of 2024, a pickle ball court was added to this park located adjacent to the newly built covered basketball court. The facility features two pickle ball courts, each measuring 20' x 40'. A canopy shade structure separates the courts providing rest areas for players and seating for spectators. The courts' orange and blue surfacing complements the design of the nearby basketball court. The total cost of developing the pickle ball courts was approximately \$183,000, which covers the nets, shade structures, landscaping, architectural fencing, and picnic tables.

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 Toll Collection System: The Cameron County Commissioners' Court approved entering into an Interlocal Agreement with the Cameron County Regional Mobility Authority (CCRMA) 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 No. 3 and No. 5. The total construction cost is estimated at approximately \$1,731,662. This project is currently ongoing.

Olmito Park: The Olmito Nature Park Project is 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. On August of 2024, Cameron County started the development of the Olmito Nature Park Phase I which include nature trails, fishing piers, birdwatch overlooks, wildlife viewing areas, educational pavilions, nature scape playground, interpretive signage, wildlife friendly lighting, green open space, comfort stations, butterfly gardens, native landscaping and other supporting amenities. This project is being funded with the assistance of a Texas Parks & Wildlife Outdoor Grant in the amount of \$750,000, a Texas Parks & Wildlife Department State Rider of \$2,500,000, a Texas Parks & Wildlife Department Recreational and Trail Grant of \$ 200,000, a Valley Baptist Legacy Foundation grant of \$500,000, ARPA funds in the amount of \$430,000, and Cameron County Parks System Certificate of Obligations in the amount of \$321,000. The Olmito Park Phase I project is expected to be completed by summer of 2025.

The Olmito Park will include further developing of a kayak launching facility and recreational vehicles sites (RV's) 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.

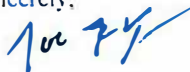
The North Cameron County Beach Nourishment Phase I: This Project is being funded through the CEPRA Cycle 11 Grant Program for engineering and permitting to amend the existing permit to nourish an additional 12 miles of beach north of the currently authorized placement limits. Phase I will include data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

Cameron County Park System
April 4, 2025

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. CEPRAs Cycle II funds will assist Phase I of the restoration project which includes engineering services for a future construction project to stabilize the shore line. 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 currently ongoing. (CEPRA 60%: \$135,000, County 20%: \$45,000, Brownsville Navigation District 20% \$45,000).

Cameron County purchased approximately 12 acres for the development of the Santa Maria Community Park. The Texas Parks & Wildlife Commission approved funding of a State Writer in the amount of \$1,000,000 for the development of the Santa Maria Community Park. The Santa Maria Community Park project will consist of the construction and development of a splash pad, covered basketball court, a lighted soccer field, trails, playground equipment, picnic shelters, landscaping, an indoor recreational/educational facility, parking, concession building and restrooms and other supporting amenities. The Santa Maria Community Park Phase I project construction commenced in January 2025.

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, 2024, 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, 2024, 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, 2024, 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 9 - 12 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 4, 2025, 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 4, 2025

**CAMERON COUNTY, TEXAS
PARK SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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, 2024. 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 2024 and FY 2023 by \$35,882,948 and \$33,066,032, respectively. Of this amount, \$6,956,122 is restricted for specific purposes; the largest restriction is 47%, or \$3,258,592, which is for beach maintenance. As required by GASB 34, net position also reflects \$17,268,060 that is net investment in capital assets. With the presentation of the investment in capital assets, unrestricted net position is \$11,658,766.

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.

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PARK SYSTEM FINANCIAL ANALYSIS

Net position serves as a useful indicator of the Park System financial position. As of September 30, 2024, the Park System assets and deferred outflows exceeded liabilities and deferred inflows by \$35,882,948.

The Park System has a net position of \$17,268,060 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, \$6,956,122, 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 maintenance.

The Park System had \$11,658,766 of unrestricted net position at the end of FY 2024.

The Park System net position for the fiscal years ended September 30, 2024, and 2023, is summarized as follows:

CONDENSED STATEMENT OF NET POSITION

	FY 2024	FY 2023	Increase (Decrease)
Current assets	\$ 33,382,505	\$ 26,590,106	\$ 6,792,399
Non-current assets	3,470,098	3,272,492	197,606
Capital assets, net	<u>38,719,113</u>	<u>37,051,353</u>	1,667,760
Total assets	75,571,716	66,913,951	8,657,765
Deferred outflows of resources	<u>862,329</u>	<u>1,246,962</u>	(384,633)
Total assets and deferred outflows of resources	<u>76,434,045</u>	<u>68,160,913</u>	8,273,132
Current liabilities	9,661,084	8,056,922	1,604,162
Non-current liabilities	<u>27,027,821</u>	<u>23,428,143</u>	3,599,678
Total liabilities	36,688,905	31,485,065	5,203,840
Deferred inflows of resources	<u>3,862,192</u>	<u>3,609,816</u>	252,376
Total liabilities and deferred inflows of resources	<u>40,551,097</u>	<u>35,094,881</u>	5,456,216
Net position:			
Net investment in capital assets	17,268,060	14,132,234	3,135,826
Restricted	6,956,122	6,339,273	616,849
Unrestricted	<u>11,658,766</u>	<u>12,594,525</u>	(935,759)
Total net position	<u>\$ 35,882,948</u>	<u>\$ 33,066,032</u>	<u>\$ 2,816,916</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, 2024 and 2023. The Park System experienced an overall increase of \$2,816,916 in net position.

CONDENSED STATEMENT OF CHANGES IN NET POSITION

	FY <u>2024</u>	FY <u>2023</u>	Increase (Decrease)
Operating revenues	\$ 11,796,244	\$ 12,532,133	\$ (735,889)
Operating expenses	<u>(11,321,351)</u>	<u>(10,748,904)</u>	<u>(572,447)</u>
Operating income (loss)	<u>474,893</u>	<u>1,783,229</u>	<u>(1,308,336)</u>
Non-operating revenue (expenses)	338,663	50,169	288,494
Capital grants and contributions	1,854,886	2,478,212	(623,326)
Transfers in (out)	<u>148,474</u>	<u>959,314</u>	<u>(810,840)</u>
Change in net position	2,816,916	5,270,924	(2,454,008)
Net position - beginning	<u>33,066,032</u>	<u>27,795,108</u>	<u>5,270,924</u>
Net position - ending	<u><u>\$ 35,882,948</u></u>	<u><u>\$ 33,066,032</u></u>	<u><u>\$ 2,816,916</u></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 2024 budget was adopted on September 5, 2023 with total Park System operating expenses of \$12,681,768, a 1% increase from Fiscal Year 2023 budgeted operating expenses.

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CAPITAL ASSETS

The Park System had \$38,719,113 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, 2024:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Depreciable Capital Assets:				
Buildings	\$ 11,537,792	\$ -	\$ -	\$ 11,537,792
Improvements other than buildings	16,665,318	114,000	-	16,779,318
Equipment	1,430,059	68,569	-	1,498,628
Furniture and fixtures	1,020,173	29,722	-	1,049,895
Automotive, machinery and equipment	4,754,067	784,030	-	5,538,097
Other structures	27,345,765	169,445	-	27,515,210
Less: Accumulated depreciation	<u>(28,462,338)</u>	<u>(2,373,331)</u>	<u>-</u>	<u>(30,835,669)</u>
Net Depreciable Capital Assets	34,290,836	(1,207,565)	-	33,083,271
Non-Depreciable Capital Assets:				
Construction in progress	611,134	2,880,313	-	3,491,447
Land	2,140,002	-	-	2,140,002
Right-to-use lease assets, net of amortization	9,381	(4,988)	-	4,393
TOTAL CAPITAL ASSETS, NET	<u>\$ 37,051,353</u>	<u>\$ 1,667,760</u>	<u>\$ -</u>	<u>\$ 38,719,113</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, 2024, the Park System had certificates of obligation payable of \$26,046,003 of which \$1,706,082 is payable in fiscal year 2025.

At September 30, 2024, the Park System had tax notes payable of \$1,169,310 of which \$121,432 is payable in fiscal year 2025.

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, 2024**

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 16,645,953
Restricted Cash:	
Bond debt service	3,101,469
Repairs and replacements reserve	2,000,000
Park Construction Fund:	
2016 CO(s)	169,380
Capital improvements	13,756
Beach maintenance	3,258,592
Park Donation/Grants Fund:	
Beach cleanup donations	5,624
Community parks donations	13,452
Grants	576,985
Total Restricted Cash	9,139,258
Accounts receivable	45,989
Leases receivable	465,168
Due from other agencies	634,893
Due from other funds	6,275,615
Prepays	174,412
Inventory	1,217
Total Current Assets	33,382,505
Non-Current Assets:	
Lease receivable, non-current	3,470,098
Depreciable Capital Assets:	
Buildings	11,537,792
Improvements other than buildings	16,779,318
Equipment	1,498,628
Furniture and fixtures	1,049,895
Automotive, machinery and equipment	5,538,097
Other structures	27,515,210
Accumulated depreciation	(30,835,669)
Net Depreciable Capital Assets	33,083,271
Construction in progress	3,491,447
Land	2,140,002
Right-to-use lease assets, net of amortization	4,393
Total Capital Assets, net	38,719,113
Total Non-Current Assets	42,189,211
TOTAL ASSETS	75,571,716
DEFERRED OUTFLOW OF RESOURCES	
Deferred charges on refunding	96,765
Deferred outflows of resources- Pension	570,641
Deferred outflows of resources- OPEB	194,923
TOTAL DEFERRED OUTFLOW OF RESOURCES	862,329
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 76,434,045

(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, 2024**

LIABILITIES

Current Liabilities:	
Accounts payable	\$ 1,358,446
Wages and fringe payable	118,741
Due to other agencies	951,848
Due to other funds	134,491
Unearned revenue	4,858,198
Non-current liabilities due within one year:	
Compensated absences payable	82,931
Accrued interest payable	138,668
Lease liabilities	1,498
Tax notes - current	121,432
Bonds - current	1,706,082
Net pension liability	137,067
OPEB liability	51,682
Total Current Liabilities	9,661,084
Non-current liabilities due in more than one year:	
Compensated absences payable	33,396
Lease liabilities	5,426
Tax notes - non current	1,047,878
Bonds - non current	24,339,921
Net pension liability	58,843
OPEB liability	1,542,357
Total Non-Current Liabilities	27,027,821
TOTAL LIABILITIES	36,688,905
DEFERRED INFLOW OF RESOURCES	
Deferred inflows of resources - Leases	3,391,338
Deferred inflows of resources - Pension	111,635
Deferred inflows of resources - OPEB	359,219
TOTAL DEFERRED INFLOW OF RESOURCES	3,862,192
NET POSITION	
Net investment in capital assets	17,268,060
Restricted for:	
Bond debt service	3,101,469
Beach maintenance	3,258,592
Donations/grants	596,061
Unrestricted	11,658,766
TOTAL NET POSITION	35,882,948
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 76,434,045

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, 2024**

OPERATING REVENUES	
Entrance fees	\$ 4,148,004
Commissions	1,262,532
Rental income	5,701,747
Trash bag program	134,815
Other	549,146
TOTAL OPERATING REVENUES	<u>11,796,244</u>
OPERATING EXPENSES	
Salaries and wages	3,907,245
Uniforms	42,567
Fringe benefits and payroll taxes	1,513,461
Pension expense (income)	(290,137)
OPEB expense (income)	230,499
Supplies	537,925
Repairs and maintenance	334,496
Insurance	369,715
Travel and training	13,085
Advertising	6,762
Utilities	1,594,971
Depreciation and amortization	2,378,320
Other	289,489
Equipment and land rental	17,881
Auditing	7,166
Contractual services	367,906
TOTAL OPERATING EXPENSES	<u>11,321,351</u>
OPERATING INCOME (LOSS)	<u>474,893</u>
NON-OPERATING REVENUES (EXPENSES)	
Gain(loss) on disposition of capital assets	(42,409)
Interest income	1,269,661
Amortization of bond discount	(15,080)
Amortization of bond premiums	183,070
Interest and fiscal agent charges	(1,056,579)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>338,663</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>813,556</u>
Capital grants and contributions	1,854,886
Transfers in	1,346,341
Transfers (out)	(1,197,867)
CHANGE IN NET POSITION	<u>2,816,916</u>
Net Position - beginning	33,066,032
Net Position - ending	<u>\$ 35,882,948</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, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	\$ 11,657,846
Cash received from other operating activities	119,700
Cash payments for goods and services	(2,467,043)
Cash payments to employees	(5,354,286)
Cash Provided by Operating Activities	3,956,217

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Transfers in from other funds	1,585,946
Transfers out to other funds	(7,072,764)
Interfund loan payments	(3,800,495)
Cash Used for Non-Capital Financing Activities	(9,287,313)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets	(4,039,681)
Disposition of capital assets	(42,409)
Debt issuance	5,494,823
Debt premium and discount	450,297
Capital grants & contributions	5,134,078
Interest and fiscal agent fees	(1,032,311)
Principal payments on long-term debt	(1,725,709)
Cash Provided by Capital and Related Financing Activities	4,239,088

CASH FLOWS FROM INVESTING ACTIVITIES:

Receipts of interest	1,269,661
Cash Provided by Investing Activities	1,269,661

Increase in cash and cash equivalents	177,653
Cash and cash equivalents at beginning of year	25,607,558

CASH AND CASH EQUIVALENTS AT END OF YEAR 25,785,211

Displayed as:

Cash and cash equivalents	16,645,953
Restricted cash	9,139,258
	25,785,211

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating Income	474,893
Adjustments To Reconcile Operating Income to Cash Provided (Used) by Operating Activities:	
Depreciation and amortization	2,378,320
Post-employment benefits	230,499
Pension	(290,137)
Decrease (Increase) in accounts receivable	(22,591)
Decrease (Increase) in prepaids	90,542
Decrease (Increase) in inventory	(765)
Decrease (Increase) in due from other agencies	7,916
Increase (Decrease) in accounts payable	1,015,480
Increase (Decrease) in wages and fringe payable	31,159
Increase (Decrease) in compensated absences payable	35,261
Increase (Decrease) in reserve payable	1,584
Increase (Decrease) in customer deposits	3,893
Increase (Decrease) in due to other agencies	163

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 3,956,217

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, 2024**

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 describe in the following notes to the financial statements.

A. Reporting Entity

Cameron County, Texas (the “County”), 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 and 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 Park System follows GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis – for State and Local Governments* 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, 2024**

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 Park 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 System’s 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, 2024**

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 System’s 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. Donated capital assets are stated at their acquisition value on the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. 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, 2024, deferred outflow of resources due to refunding debt was recognized under the Parks System statements of \$96,765.

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 aggregated OPEB expense totaled \$102,185 for the fiscal year ended September 30, 2024.

**CAMERON COUNTY, TEXAS
PARK SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Note 1 – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources (continued)

The Park System reports changes in Net Pension Liability as Pension expense or reported as deferred outflows/inflows of resources depending on the nature of the change. For the fiscal year ended September 30, 2024 the aggregated Pension expense totaled \$102,620, 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 Park System's statements.

The Park System is 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 System is 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, 2024

Note 1 – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

J. Unemployment and Worker’s Compensation Benefits

The Park 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 4, 2025, which is 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 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, 2024, the Park System cash and cash equivalents totaled \$25,785,211. 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 County’s name. Collateral that is pledged to the 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 determined 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, 2024**

Note 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits, Including Certificates of Deposit (continued)

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

As of September 30, 2024, the Park System’s carrying amount of demand deposits and investments are as follows:

<u>CASH</u>	<u>FAIR VALUE</u>
Cash and equivalents	\$16,645,953
 <u>RESTRICTED CASH</u>	
Park Construction Fund	
Cash and Equivalents	3,441,728
Park Donations/Grants Fund	
Cash and Equivalents	596,061
Bond Debt Service	
Cash and Equivalents	3,101,469
Repair and Replacements Reserve	
Cash and Equivalents	<u>2,000,000</u>
TOTAL	<u>\$25,785,211</u>

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, 74th 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 the 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 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, 2024**

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 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, 2024, the Park System recognized \$13,897 of lease revenue and \$4,755 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, 2024**

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, 2024, the Park System recognized \$186,348 of lease revenue and \$52,846 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, 2024, the County recognized \$103,720 of lease revenue and \$5,400 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, 2024, the County recognized \$77,203 of lease revenue and \$22,338 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, 2024, the County recognized \$27,021 of lease revenue and \$7,880 of interest revenue under the lease.

The net present value of the future minimum less lease payments to be received as of September 30, 2024 are as follows:

Fiscal Year Ending	Principal	Interest	Total
<u>September 30,</u>			
2025	\$ 465,168	\$ 125,895	\$ 591,063
2026	378,318	112,743	491,061
2027	369,716	101,346	471,062
2028	390,826	89,538	480,364
2029	406,387	77,079	483,466
Thereafter	<u>1,924,851</u>	<u>224,083</u>	<u>2,148,934</u>
TOTAL	<u>\$ 3,935,266</u>	<u>\$ 730,684</u>	<u>\$ 4,665,950</u>

**CAMERON COUNTY, TEXAS
PARK SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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, 2024 are as follows:

	Beginning Balance 9/30/2023	Increases	Decreases	Ending Balance 9/30/2024
Right-to-use lease assets:				
Leased easement	\$ 3,921	\$ -	\$ -	\$ 3,921
Leased equipment	20,632	-	(6,400)	14,232
Total right-to-use lease assets	<u>24,553</u>	<u>-</u>	<u>(6,400)</u>	<u>18,153</u>
Less accumulated amortization:				
Leased easement	(428)	(214)	-	(642)
Leased equipment	(14,744)	(4,774)	6,400	(13,118)
Total accumulated amortization	<u>(15,172)</u>	<u>(4,988)</u>	<u>6,400</u>	<u>(13,760)</u>
Right-to-use lease assets, net	<u>\$ 9,381</u>	<u>\$ (4,988)</u>	<u>\$ -</u>	<u>\$ 4,393</u>

Note 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2024 are as follows:

	Beginning Balance 09/30/2023	Increases	Decreases	Ending Balance 09/30/2024
Non-Depreciable Capital Assets:				
Construction in progress	\$ 611,134	\$2,880,313	\$ -	\$ 3,491,447
Land	2,140,002	-	-	2,140,002
Total non-depreciable capital assets	<u>2,751,136</u>	<u>2,880,313</u>	<u>-</u>	<u>5,631,449</u>
Depreciable Capital Assets:				
Buildings	11,537,792	-	-	11,537,792
Improvements other than buildings	16,665,318	114,000	-	16,779,318
Equipment	1,430,059	68,569	-	1,498,628
Furniture and fixtures	1,020,173	29,722	-	1,049,895
Automotive machinery and equipment	4,754,067	784,030	-	5,538,097
Other structures	27,345,765	169,445	-	27,515,210
Less: Accumulated depreciation	<u>(28,462,338)</u>	<u>(2,373,331)</u>	<u>-</u>	<u>(30,835,669)</u>
Net Depreciable Capital Assets	<u>34,290,836</u>	<u>(1,207,565)</u>	<u>-</u>	<u>33,083,271</u>
Right-to-use lease assets, net of amortization	9,381	(4,988)	-	4,393
TOTAL CAPITAL ASSETS, NET	<u>\$37,051,353</u>	<u>\$1,677,760</u>	<u>\$ -</u>	<u>\$38,719,113</u>

For the fiscal year ended September 30, 2024 depreciation and amortization expense totaled \$2,378,320.

**CAMERON COUNTY, TEXAS
PARK SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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 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 \$1,114 at September 30, 2024. 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 \$3,279 at September 30, 2024. 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, 2024, were as follows:

Fiscal Year Ending	Principal	Interest	Total
September 30,			
2025	\$ 1,498	\$ 235	\$ 1,733
2026	285	215	500
2027	296	203	499
2028	309	191	500
2029	322	178	500
Thereafter	4,214	953	5,167
Subtotal	6,924	1,975	8,899
Less current maturities	(1,498)	(235)	(1,733)
Long-term	<u>\$ 5,426</u>	<u>\$ 1,740</u>	<u>\$ 7,166</u>

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**CAMERON COUNTY, TEXAS
PARK SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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, and 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.

The County issued \$7,115,000 Cameron County, Texas Tax Notes, Series 2024 dated March 26, 2024 for the purpose of purchasing heavy equipment, patrol vehicles, non-law enforcement vehicles, computer equipment, maintenance equipment, other miscellaneous items and the paying of costs of issuance. Cameron County Park System received proceeds of \$374,897 from this issuance with premium costs of \$26,659 and bond issuance costs of \$7,385. Payments are due semiannually on February 15 and August 15, maturing on February 15, 2031 with interest rates of 5.00%.

The County issued \$6,850,000 Cameron County, Texas Tax Notes, Series 2022 dated May 5, 2022. Cameron County Park System received proceeds of \$769,037 from this issuance with premium costs of \$77,841 and bond issuance of \$13,849. The Texas Tax notes were for the purpose of providing payment of contractual obligation to be incurred in connection with the purchase of equipment, and for paying the costs of issuance. Payments are due semiannually on February 15 and August 15, maturing on February 15, 2029 with interest rates of 5.00%.

The County issued \$5,570,000 Cameron County, Texas Tax Notes, Series 2020 dated February 1, 2020. Cameron County Park System received proceeds of \$318,075 from this issuance with premium costs of \$34,311 and bond issuance costs of \$6,849. The Texas Tax notes were issued for the purpose of providing payment of contractual obligation to be incurred in connection with the purchase of equipment, technology upgrades for County departments, vehicles, HVAC and cooling system, improvements to County building and the costs of issuing the Notes and professional services rendered in connection therewith. Payments are due semiannually on February 15 and August 15, maturing on February 15, 2025 with interest rates of 5.00%.

The annual requirements to amortize the amounts outstanding attributable to Parks System as of September 30, 2024, including estimated interest payments of \$170,413 are as follows:

Fiscal Year Ending September 30, 2024	Principal	Interest	Total
2025	\$ 121,432	\$ 51,410	\$ 172,842
2026	194,251	43,518	237,769
2027	203,486	33,575	237,061
2028	214,094	23,135	237,229
2029	224,951	12,159	237,110
Thereafter	130,702	6,616	137,318
TOTAL	\$1,088,916	170,413	1,259,329
Unamortized Premium	80,394	-	80,394
NET TOTAL	\$1,169,310	\$170,413	\$1,339,723

**CAMERON COUNTY, TEXAS
PARK SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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 by the Bond Order.

The Bond Order also obligates the County to fund a Repair and Replacement 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 2024 for a total amount of \$35,040,000 on April 30, 2024. Cameron County Park System received proceeds of \$5,139,200 from this issuance. The Certificates are being issued for the purpose of providing payment of contractual obligations to be incurred for the design, planning, acquisition, equipping, construction, expansion, repair and/or renovation of public property, specifically County parks improvements at 1) Laguna Heights Park, 2) Laureles Park, and 3) Isla Blanca Park and related parks administration facility. Payments are due semiannually on February 15 and August 15, maturing on February 15, 2044 with interest rates from 4.0% to 5.0%.

The County issued Certificates of Obligation, Series 2016B for a total amount of \$21,160,000 on September 1, 2016. Cameron County Park System received proceeds of \$21,160,000 from this issuance. 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 Certificates. Payments are due semiannually on February 15 and August 15, maturing in fiscal year 2036 with interest rates from 2.0% to 5.0%.

Cameron County issued Certificates of Obligation, Series 2011 for a total amount of \$23,570,000 on June 1, 2011. Cameron County Park System received proceeds of \$1,897,000 from this issuance. The purpose of the Certificates of Obligation are being issued to provide payment of contractual obligations incurred in connection with the construction of a Community Center in Olmito and for improvements to the Benavides Park and Browne Road Social Service Center. Payments are due semiannually on February 15 and August 15, maturing in fiscal year 2022 with interest rates from 2.0% to 5.00%. Certificates of Obligation, Series 2011 were refinance with Limited Tax Refunding Bonds, Taxable Series 2019 for a total amount of \$17,865,000 on October 1, 2019.

Cameron County issued Limited Tax Refunding Bonds, Taxable Series 2019 for a total amount of \$17,865,000 on October 1, 2019. Cameron County Park System received proceeds of \$1,407,600 from this issuance. The purpose of the Limited Tax Refunding Bonds issued are for the refunding of currently outstanding obligations of the County, to achieve debt service savings and to pay costs related to the issuance of the bonds. Payments are due semiannually on February 15 and August 15, maturing in fiscal year 2031 with interest rates from 1.8% to 2.9%.

**CAMERON COUNTY, TEXAS
PARK SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Note 6 – LONG-TERM DEBT (CONTINUED)

C. Certificates of Obligation (continued)

The County issued Certificates of Obligation, Series 2007 for a total amount of \$8,000,000 on February 15, 2007. The purpose of the Certificates of Obligation was to provide for the payment of contractual obligations incurred in connection with the design, planning, acquisition, construction, equipping, expansion and/or renovation of certain public property; specifically improvements, additions, 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 to pay the General Fund I&S Fund for payments on these bonds. Certificates of Obligation, Series 2007 were refinanced with Limited Tax Refunding Bonds, Taxable Series 2015 for a total amount of \$18,100,000 on March 31, 2015

Cameron County issued Limited Tax Refunding Bonds, Taxable Series 2015 for a total amount of \$18,100,000 on March 3, 2015. Cameron County Park System received proceeds of \$5,572,648 from this issuance. The purpose of the Limited Tax Refunding Bonds issued are for the refunding of currently outstanding obligations of the County, to achieve debt service savings and to pay costs related to the issuance of the bonds. Payments are due semiannually on February 15 and August 15, maturing in fiscal year 2028 with interest rates from 3.0 to 5.0%.

The annual requirements to amortize the amounts outstanding attributable to the Parks System as of September 30, 2024, including estimated interest payments of \$7,720,914 are as follows:

Fiscal Year Ending	Principal	Interest	Total
September 30,			
2025	\$ 1,706,082	\$1,018,738	\$ 2,724,820
2026	1,918,445	941,295	2,859,740
2027	2,006,635	857,773	2,864,408
2028	1,872,769	780,294	2,653,063
2029	1,484,902	715,250	2,200,152
2030-2034	8,142,878	2,451,901	10,594,779
2035-2039	4,617,600	741,571	5,359,171
2040-2044	1,845,800	214,092	2,059,892
TOTAL	23,595,111	7,720,914	31,316,025
Unamortized Premium	2,450,892	-	2,450,892
NET TOTAL	<u>\$26,046,003</u>	<u>\$7,720,914</u>	<u>\$33,766,917</u>

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).

**CAMERON COUNTY, TEXAS
PARK SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Note 7 – RETIREMENT PLAN (CONTINUED)

A. Texas County and District Retirement System (continued)

Plan Description (continued)

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 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.

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 12.20% for the months of the calendar year in 2022 and 11.30% for the months of the calendar year in 2023. As of December 31, 2023, 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 2022 and 2023 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, 2024, the actual employer contributions were \$9,818,929, and were equal to the required contribution.

County Pension Plan Provisions

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

**CAMERON COUNTY, TEXAS
PARK SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Note 7 – RETIREMENT PLAN (CONTINUED)

A. Texas County and District Retirement System (continued)

Plan Description (continued)

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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Net Pension Liability/(Asset)

Governmental Accounting Standards Board, 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 the Park System was determined as of December 31, 2023, 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, 2023, are not reflected in this report. The allocated Net Pension Liability (NPL) for the Park System totaled \$195,910, and the recognized pension expense (income) of \$102,620 for fiscal year ended September 30, 2024.

Note 8 – OTHER POST EMPLOYMENT BENEFITS

A. 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.

**CAMERON COUNTY, TEXAS
PARK SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Note 8 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

B. 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.

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 & Spouse</u>	<u>Retiree & 1 Child</u>	<u>Retiree & Children</u>	<u>Retiree & Family</u>
Medical/TX	\$ 250.78	\$ 575.98	\$ 500.98	\$ 532.23	\$ 657.23

The Park System membership in the plan at October 1, 2023, the date of the latest actuarial valuation, consists of the following:

Active Members	73
Retirees and beneficiaries receiving benefits:	2
Spouses of Retirees:	<u>1</u>
Total	<u><u>76</u></u>

The valuation date of GASB75 for Cameron County is October 1, 2023, the date as of which the actuarial valuation was performed. Measurement date is September 30, 2024, the entity’s fiscal year end. The OPEB liability was determined as of September 30, 2024, which is the reporting date. There have been no significant changes between the valuation date and the fiscal year end.

Valuation Date	October 1, 2023
Measurement Date	September 30, 2024
Actuarial Cost Method	Entry Age Normal

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**CAMERON COUNTY, TEXAS
PARK SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Note 8 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

B. The Plan: Health Insurance Benefit (continued)

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.

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, 2023	4.09% per annum
	September 30, 2024	3.81% 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, 2023	2.40% per annum
	September 30, 2024	2.30% per annum

Price inflation from December 31, 2023 actuarial report from TCDRS.

Salary merit increases used in this valuation are based on average age (for entry age 30-39) and service of current population. 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%. For active employees, husbands are presumed to be three years older than their spouse is 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.

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**CAMERON COUNTY, TEXAS
PARK SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Note 8 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

B. The Plan: Health Insurance Benefit (continued)

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.

Changes in OPEB Liability – Medical

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

	Increase(Decrease) Total OPEB Liability
Balance as of September 30, 2023	\$ 29,569,838
Changes for the year:	
Service Cost	1,793,625
Interest on total OPEB Liability	1,266,124
Effect on economic/demographic gains/losses	(1,726,195)
Effect on assumptions changes or inputs	710,100
Expected benefit payments	(821,967)
Balance as of September 30, 2024	30,791,525
Due within one year	\$ 1,092,730

Medical OPEB Liability	<u>September 30, 2023</u>	<u>September 30, 2024</u>
Park System OPEB Liability	\$ 1,183,285	\$ 1,364,300
Covered Payroll	2,212,391	2,666,724
OPEB Liability a % of covered payroll	53.48%	51.16%
OPEB Liability a % of Total OPEB Liability	4.00%	4.43%

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.

	<u>Beginning Date</u>	<u>Ending Date</u>
Valuation date	October 1, 2021	October 1, 2023
Measurement date	September 30, 2023	September 30, 2024
Employer's fiscal year	September 30, 2023	September 30, 2024

**CAMERON COUNTY, TEXAS
PARK SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Note 8 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

B. The Plan: Health Insurance Benefit (continued)

Discount Rate:

	<u>September 30, 2023</u>	<u>September 30, 2024</u>
Discount Rate	4.09%	3.81%
20 Year Tax-Exempt Municipal Bond Yield	4.09%	3.81%

Sensitivity Analysis

The following presents the total OPEB liability of Cameron County, calculated using the 3.81%, as well as what County’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.81%) or one percentage point higher (4.81%) than the current rate.

1% Decrease	Discount Rate	1% Increase
2.81%	3.81%	4.81%

Total OPEB liability	\$ 33,442,518	\$ 30,791,525	\$ 28,322,388
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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 Rates	1% Increase

Total OPEB liability	\$ 27,044,355	\$ 30,791,525	\$ 35,244,981
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C. OPEB – Multiple Employer Defined Benefit 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 TCDRS 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>December 31, 2022</u>	<u>December 31, 2023</u>
Total OPEB Liability	\$ 3,236,489	\$ 3,674,545

**CAMERON COUNTY, TEXAS
PARK SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Note 8 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

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⁾	3.72 %	3.26 %
Long-term expected rate of return, net of investment expenses	Does not apply	Does not apply
Municipal bond rate	3.72 %	3.26 %

⁽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, 2023 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, 2022	December 31, 2023
Measurement date	December 31, 2022	December 31, 2023
Employer's fiscal year	October 1, 2023	September 30, 2024

Changes in Cameron County's - OPEB Liability - GTL

	Increase(Decrease) Total OPEB Liability
Balance as of December 31, 2022	\$ 3,236,489
Changes for the year:	
Service Cost	91,851
Interest on total OPEB Liability ⁽¹⁾	122,521
Effect on economic/demographic experience	(6,345)
Effect on assumptions changes or inputs ⁽²⁾	300,219
Expected benefit payments	(70,190)
Balance as of December 31, 2023	<u>\$ 3,674,545</u>

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

⁽²⁾ Reflects change in discount rate.

**CAMERON COUNTY, TEXAS
PARK SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Note 8 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

GTL OPEB Liability	<u>September 30, 2023</u>	<u>September 30, 2024</u>
Park System OPEB Liability	\$ 215,333	\$ 229,739

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. Therefore, a discount rate of 3.26% is used in this actuarial based on 20 Year Bond GO Index published as of the measurement date of December 31, 2023. The following presents the total OPEB liability of Cameron County, calculated using the discount rate of 3.26%, as well as what County's total OPEB liability would be if it were calculated using a discount rate that is 1% point lower (2.26%) or 1% point higher (4.26%) 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
	2.26%	3.26%	4.26%
Total OPEB liability	\$ 4,469,892	\$ 3,674,545	\$ 3,064,810

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 4, 2025

**CAMERON COUNTY, TEXAS
PARK SYSTEM
SCHEDULE OF INSURANCE COVERAGE
SEPTEMBER 30, 2024**

INSURER	POLICY	COVERAGE	AMOUNT OF COVERAGE LIMITS	POLICY EXPIRATION DATE	DEDUCTIBLE
CrossCover (QBE Speciality Insurance Co.)	Commercial Property	All risks of direct physical loss or damage including Flood, Earth Movement, Wind & Hail; excluding Equipment Breakdown, Terrorism and as further discussed in the policy.	\$25,000,000 / Per Occurance limit of liability. Coverage Limited Per Schedule of Values, 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)	5/1/2025	\$50,000 Per Occurance / Deductibles are Per Occurance.
		Real Property, Personal Property and as further discussed in the policy form.			
		Named Wind	\$250,000	5/1/2025	5% applies to locations in Tier 1 or 2, subject to a minimum of \$100,000 Per Occurance/ Percent Deductibles are Per Location, Per Occurance
		All Other Wind	\$250,000	5/1/2025	3% subject to a minimum of \$100,000 Per Occurance/ Percent Deductibles are Per Location, Per Occurance
		Wind Driven Rain	\$250,000	5/1/2025	Same as the applicable Wind deductible
		Earth Movement	\$5,000,000 Annual Aggregate	5/1/2025	\$100,000 Per Occurance
		Flood	\$5,000,000 Annual Aggregate	5/1/2025	\$100,000 Per Occurance, except Locations in or within 500 feet of Flood Zone(s) pre-fixed with A or V: Maximum Amount available NFIP, whether purchased or not, for eligible property; plus \$250,000 for ineligible covered Property and Time Element Per Occurance (Flood Zones) at Inception to Govern through the Policy Form
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.	5/1/2025	N/L
Liberty Mutual Fire Insurance Co.	Equipment Breakdown Policy Per the Liberty Mutual PowerPro Select policy, does not include mobile equipment	Loss Limit: Property Damage	\$50,000,000 Per Breakdown	5/1/2025	\$10,000
		Sublimits: Spoilage	\$250,000	5/1/2025	Included in PD
		Ammonia Contamination	\$500,000	5/1/2025	-
		Consequential Loss	\$100,000	5/1/2025	-
		Data and Media	\$500,000	5/1/2025	-
		Hazardous Substance	\$250,000	5/1/2025	-
		Additional Sub-limits/Limitations as per Liberty's policy form to apply			
Hanover Insurance Company	Crime Policy Loss of money, securities, or inventory resulting from crime including employee dishonesty, robbery, safe burglary and forgery.	Public Employee Theft	\$500,000	7/1/2025	\$7,500/ per loss
		Forgery Or Alteration	\$250,000	7/1/2025	\$5,000/ per loss
		Inside Premises/Theft of Money & Sec.	\$175,000	7/1/2025	\$1,500/ per loss
		Inside Premises/Robbery Or Safe Burglary	\$150,000	7/1/2025	\$1,500/ per loss
		Outside The Premises	\$150,000	7/1/2025	\$1,500/ per loss
		Computer and Funds Transfer Fraud	\$500,000	7/1/2025	\$7,500/ per loss
		Money Orders/Counterfeit Currency	\$500,000	7/1/2025	\$5,000/ per loss

**CAMERON COUNTY, TEXAS
PARK SYSTEM
SCHEDULE OF INSURANCE COVERAGE (CONTINUED)
SEPTEMBER 30, 2024**

INSURER	POLICY	COVERAGE	AMOUNT OF COVERAGE LIMITS	POLICY EXPIRATION DATE	DEDUCTIBLE
Crum & Foster Specialty Insurance Co.	Cyber & Multimedia Liability Insurance Policy	Aggregate Limit of Liability:	\$1,000,000	7/1/2025	N/A
		Breach Costs	<i>(Includes Claims Expense unless amended by specific endorsement to this policy)</i>		
		Cyber Liability			
		Multimedia Liability			
		Breach Costs	\$1,000,000		
		Sublimits of Liability:			
		eCrime Loss Sublimit of Liability	\$250,000		
		Dependent Business Sublimit of Liability	\$500,000		
		Ransomware/Malware Sublimit of Liability	\$1,000,000		
		Retention	\$100,000 each incident or event		
Texas Association of Counties	Auto Liability	Bodily Injury per person/per occurrence	\$100,000/\$300,000	1/1/2025	\$1,000/ per occurrence
		Property Damage/Each Accident	\$100,000		\$1,000/ per occurrence
		Personal Injury Protection	\$5,000		N/A
		Hired and Non-Owned	Not Covered		N/A
		Supplementary Death Benefit	Not Covered		N/A
	Auto Physical Damage	Comprehensive & Collision Coverage	The lesser of the Actual Cash Value @ the time of loss or cost of repair w/like kind and quality	1/1/2025	\$5,000/ per occurrence
	General Liability	Bodily Injury per person/per occurrence	\$100,000/\$300,000	1/1/2025	\$5,000/ per occurrence
		Property Damage/ each accident	\$100,000		\$5,000/ per occurrence
		Crisis Management	\$100,000		\$5,000/ per occurrence
		Employee Benefits Liability	\$500,000		\$1,000/ per occurrence
		Garage Keeper's Legal Liability	\$50,000		\$1,000/ per occurrence
		Personal & Advertising Injury per person/ per offense/aggregate	\$100,000/\$300,000		\$5,000/ per occurrence
	Texas Association of Counties	Worker's Compensation Coverage	Each Accident/ Each Employee for Disease	Statutory	1/1/2025
Employers' Liability Coverage		Bodily Injury by Accident/ Bodily Injury by Disease	\$1,000,000 Each Accident/ \$1,000,000 Each Claimant/	1/1/2025	N/A
		Agregate per Coverage period	\$2,000,000		

**CAMERON COUNTY, TEXAS
PARK SYSTEM
SCHEDULE OF OPERATING REVENUES
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	ISLA BLANCA	ANDY BOWIE	PUBLIC BEACHES	ADOLPH THOMAE JR	BEACH SAFETY	PARK RANGERS	COMMUNITY PARKS	BEACH CLEANUP	TOTAL
OPERATING REVENUES									
Entrance Fees	\$ 1,847,671	\$ 134,497	\$ 1,487,966	\$ 391,745	\$ 286,127	\$ -	\$ -	\$ -	\$ 4,148,004
Commissions	1,016,891	245,641	-	-	-	-	-	-	1,262,532
Rental income	4,026,954	163,622	-	168,095	-	-	1,935	-	4,360,606
Apartment rental	-	-	-	350	-	-	-	-	350
Concession leases	958,249	32,611	-	-	-	-	-	-	990,860
Electricity	285,821	12,556	-	7,343	-	-	-	-	305,720
Water	472	-	-	-	-	-	-	-	472
Tents	23,235	13,236	-	7,268	-	-	-	-	43,738
Trash bag program	-	-	134,815	-	-	-	-	-	134,815
Beach fee reimbursement	129,885	-	-	-	-	-	-	-	129,885
Donations	-	-	-	-	-	-	500	1,925	2,425
Park summer program	-	-	-	-	1,200	-	1,275	-	2,475
Other	354,986	25,911	146	17,540	-	15,778	-	-	414,362
TOTAL	\$ 8,644,163	\$ 628,074	\$ 1,622,927	\$ 592,341	\$ 287,327	\$ 15,778	\$ 3,710	\$ 1,925	\$ 11,796,244

**CAMERON COUNTY, TEXAS
PARK SYSTEM
SCHEDULE OF OPERATING EXPENSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	PARK ADMIN	ISLA BLANCA	ANDY BOWIE	PUBLIC BEACHES	ADOLPH THOMAE JR	BEACH SAFETY	BEACH CLEANUP	PARKS SUMMER PROGRAM	PARK RANGERS	CODE ENFORCEMENT	COMMUNITY PARKS
OPERATING EXPENSES											
Salaries and wages	\$ 855,877	\$ 802,638	\$ 171,441	\$ 341,525	\$ 198,904	\$ 265,279	\$ -	\$ 8,624	\$ 576,751	\$ 34,005	\$ 286,869
Uniforms	2,159	9,608	3,350	2,200	1,980	6,500	-	-	9,270	699	2,702
Fringe benefits and payroll taxes	318,940	382,465	74,642	74,588	98,633	51,971	-	780	235,603	3,140	127,241
Pension expense (income)	(290,137)	-	-	-	-	-	-	-	-	-	-
OPEB expense (income)	230,499	-	-	-	-	-	-	-	-	-	-
Supplies	47,352	149,487	36,082	30,749	35,827	44,710	2,095	1,147	97,230	1,920	43,915
Repairs and maintenance	48,860	91,323	19,129	5,921	20,587	4,681	-	-	49,628	-	50,802
Insurance	48,831	112,428	9,485	51,929	27,004	1,969	-	-	9,420	-	21,082
Travel and training	5,564	2,178	-	-	-	2,697	-	-	2,646	-	-
Advertising	2,313	1,246	1,500	-	1,703	-	-	-	-	-	-
Utilities	43,597	1,060,612	113,230	59,479	83,630	420	-	-	4,654	-	104,746
Depreciation and amortization	202,464	1,296,833	5,647	39,023	102,181	24,700	-	-	132,057	-	45,570
Other	8,465	216,487	32,386	7,735	17,471	1,098	-	-	5,572	-	276
Equipment and land rental	5,244	3,499	1,660	642	323	6,431	-	-	(3,868)	-	3,278
Auditing	-	7,166	-	-	-	-	-	-	-	-	-
Contractual services	102,917	216,321	7,370	3,574	12,790	10,400	-	-	-	-	13,175
TOTAL	\$ 1,632,946	\$ 4,352,291	\$ 475,922	\$ 617,364	\$ 601,034	\$ 420,856	\$ 2,095	\$ 10,551	\$ 1,118,963	\$ 39,764	\$ 699,655

	LAURELES PARK	CAMERON / LA ESPERANZA	SANTA ROSA LEARNING CENTER	RIO HONDO	LOS INDIOS LEARNING CENTER	LA PALOMA	SANTA ROSA PARK	BROWNE PARK	EL RANCHITO	GREENS DIVISION	TOTAL
OPERATING EXPENSES (continued)											
Salaries and wages	\$ 14,058	\$ -	\$ -	\$ -	\$ -	\$ 13,675	\$ -	\$ 112,508	\$ 12,841	\$ 212,251	\$ 3,907,245
Uniforms	200	-	-	-	-	200	-	499	200	3,000	42,567
Fringe benefits and payroll taxes	1,270	-	-	-	-	1,235	-	46,451	1,160	95,342	1,513,461
Pension expense (income)	-	-	-	-	-	-	-	-	-	-	(290,137)
OPEB expense (income)	-	-	-	-	-	-	-	-	-	-	230,499
Supplies	3,846	-	-	-	-	6,922	-	14,475	7,067	15,100	537,925
Repairs and maintenance	2,559	-	-	-	-	10,720	-	17,002	6,039	7,246	334,496
Insurance	7,105	-	-	-	-	7,468	26,054	43,523	3,115	302	369,715
Travel and training	-	-	-	-	-	-	-	-	-	-	13,085
Advertising	-	-	-	-	-	-	-	-	-	-	6,762
Utilities	34,150	-	-	-	-	15,520	-	63,966	10,967	-	1,594,971
Depreciation and amortization	100,963	23,089	78,377	65,140	3,120	87,871	-	136,708	33,942	635	2,378,320
Other	-	-	-	-	-	-	-	-	-	-	289,489
Equipment and land rental	-	-	-	-	-	-	-	671	-	-	17,881
Auditing	-	-	-	-	-	-	-	-	-	-	7,166
Contractual services	-	-	-	-	-	-	-	1,358	-	-	367,906
TOTAL	\$ 164,150	\$ 23,089	\$ 78,377	\$ 65,140	\$ 3,120	\$ 143,612	\$ 26,054	\$ 437,162	\$ 75,331	\$ 333,876	\$ 11,321,351

CAMERON COUNTY, TEXAS
PARK SYSTEM
SCHEDULE OF COMBINED DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2024

<u>FISCAL YEAR</u>	<u>PRINCIPAL FEBRUARY 15</u>	<u>INTEREST FEBRUARY 15</u>	<u>INTEREST AUGUST 15</u>	<u>FISCAL YEAR REQUIREMENT</u>
2025	\$ 1,827,514	\$ 554,669	\$ 515,479	\$ 2,897,662
2026	2,112,696	515,479	469,334	3,097,509
2027	2,210,121	469,334	422,014	3,101,469
2028	2,086,863	422,013	381,416	2,890,292
2029	1,709,853	381,416	345,993	2,437,262
2030	1,618,654	345,992	307,028	2,271,674
2031	1,700,792	307,028	265,980	2,273,800
2032	1,569,400	265,979	226,745	2,062,124
2033	1,651,867	226,745	185,447	2,064,059
2034	1,732,867	185,447	142,126	2,060,440
2035	1,816,067	142,126	104,499	2,062,692
2036	1,890,000	104,499	65,324	2,059,823
2037	288,933	65,325	58,101	412,359
2038	302,867	58,101	50,530	411,498
2039	319,733	50,530	42,536	412,799
2040	335,133	42,536	34,158	411,827
2041	352,733	34,158	25,339	412,230
2042	368,867	25,339	17,962	412,168
2043	385,733	17,962	8,319	412,014
2044	403,334	8,319	-	411,653
TOTAL	<u><u>\$ 24,684,027</u></u>	<u><u>\$ 4,222,997</u></u>	<u><u>\$ 3,668,330</u></u>	<u><u>\$ 32,575,354</u></u>

CAMERON COUNTY, TEXAS
PARK SYSTEM
\$5,572,648 LIMITED TAX REFUNDING BONDS, SERIES 2015
SEPTEMBER 30, 2024

<u>FISCAL YEAR</u>	<u>PRINCIPAL FEBRUARY 15</u>	<u>INTEREST FEBRUARY 15</u>	<u>INTEREST AUGUST 15</u>	<u>FISCAL YEAR REQUIREMENT</u>
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
TOTAL	<u><u>\$ 2,296,793</u></u>	<u><u>\$ 100,946</u></u>	<u><u>\$ 54,333</u></u>	<u><u>\$ 2,452,072</u></u>

CAMERON COUNTY, TEXAS
PARK SYSTEM
\$1,407,600 CERTIFICATES OF OBLIGATION, REFUNDING SERIES 2019
SEPTEMBER 30, 2024

<u>FISCAL YEAR</u>	<u>PRINCIPAL FEBRUARY 15</u>	<u>INTEREST FEBRUARY 15</u>	<u>INTEREST AUGUST 15</u>	<u>FISCAL YEAR REQUIREMENT</u>
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
TOTAL	<u><u>\$ 904,118</u></u>	<u><u>\$ 50,176</u></u>	<u><u>\$ 38,363</u></u>	<u><u>\$ 992,657</u></u>

CAMERON COUNTY, TEXAS
PARK SYSTEM
\$21,160,000 CERTIFICATES OF OBLIGATION, SERIES 2016B
SEPTEMBER 30, 2024

<u>FISCAL YEAR</u>	<u>PRINCIPAL FEBRUARY 15</u>	<u>INTEREST FEBRUARY 15</u>	<u>INTEREST AUGUST 15</u>	<u>FISCAL YEAR REQUIREMENT</u>
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
TOTAL	<u><u>\$ 15,255,000</u></u>	<u><u>\$ 2,440,425</u></u>	<u><u>\$ 2,096,275</u></u>	<u><u>\$ 19,791,700</u></u>

CAMERON COUNTY, TEXAS
PARK SYSTEM
\$5,139,200 CERTIFICATES OF OBLIGATION, SERIES 2024
SEPTEMBER 30, 2024

<u>FISCAL YEAR</u>	<u>PRINCIPAL FEBRUARY 15</u>	<u>INTEREST FEBRUARY 15</u>	<u>INTEREST AUGUST 15</u>	<u>FISCAL YEAR REQUIREMENT</u>
2025	\$ -	\$ 124,871	\$ 124,871	\$ 249,742
2026	166,467	124,871	120,710	412,048
2027	175,266	120,709	116,328	412,303
2028	184,066	116,327	111,726	412,119
2029	192,867	111,726	106,905	411,498
2030	203,867	106,904	101,808	412,579
2031	214,133	101,808	96,455	412,396
2032	224,400	96,454	90,845	411,699
2033	236,867	90,845	84,922	412,634
2034	247,867	84,922	78,726	411,515
2035	261,067	78,726	72,199	411,992
2036	275,000	72,199	65,324	412,523
2037	288,933	65,325	58,101	412,359
2038	302,867	58,101	50,530	411,498
2039	319,733	50,530	42,536	412,799
2040	335,133	42,536	34,158	411,827
2041	352,733	34,158	25,339	412,230
2042	368,867	25,339	17,962	412,168
2043	385,733	17,962	8,319	412,014
2044	403,334	8,319	-	411,653
TOTAL	<u><u>\$ 5,139,200</u></u>	<u><u>\$ 1,532,632</u></u>	<u><u>\$ 1,407,764</u></u>	<u><u>\$ 8,079,596</u></u>

**CAMERON COUNTY, TEXAS
PARK SYSTEM
\$290,613 TAX NOTE, SERIES 2020
SEPTEMBER 30, 2024**

<u>FISCAL YEAR</u>	<u>PRINCIPAL FEBRUARY 15</u>	<u>INTEREST FEBRUARY 15</u>	<u>INTEREST AUGUST 15</u>	<u>FISCAL YEAR REQUIREMENT</u>
2025	\$ 64,175	\$ 1,604	\$ -	\$ 65,779
TOTAL	<u>\$ 64,175</u>	<u>\$ 1,604</u>	<u>\$ -</u>	<u>\$ 65,779</u>

**CAMERON COUNTY, TEXAS
PARK SYSTEM
\$705,044 TAX NOTE, SERIES 2022
SEPTEMBER 30, 2024**

<u>FISCAL YEAR</u>	<u>PRINCIPAL FEBRUARY 15</u>	<u>INTEREST FEBRUARY 15</u>	<u>INTEREST AUGUST 15</u>	<u>FISCAL YEAR REQUIREMENT</u>
2025	\$ 57,257	\$ 16,728	\$ 15,297	\$ 89,282
2026	142,019	15,297	11,746	169,062
2027	148,755	11,746	8,027	168,528
2028	156,614	8,027	4,112	168,753
2029	164,473	4,112	-	168,585
TOTAL	<u><u>\$ 669,118</u></u>	<u><u>\$ 55,910</u></u>	<u><u>\$ 39,182</u></u>	<u><u>\$ 764,210</u></u>

CAMERON COUNTY, TEXAS
PARK SYSTEM
\$355,623 TAX NOTE, SERIES 2024
SEPTEMBER 30, 2024

<u>FISCAL YEAR</u>	<u>PRINCIPAL FEBRUARY 15</u>	<u>INTEREST FEBRUARY 15</u>	<u>INTEREST AUGUST 15</u>	<u>FISCAL YEAR REQUIREMENT</u>
2025	\$ -	\$ 8,890	\$ 8,891	\$ 17,781
2026	52,232	8,891	7,584	68,707
2027	54,731	7,585	6,217	68,533
2028	57,480	6,217	4,779	68,476
2029	60,478	4,779	3,268	68,525
2030	63,726	3,268	1,674	68,668
2031	66,976	1,674	-	68,650
TOTAL	<u><u>\$ 355,623</u></u>	<u><u>\$ 41,304</u></u>	<u><u>\$ 32,413</u></u>	<u><u>\$ 429,340</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, 2024, and the related notes to the financial, and have issued our report thereon dated April 4, 2025.

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 4, 2025