

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM

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



**COUNTY AUDITOR'S OFFICE
1100 E. MONROE ST.
BROWNSVILLE, TEXAS 78520
(956) 544-0822**

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
SEPTEMBER 30, 2024

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**COUNTY AUDITOR
CAMERON COUNTY, TEXAS
1100 E. MONROE ST.
P.O. BOX 3846
BROWNSVILLE, TEXAS 78520
(956) 544-0822**

**Lorena Hernandez, CPA
COUNTY AUDITOR**

April 4, 2025

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

Honorable County Judge and Commissioners:

The Cameron County International Toll Bridge System's Annual Financial Report for the fiscal year ended September 30, 2024 is hereby submitted in compliance with Chapter 114 of the Local Government Code. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosure, rests with the County Auditor, as Chief Finance Officer of the County. To the best of our knowledge, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the Cameron County International Toll Bridge System, including all disclosures necessary to enable the reader to gain an understanding of its financial activities.

The management of the Cameron County International Toll Bridge System is responsible for maintaining an internal control system designed to insure that the assets of the Bridge System are protected from loss or misuse and to provide reasonable assurance as to the integrity and reliability of the financial statements. The system of internal control provides for segregation of duties and is documented by written policies and procedures. The Cameron County Auditor's Office also has an internal audit function to review the operations of the Bridge System for effective internal control and compliance with statutory requirements.

The Cameron County International Toll Bridge System financial statements have been audited by Burton McCumber & Longoria, L.L.P., Independent Certified Public Accountants, who were engaged by the Cameron County Commissioners Court for the purpose of expressing an opinion on the Bridge System's financial statements. County management has made available to the independent auditors direct access to County officers and employees and all of the County's financial records and related data.

Sincerely,



Lorena Hernandez, CPA
County Auditor

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 International Toll Bridge 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 International Toll Bridge 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 International Toll Bridge 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 International Toll Bridge 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 International Toll Bridge 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, International Toll Bridge 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 International Toll Bridge'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 6 - 14 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 International Toll Bridge 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 International Toll Bridge 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 International Toll Bridge 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 International Toll Bridge System's internal control over financial reporting and compliance.

Burton, McCumber, & Longoria LLP.

Brownsville, Texas
April 4, 2025

CAMERON COUNTY
INTERNATIONAL TOLL BRIDGE SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

This discussion and analysis of the Cameron County International Toll Bridge System's ("Bridge System") financial performance provides an overview of the financial activities for the fiscal year ended September 30, 2024. The MD&A should be read in conjunction with the accompanying basic financial statements and related notes to those financial statements. The Bridge System is an enterprise fund of Cameron County, Texas ("County") and is self-sustaining for all of its operations, as well as serving as a valuable funding source for the County.

Financial Highlights

Bridge System total assets and deferred outflows exceeded total liabilities and deferred inflows by \$24,346,138. Of this amount, 9% or \$2,185,969 is restricted debt service and reserve. As required by GASB 34, net position also reflects \$16,069,097 of net investment in capital assets. With the presentation of the net investment in capital assets, unrestricted net position is \$6,091,072. Toll revenues of \$22,084,747 decreased by \$(368,141) from FY 2023, in part due to a minor decrease in vehicles and pedestrians crossings into Mexico through the County's International Bridges. Total FY 2024 crossing of 5,684,147 reflect a decrease in comparison to 5,744,427 crossings in FY 2023.

Overview of the Basic Financial Statements

The Bridge System's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Bridge System's basic financial statements consists of the 1) statement of net position, 2) statement of revenues, expenditures, and changes in net position, 3) the statement of cash flows and 4) notes to the financial statements.

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

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

Condensed Statements of Net Position

The Bridge System's assets, liabilities and net position are presented in the statement of net position. Increases or decreases to net position may indicate an improvement or deterioration of the Bridge System's financial condition.

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

	<u>FY 2024</u>	<u>FY 2023</u>
Current assets	\$ 22,339,962	\$ 27,111,025
Non-current assets	1,099,273	1,324,998
Capital assets (net of depreciation)	<u>27,746,027</u>	<u>26,056,835</u>
Total Assets	51,185,262	54,492,858
Deferred outflow of resources	1,153,368	1,733,364
Current liabilities	5,793,638	17,118,248
Long term liabilities	<u>20,426,809</u>	<u>12,817,478</u>
Total Liabilities	26,220,447	29,935,726
Deferred inflow of resources	1,772,045	2,135,090
Net position:		
Net investment in capital assets	16,069,097	16,687,277
Restricted	2,185,969	1,361,187
Unrestricted	<u>6,091,072</u>	<u>6,106,942</u>
Total Net Position	\$ 24,346,138	\$ 24,155,406

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Condensed Statement of Revenues, Expenditures and Changes in Net Position

The below condensed statement of revenues, expenditures, and changes in net position reflect a comparison for FY 2024 and 2023. Changes in revenues and expenses are monitored monthly and compared to budgetary data. Any operating modifications are addressed by the Bridge Manager.

	<u>FY 2024</u>	<u>FY 2023</u>
Operating Revenues:		
Tolls	\$ 22,084,747	\$ 22,452,888
Rental income	242,927	240,717
Other	310,490	13,386
Total Operating Revenues	<u>22,638,164</u>	<u>22,706,991</u>
Operating Expenses:		
Personnel services	3,208,978	2,976,141
Operations & maintenance	1,558,985	1,565,792
Depreciation	1,416,660	1,347,411
Total Operating Expenses	<u>6,184,623</u>	<u>5,889,344</u>
Operating Income	16,453,541	16,817,647
Non-Operating Revenues (Expenses):		
Interest income	1,133,453	909,048
Amortization of bond discount	(35,717)	(35,717)
Amortization of bond premium	7,462	4,411
Aid to other governments	(5,377,075)	(5,578,047)
Transfers in(out)	(11,216,304)	(11,741,877)
Interest and fiscal charges	(774,628)	(486,554)
Change in Net Position	<u>190,732</u>	<u>(111,089)</u>
Net Position - beginning	<u>24,155,406</u>	<u>24,266,495</u>
Net position - ending	<u>\$ 24,346,138</u>	<u>\$ 24,155,406</u>

Operating expenses increased by \$295,279 or 5% from FY 2023. GASB 68 and GASB75 require reporting standards for public pension plans and participating employers. Actuarial assumptions for determining the net pension liability as of December 31, 2023 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different per GASB 68. Recognition of costs per GASB 68 were allocated to Bridge system based on census data as of the report date. Non-operating costs before transfers increased by \$87,102 in comparison to FY 2023 partly due to increases in interest expenses and fiscal charges for the 2024 International Bridge System Revenue Bonds. The FY 2024 total change in net position resulted in \$190,732.

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Summary of Capital Assets

The Bridge System had \$27,746,027 in capital assets (net of accumulated depreciation). General capital assets include land, buildings, construction in progress, furniture and fixtures, autos and equipment. The Bridge System's capital assets, net of accumulated depreciation as of September 30, 2024 and 2023 are as follows:

	FY 2024		FY 2023	
Depreciable Capital Assets:				
Toll bridges and approaches	\$	45,648,144	\$	38,944,752
Toll booths and equipment		3,613,106		3,567,374
Buildings		3,986,961		3,986,961
Furniture and fixtures		50,990		50,990
Autos and machinery		656,882		656,882
Less accumulated depreciation		(35,827,745)		(34,411,084)
Net Depreciable Capital Assets		18,128,338		12,795,875
Construction in progress		304,967		3,948,238
Land		9,312,722		9,312,722
Total Capital Assets, net	\$	27,746,027	\$	26,056,835

Debt Administration

At September 30, 2024, the Bridge System had \$19,772,417 bonds payable, net of unamortized premium of which \$1,259,579 is payable in fiscal year 2025.

At September 30, 2024, the Bridge System had \$229,560 tax notes payable, net of unamortized premium of which \$35,209 is payable in fiscal year 2025.

REPORT ON BRIDGE SYSTEM OPERATIONS

GATEWAY INTERNATIONAL BRIDGE

Gateway International Bridge links the downtown business districts of Brownsville and Matamoros and is primarily used for local traffic, maquiladora employees, tourists and pedestrian traffic. Eighty percent of the pedestrian traffic in Brownsville uses this bridge to go from downtown Brownsville to Matamoros and vice versa. Gateway International Bridge is the only bridge in the system that is operational twenty-four hours a day and is 100% owned and operated by Cameron County. Several Duty-Free stores operate close to the bridge attracting pedestrians to this bridge. The West/East University Blvd., parallel to Texas Southmost College and the newly created University of Texas Rio Grande Valley (UTRGV), connects Gateway Bridge with the Southmost area in Brownsville, which is one of the fastest growing areas in the County. This road is an excellent connection between Gateway International Bridge and the Veterans International Bridge at Los Tomates. The East Loop Project will be a most viable method of transportation, once completed, for this bridge and the Veterans Bridge. The General Services Administration (GSA) has fully funded the modernization of the Gateway port of entry. GSA will make an \$200 million investment in the modernization of the port. The County is currently working with GSA on design layouts as it will impact the entrance to the County's toll gantries. GSA is scheduled to have construction begin by the second quarter of 2025.

FREE TRADE BRIDGE AT LOS INDIOS

The Free Trade Bridge at Los Indios is an international border crossing located eight miles south of Harlingen and San Benito. Cameron County owns and operates the bridge; however, the cities of Harlingen and San Benito each receive 25% of the net revenues as per interlocal agreements. The U.S. Border Station and Federal Inspection Facility is owned by the General Services Administration and operated by U.S. Customs, Immigration and Naturalization Service, and U.S. Department of Agriculture Animal and Plant Health Inspection Service. In March of 2003, all of these entities were merged and became the Department of Homeland Security. The bridge facilities are located on a 127-acre tract of land and include the bridge structure, border station import and export inspection areas, impound lot, toll plaza, parking areas, duty free stores and parking.

The Free Trade Commerce Center is a 755-acre industrial park adjacent to the Free Trade Bridge and is designated as a foreign Trade Zone, (FTZ) providing the cities of Harlingen and San Benito with an excellent marketing tool. Any activation of the FTZ is done through U.S. Customs.

Cameron County, Cities of Harlingen and San Benito partnered in an Interlocal Agreement for the construction of a Cold Storage Facility on federal government property to be developed by the Harlingen Economic Development Corporation. This is a shared ownership agreement with Cameron County retaining 50% ownership and the Cities of San Benito and Harlingen retaining 25% each. Official ribbon cutting of this \$500,000 facility was held in April 2018 and operations commenced immediately. This new refrigerated inspection facility offers three cooled docking bays and maintains the “Cold Chain” of fresh products extending the shelf life. An added bonus to this location is that the United States Department of Agriculture (USDA) maintains an entomologist on-site. Products referred to secondary inspection have an immediate assessment in the event of any pests. This cold storage facility provides both frozen and refrigerated facilities for perishables as international shippers await inspection U.S. Customs & Border Protection. Free Trade Bridge serves as the terminus of SH509, which is a designated overweight corridor and a direct route to I69E. This International Bridge has the shortest wait times for commercial vehicles in South Texas and access to this type of cold storage facility is expected to draw additional commercial traffic and provide much needed services to this region.

The State of Tamaulipas has invested substantially in their highway infrastructure contributing directly to the increased traffic. The Autopista providing direct access to Monterrey has now been operational for over twenty (20) years. This provides a direct link between the Free Trade Bridge at Los Indios and the highly industrial area of Monterrey and its suburbs. With the road improvements to Highway 99/101 which goes to Ciudad Victoria, the route to Ciudad Victoria is much safer and faster. These road improvements have made the Free Trade Bridge at Los Indios very attractive to tourist traffic headed to the interior of Mexico. Travelers now can potentially save over four hours of travel time from the interior of Mexico to Cameron County. The Free Trade Bridge location and structural improvements have contributed to the growth of international trade in the Cameron County area. Additionally, the ANAM, which encompasses Mexican Customs, has increased lane sizes at the Mexican toll plazas to accommodate blades and all other wind turbine parts being transported between both countries. On the US side, Cameron County has already completed these types of special wide lane crossings. Cameron County is working with U.S. Customs and GSA on a DAP project to modernize the Export Lot and allow U.S. Customs to do joint inspection with Mexican Customs.

VETERANS INTERNATIONAL BRIDGE AT LOS TOMATES

Cameron County owns and operates the Veterans International Bridge at Los Tomates; however, the City of Brownsville receives 50% of the net surplus revenues as per interlocal agreements. The Veterans Bridge at Los Tomates operates eighteen hours a day. Traffic and Revenue Analysis projected 3,500 vehicles daily. Average daily traffic is about 6,500 vehicles including about 1,100 trucks. Security issues on the Mexican border continue to impact traffic crossings. This bridge has improved the movement of goods and services on NAFTA highway trade routes. The reduction of time delays at this international border has served as an economic stimulus for the Brownsville region and across the U.S. Directly across the border in Matamoros, the bridge is located in a highly commercial and retail area of the community connecting directly into the city's inner and outer loops. Completion of capital improvements in this area have reduced travel time to the Matamoros airport to just fifteen minutes from the Veterans International Bridge at Los Tomates. The City of Matamoros has also completed construction of the last phase of the outer loop that would connect to the west side of Matamoros and connecting to the Monterrey highway; construction of two overpasses on the Manuel Cavazos Periferico that has shifted more traffic to the Veterans International Bridge at Los Tomates. The City of Matamoros constructed a 1,500-foot portion of Accion Civica that goes from Avenida Lauro Villar to Roberto Guerra Street thus reducing daily traffic congestion. Additionally overpass construction over Roberto Guerra Street has allowed users to avoid this busy intersection. Three additional overpass improvements are funded and planned along this main route that will allow for a better flow of traffic.

On the U.S. side the Veterans International Bridge at Los Tomates is the southernmost starting point of Interstate 69E (I69E). TxDot has invested over thirty-five million dollars in highway improvements to connect to the bridge and to provide access. Cameron County has completed construction and is continuing capital improvements projects that will expand the commercial and vehicle capacity at this bridge and better facilitate needed secondary inspection stations. Through participation in the Donations Acceptance Program (DAP), a commercial expansion project has been completed that has increased commercial inspection lanes from two to six. Two (2) X-ray inspection machines were installed on December 2020. Cameron County has partnered with Customs Border Protection and General Services Administration in an MOU for the expansion of the

existing Federal Customs and Border Protection Primary and Secondary Vehicle Inspection Stations. Once completed, capacity of northbound vehicular lanes will be doubled. Plans call for this additional canopy to encompass four-station inspection booths for vehicular traffic, an additional bay for secondary vehicular inspection, a separate bus x-ray inspection station and an elevated platform Command Center in the secondary inspection area for passenger vehicles. The Project design phase is complete and construction is expected to be completed in summer of 2024.

The area along I69E has seen extensive growth with new retail businesses. The Veterans International Bridge at Los Tomates provides a direct access to this retail corridor for people coming from Matamoros and other surrounding communities in Mexico. Commercial growth along this I69E corridor continues at a rapid pace. Along this corridor major retail developments are Super Wal-Mart, Target, Lowe's, Academy and Sam's Club, eating establishments, auto dealerships, major hotels and financing establishments. This corridor has rapidly become the fastest commercial and retail route for the Brownsville area. Additional retail and commercial developments between Brownsville and Harlingen continue at a rapid pace. Commercial traffic continues to grow at this bridge. Indications are that with this continued commercial growth, any declines in vehicular traffic will be surpassed by commercial growth.

CAPITAL IMPROVEMENTS

VETERANS INTERNATIONAL BRIDGE PRIMARY LANE EXPANSION PROJECT

Cameron County has partnered with CBP and General Services Administration (GSA) in a Memorandum of Understanding (MOU), through the DAP, for the expansion of the existing customs primary and secondary vehicle existing points of entry. This project encompasses a number of structural and traffic improvements and will fulfill portions of the original master plan for this Border Station. This expansion project will address vehicular primary and secondary inspections. The proposal includes four station inspection booths for passenger vehicles with covered canopy, secondary inspection for passenger vehicles of one additional bay, a bus X-ray inspection station with turnaround provision, and construction of an elevated command center for passenger vehicles in the secondary inspection area. A new Z-machine portal machine, a non-invasive inspection technology X-ray machine that allows drivers and passengers to remain in their vehicles during a security check is expected to be installed. This equipment will allow for better flow of bases and passengers and reduce wait times. The project is about 90% complete and should be completed by summer 2024. Once the additional lanes are operational, the Veterans Bridge will be open 24 hours a day. With the on-going activity at the Port of Brownsville and Space X, we are positioning ourselves to capture the majority of traffic that those facilities are creating. CBP has invested well over \$15 million in technology improvements to make it the most technology advanced bridge on the southwest border between Brownsville, Texas and San Diego, California.

EAST LOOP PROJECT

The East Loop project continues in a partnership between Texas Department of Transportation, Cameron County, City of Brownsville and Cameron County Regional Mobility Authority. This project consists of the construction of a four to six lane roadway from SH4 to I69E (US77/83) that will connect to Veterans International Toll Bridge. The East Loop project is approximately 10 miles long and will include the construction of a four-lane roadway divided highway from SH4 to the Veterans International Bridge and I69E (US77/83). Construction costs for the East Loop project is estimated at \$215Million. Environmental assessment has been 90% completed and approval is projected for December 2024. Construction is tentatively expected to begin in 2027. The East Loop will serve as the overweight corridor connector from Veterans International Bridge to the Port of Brownsville and will provide significant passenger vehicle capacity in southeast Brownsville. This project is on Txdot's UTP and we expect that a large majority of the funding will come from the state. The County and CCRMA are working with TxDOT to make is an On-System TxDOT Project.

FUTURE FLOR DE MAYO

Cameron County has acquired the necessary right of way for the future Flor de Mayo bridge. Additionally, the necessary right of way for the General Services Administration was also acquired for this future bridge. These land purchases have been re-categorized from Work in Process to Land Acquisition. An updated feasibility study was completed in FY23 for this future project. The County is pending the issuance of a Presidential Permit by the U.S. Department of State.

AUTOMATED VEHICLE IDENTIFICATION SYSTEM (AVI)

All County owned bridges offer an automated vehicle identification system (AVI). The customer using the AVI system can use any county owned bridge. This program has been very attractive to our maquiladora customers, both for commercial traffic carrying their goods and products and for their employees that go back and forth every day. For FY 2024, collections totaled \$4,415,149 in AVI revenues which represents 20% of the total toll revenues collected. Clients that do not utilize the AVI payment system pay a slightly higher rates as listed below to encourage commercial traffic to utilize the automated payment process as it is more efficient.

TOLL RATES

The following schedule illustrates the toll rates for the fiscal year ended September 30, 2024 and in effect as of October 1, 2024:

Classification	As of 10/1/2024		FY 2024 (Oct 2023-Sep 2024)	
	AVI	Non-AVI Rate	AVI	Non-AVI Rate
Pedestrian/Bike	\$1.00	\$1.00	\$1.00	\$1.00
Motorcycle	3.75	4.00	3.75	4.00
Auto	3.75	4.00	3.75	4.00
Bus	10.00	10.00	10.00	10.00
Commercial Vehicles:				
Two Axle	9.50	11.00	9.50	11.00
Three Axle	13.50	15.00	13.50	15.00
Four Axle	15.50	17.25	15.50	17.25
Five Axle	19.25	22.00	19.25	22.00
Six Axle	23.25	25.00	23.25	25.00

CROSSINGS

As of the end of September 30, 2024, a total of 5,684,147 vehicles and pedestrians crossed into Mexico through the County’s International Bridges.

Bridge System Crossing Summary				Revenue Summary		
FY	Vehicle & Other	Pedestrian	Total	Vehicle & Other	Pedestrian	Total
2020	2,637,052	1,488,046	4,125,098	\$ 13,838,364	\$ 1,488,046	\$ 15,326,410
2021	2,716,535	944,857	3,661,392	\$ 14,650,524	\$ 944,857	\$ 15,595,381
2022	3,583,955	1,221,624	4,805,579	\$ 17,683,919	\$ 1,221,624	\$ 18,905,543
2023	4,033,392	1,711,035	5,744,427	\$ 20,741,853	\$ 1,711,035	\$ 22,452,888
2024	3,842,243	1,841,904	5,684,147	\$ 20,242,843	\$ 1,841,904	\$ 22,084,747

CROSSINGS BY CATEGORY

	FY 2024	%	FY 2023	%
Autos & Motorcycles	3,374,529	59.4%	3,570,331	62.2%
Commercial Vehicle	292,601	5.1%	276,007	4.8%
Bikes	30,245	.5%	30,301	.5%
Buses	4,235	.1%	3,892	.1%
Transmigrant	36,960	.7%	40,022	.7%
Misc.	103,673	1.8%	112,839	1.9%
Pedestrian	1,841,904	32.4%	1,711,035	29.8%
Total	5,684,147	100.0%	5,744,427	100.0%

KEY ISSUES OF CONCERN

Security

As in prior years, the international waiting times at the County owned bridges continue to be an area of concern. Point of entry inspections by Customs and Border Protection have intensified due to security concerns. Major developments expected to have a negative impact on the bridge crossings next fiscal year is the continuation of the security issues in Mexico. National security continues to be a number one priority in the U.S. and the Department of Homeland Security's presence is felt at all bridge crossings. Additionally as conflicts continue in the Middle East, we will continue to experience thorough inspections from the Department of Homeland Security, thus increasing the long crossing wait times for tourists and commercial traffic. Due to the drug cartel violence, the Mexican military's presence continues along the U.S./Mexico border.

The impact of the implementation of the Western Hemisphere Travel Initiative due to 9/11 appears to have stabilized as international crossings continue to increase. Travelers have become acclimated to the requirement of needing a passport or a passport card when traveling through international bridges.

Competition

Cameron County's competition for passenger vehicles is provided by the Brownsville & Matamoros (B&M) Bridge Company. During 1997 the B&M Bridge Company expanded their bridge to provide four lanes for vehicles and commercial traffic. Gateway International Bridge and the B&M Bridge stopped handling commercial vehicles since 1999. The B&M Bridge Company lost its 100 year concession they had from the Mexican Government. The B&M Bridge Company now operates on a month to month concession with Mexico. It is highly unlikely they will receive a long term concession from Mexico. Mexico is in the process of selecting a Concessionaire for their half of the bridge operations; thus bringing an end to the B&M Bridge Company collecting tolls on both the U.S. and Mexican sides. Competition for commercial traffic comes from the Pharr-Reynosa International Bridge. Opened on January 1995, this bridge provides another avenue for commercial traffic crossing from Monterrey and the interior of Mexico. The toll road from Monterrey feeds directly into this bridge. The Pharr-Reynosa Bridge has been able to attract custom brokers to invest in facilities in and around the bridge. The Pharr-Reynosa Bridge is a direct competitor to the Free Trade Bridge at Los Indios, however, the waiting time for commercial vehicles is much longer at the Pharr-Reynosa Bridge. The Pharr-Reynosa Bridge is approximately 30 miles west of the Free Trade Bridge at Los Indios. The opening of the produce industry and market area to the whole southwest border presents an excellent opportunity for the Free Trade Bridge at Los Indios and the Veterans International Bridge at Los Tomates that can increase commercial traffic.

Cameron County and the Cameron County Regional Mobility Authority have completed a Border Master Plan with our counterparts in Mexico. The plan identifies projects and opportunities within our bridge system for the next 20 years.

The Brownsville Navigation District (BND) has a U.S. Presidential Permit for the construction of a commercial bridge at the Port of Brownsville. As of September 30, 2015, Mexico had not issued any permits on their side, thus, it is not known if the proposed bridge will be constructed. The Donna – Rio Bravo Bridge opened in December 2010. The Anzalduas Bridge in Mission is now in operation handling only passenger vehicle traffic.

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CONCLUSION

Cameron County International Bridges offer the most efficient routes for the distribution of products anywhere along the U.S./Mexico border, while also being the most efficient connection to international shippers and optimal distribution logistics. This has led to Cameron County's success in promoting trade and in attracting greater flows of international traffic. It is not unusual at other international bridges on the Southwest border for people to take hours to cross into the United States. And just like in other border areas, on the average, people waiting on Cameron County owned bridges will take about forty five minutes to an hour to cross into the United States. Those individuals that have a SENTRI cars, either Mexican or American citizens, will generally experience a 15 minute delay. Cameron County International Bridge System enjoys an excellent working relationship with the Department of Homeland Security and continues to look for ways and measures to reduce the waiting time for international bridge customers. New trade routes between Mazatlan and Matamoros provide excellent opportunities for the bridge system to generate additional commercial traffic. With SpaceX locating in Cameron County it is anticipated that Mexican tourism and traffic will result in more international crossings. The County's investment at the Veterans Bridge for additional CBP lanes will make the wait times decrease which will add more round trips.

The on-going construction of the deepening of the ship channel at the Port of Brownsville will provide opportunities for increases in commercial traffic. Infrastructure developments planned by Cameron County Regional Mobility Authority will allow for increases in commercial traffic as well.

Cameron County is an excellent conduit to cross goods and products through its bridges and by having easily accessible highways that connect the bridges to major markets in the United States and Mexico, more companies will start taking advantage of the County's labor force and infrastructure. In closing, it is evident that the future of our Cameron County International Bridge System has substantial growth potential and will continue to experience great success.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Cameron County International Toll Bridge System's finances. Questions concerning information on this report should be directed to Cameron County Auditor, 1100 E. Monroe, Brownsville, Texas 78520.

BASIC FINANCIAL STATEMENTS

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

ASSETS

Current Assets:

Cash & cash equivalents \$ 10,920,440

Restricted Cash:

Gateway Bridge Debt Service 374,521
Gateway Bridge Operating Reserve 250,000
Free Trade Bridge Debt Service 219,589
Free Trade Bridge Debt Reserve 161,673
Free Trade Bridge Construction Fund 885,382
Veterans International Toll Bridge Debt Service 1,147,259
Veterans International Toll Bridge Debt Reserve 282,927
Veterans International Toll Bridge Construction Fund 1,196,489
Veterans International Toll Bridge Operating Reserve 250,000
Total Restricted Cash 4,767,840

Accounts receivable 163,828
Leases receivable 225,725
Due from other funds 6,034,409
Prepays 227,720
Total Current Assets 22,339,962

Non-Current Assets:

Lease receivable, non-current 1,099,273
Depreciable Capital Assets:
Toll bridges and approaches 45,648,144
Toll booths and equipment 3,613,106
Buildings 3,986,961
Furniture and fixtures 50,990
Autos and machinery 656,882
Less: accumulated depreciation (35,827,745)
Net Depreciable Capital Assets 18,128,338
Construction in progress 304,967
Land 9,312,722
Total Capital Assets, net 27,746,027
Total Non-Current Assets 28,845,300

TOTAL ASSETS 51,185,262

DEFERRED OUTFLOW OF RESOURCES

Deferred charges on refunding 229,187
Deferred outflow of resources-Pension 713,301
Deferred outflow of resources-OPEB 210,880
1,153,368

TOTAL DEFERRED OUTFLOW OF RESOURCES 1,153,368

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES \$ 52,338,630

(continued)

See accompanying notes to the financial statements.

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

LIABILITIES

Current Liabilities:	
Accounts payable	\$ 77,236
Wages & fringe payable	82,611
Due to other agencies	1,502,653
Due to other funds	2,073,724
Unearned revenue	430,473
Compensated absences payable	34,031
Accrued interest payable	108,521
Tax notes, current	35,209
Bonds, current	1,259,579
Net pension liability	137,685
OPEB liability	51,916
Total Current Liabilities	5,793,638
Long-Term Liabilities:	
Compensated absences payable	13,704
Leasehold deposits	18,750
Tax notes, non-current	194,351
Bonds, non-current	18,512,838
Net pension liability	107,202
OPEB liability	1,579,964
Total Long-Term Liabilities	20,426,809
 TOTAL LIABILITIES	 26,220,447
 <u>DEFERRED INFLOW OF RESOURCES</u>	
Deferred inflows of resources-Leases	1,254,858
Deferred inflows of resources-Pension	139,544
Deferred inflows of resources-OPEB	377,643
TOTAL DEFERRED INFLOW OF RESOURCES	1,772,045
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	27,992,492
 <u>NET POSITION</u>	
Net investment in capital assets	16,069,097
Restricted for:	
Bond debt service	1,741,369
Bond debt reserve	444,600
Unrestricted	6,091,072
TOTAL NET POSITION	24,346,138
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 52,338,630

See accompanying notes to the financial statements.

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

OPERATING REVENUES

Tolls	\$	22,084,747
Rental income		242,927
Other		310,490
TOTAL OPERATING REVENUES		22,638,164

OPERATING EXPENSES

Salaries and wages		2,446,702
Fringe benefits & payroll taxes		1,203,308
Supplies		125,844
Uniforms		23,377
Auditing		19,941
Pension expense (income)		(362,672)
OPEB expense (income)		(78,360)
Professional services		92,000
Repairs and maintenance		125,676
Utilities		195,096
Advertising		56,639
Insurance		112,939
Contractual		727,286
Depreciation		1,416,660
Other		80,187
TOTAL OPERATING EXPENSES		6,184,623

OPERATING INCOME (LOSS) 16,453,541

NON-OPERATING REVENUES (EXPENSES)

Interest income		1,133,453
Amortization of bond discount		(35,717)
Amortization of bond premium		7,462
Interest and fiscal charges		(774,628)
Aid from (to) other governments		(5,377,075)
TOTAL NON-OPERATING REVENUES (EXPENSES)		(5,046,505)
INCOME BEFORE TRANSFERS		11,407,036

Transfer in		91,012
Transfer (out)		(11,307,316)

CHANGE IN NET POSITION 190,732

Net Position - beginning		24,155,406
Net Position - ending	\$	24,346,138

See accompanying notes to the financial statements.

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Cash Flows From Operating Activities:	
Cash received from customers	\$ 22,105,100
Cash received from other operating activities	553,281
Cash payments for goods and services	(1,698,987)
Cash payments to employees	(3,635,101)
Net Cash Provided by Operating Activities	<u>17,324,293</u>
Cash Flows From Non-Capital Financing Activities:	
Transfers in	91,012
Transfers (out)	(11,307,316)
Interfund loan repayments	(17,225,346)
Intergovernmental agreements	(5,324,018)
Net Cash Used for Non-Capital Financing Activities	<u>(33,765,668)</u>
Cash Flows From Capital and Related Financing Activities:	
Payments for capital acquisitions	(3,105,853)
Debt premium and discount	466,448
Interest and fiscal agent fees	(720,739)
Principal payments on long-term debt	(1,140,963)
Debt issuance	9,101,003
Net Cash Provided for Capital and Related Financing Activities	<u>4,599,896</u>
Cash Flows From Investing Activities:	
Receipts of interest	1,133,453
Net Cash Provided by Investing Activities	<u>1,133,453</u>
Increase (decrease) in cash and cash equivalents	(10,708,026)
Cash and cash equivalents at beginning of year	<u>26,396,306</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 15,688,280</u>
Displayed as:	
Unrestricted cash and cash equivalents	10,920,440
Restricted cash and cash equivalents	<u>4,767,840</u>
	<u>\$ 15,688,280</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income (loss)	\$ 16,453,541
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	1,416,660
Post employment benefits	(78,360)
Pension	(362,672)
(Increase) decrease in accounts receivable	(136)
(Increase) decrease in prepaids and other assets	(99,433)
Increase (decrease) in accounts payable	(40,571)
Increase (decrease) in wages and fringe payable	18,925
Increase (decrease) in compensated absences payable	(4,016)
Increase (decrease) in customer deposits	20,355
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 17,324,293</u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies

The financial statements of Cameron County International Toll Bridge System (the “Bridge 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 Bridge System are described in the following notes to the financial statements.

A. Reporting Entity

Cameron County, Texas, (“County”), a public corporation and a political subdivision of the State of Texas, through its Bridge System, owns and operates three (3) international toll bridges connecting the United States and Mexico. Two international bridges connect Brownsville, Texas with Matamoros, Mexico and one is located south of the cities of Harlingen and San Benito, Texas. The Veteran’s International Toll Bridge at Los Tomates and the Free-Trade Bridge at Los Indios surplus bridge revenues are distributed according to interlocal agreements between Cameron County and certain municipalities within the County.

B. Basis of Accounting

The Bridge System is an enterprise fund of County and is self-sustaining for all of its operations as well as a valuable funding tool for the County. The accompanying financial statements have been prepared on the “economic resources” measurement focus using the accrual basis of accounting. The Bridge 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. The Bridge System applies GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments* (GASB 34) as amended by GASB Statement 37. This Statement established standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposed into the following net position categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation, reduced by outstanding balances of debt attributable to the acquisitions, construction or improvement of those assets.

Restricted: Net position whose use by the Bridge System is subject to externally imposed stipulations that can be fulfilled by actions of the Bridge System pursuant to those stipulations or that expire by the passage of time.

Unrestricted: Remaining net position that does not meet the definition of “net investment in capital assets” or “restricted.”

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CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting (continued)

GASB Statement No. 87, *Leases* - The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

C. Cash and Cash Equivalents

The Bridge 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 Bridge 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. All investment income is recognized as revenue in the statement of revenues, expenditures and changes in net position.

D. Receivables

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

Lending or borrowing between County funds is reflected as "due to or from."

E. Inventories and Prepaid items

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

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CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Bridge 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 Bridge’s System estimated rate of return on investment. Under the lease agreements, the Bridge 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.

G. Capital Assets

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

<u>ASSETS</u>	<u>YEARS</u>
Buildings	40
Furniture and Fixtures	5
General Equipment	5
Trucks	6
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 Bridge 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 Bridges System statements in the amount of \$229,187.

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

H. Deferred Outflows/Inflows of Resources (continued)

The Bridge System reports changes in Net OPEB Liability as OPEB expense or reported as deferred outflows/inflows of resources depending on the nature of the change. The OPEB expense totaled \$106,640 for the fiscal year ended September 30, 2024.

The Bridge System reports deferred outflows/inflows of resources related to its pension. For the fiscal year ended September 30, 2024, pension expense/(income) totaled \$128,275 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 Bridge 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 Bridges System statements.

The Bridge's System permanent, full-time employees accrue vacation leave at 3.08 hours 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 Bridge System employment, an employee shall be entitled to payment for total accrued but unused hours of vacation.

J. Unemployment and Workers' Compensation Benefits

The Bridges System is a reimbursing employer for unemployment compensation benefits. The Bridge 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 Bridge 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. Issuance costs are recognized as an expense in the period incurred.

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

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, the date the financial statements were available to be issued.

Note 2 – Deposits, Including Certificates of Deposit

The Bridge System considers account balances in demand deposit accounts and certificates of deposit with a maturity of less than three months to be cash equivalents. It is the Cameron County’s policy for cash to be 105% secured by collateral valued at market or par, whichever is lower, less the amount insured by the Federal Deposit Insurance Corporation (FDIC). At September 30, 2024, the Bridge System cash, cash equivalents and restricted cash totaled \$15,688,280. Demand deposits were insured by the County’s depository institution at \$250,000 through FDIC and collateralized for amounts above the FDIC limits by pledged securities in the Cameron County’s name. Collateral that is pledged to Cameron County complies with the depository contract requirements, County Investment Policy and Procedures Section 9.01 and Government Code Title 10, Chapters 2256 and 2257.

GASB 72, *Fair Value Measurement and Application* requires disclosures regarding investments that calculate net asset value per share (or its equivalent). It addresses accounting and financial reporting issues related to fair value measurements by providing guidance for determining fair value for financial reporting purposes. All investments of the Bridge System have a determining fair value for financial reporting purposes.

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

As of September 30, 2024, the Bridge System’s carrying amount of deposits and investments are illustrated below:

<u>Current Assets:</u>	<u>Fair Value</u>
Cash and cash equivalents	\$10,920,440
<u>Restricted Assets:</u>	
Construction Fund	2,081,871
Bond Debt Reserve	444,600
Bond Debt Service	1,741,369
Operating Reserve	<u>500,000</u>
TOTAL	<u>\$15,688,280</u>

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 3 – Investments

Investments are under the custody of the Cameron 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 Cameron County to earn the maximum rate of return on its investments within the policies imposed by its safety and liquidity objectives and state and federal law governing investment of public funds.

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

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

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,
- 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.

Cameron County has investments with Lone Star Investment Pool, managed by First Public, LLC, the State of Texas investment pool available to governmental entities. Lone Star is neither a registered investment pool with the SEC nor backed by pledged collateral, but the underlying investments are mutual funds, U.S. Treasury Bonds, T-bills, government agency securities and repurchase agreements allowed under the Public Funds Investment Act as described by V.T.C.A., Title 10, Government Code, Section 2256. Investments are stated at fair value, which approximates fair value. Lone Star’s portfolio has low market risk due to restrictions on weighted average maturity and maximum maturity of any one investment and is rated AAA by Standard & Poor. Lone Star’s investment portfolio is required to maintain a stable \$1 net asset value. The Lone Star Investment Pool is governed by a Board of Trustees (Board) who is devoted to running an investment pool with superior level of safety and protection of investments.

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 4 – Interfund Receivables and Payables

The Bridge System operates three international toll bridges: 1) Veteran’s International Toll Bridge at Los Tomates (Veterans), 2) Free Trade Bridge at Los Indios (Free Trade) and 3) Gateway International Toll Bridge (Gateway). Intra-system receivables and payables are reflected in the individual bridge statements; however, the intra-system transfers, receivable and payables are not reflected in the System-wide statements of this report.

Fund	Interfund Receivable	Interfund Payable
Veterans Bridge	\$ 1,674,494	\$ 2,573,057
Free Trade Bridge	1,862,346	1,083,184
Gateway Bridge	167,832	48,431
Total	\$ 3,704,672	\$ 3,740,672

Note 5 – Lease Receivable

The Bridge 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 July 1, 2020 requires 120 monthly payments of \$20,000. There are no variable payment components of the lease. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.7%, which is the estimated rate of return on investments. For fiscal year ended September 30, 2023, the Bridge System recognized \$210,124 of lease revenue and \$37,450 of interest revenue under the lease.

Land agreement effective June 19, 2022 requires 60 monthly payments of \$1,560. There are no variable payment components of the lease. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.7%, which is the estimated rate of return on investments. For fiscal year ended September 30, 2023, the Bridge System recognized \$17,493 of lease revenue and \$1,551 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	\$ 225,725	\$ 32,995	\$ 258,720
2026	231,895	26,825	258,720
2027	231,974	20,507	252,481
2028	225,623	14,377	240,000
Thereafter	409,781	10,219	420,000
TOTAL	\$ 1,324,998	\$104,923	\$ 1,429,921

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 6 – Capital Assets

Capital assets consisted of the following at September 30, 2024:

	<u>Beginning Balance 9/30/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 9/30/2024</u>
Depreciable Assets:				
Toll bridges and approaches	\$ 38,944,752	\$ 6,703,392	\$ -	\$ 45,648,144
Toll booths and equipment	3,567,374	45,732	-	3,613,106
Buildings	3,986,961	-	-	3,986,961
Furniture and fixtures	50,990	-	-	50,990
Autos and machinery	656,882	-	-	656,882
Less: accumulated depreciation	(34,411,084)	(1,416,660)	-	(35,827,745)
Net Depreciable Assets	12,795,875	5,332,464	-	18,128,338
Non-Depreciable Assets:				
Construction work in progress	3,948,238	(3,643,271)	-	304,967
Land	9,312,722	-	-	9,312,722
TOTAL CAPITAL ASSETS, NET	<u>\$ 26,056,835</u>	<u>\$ 1,689,193</u>	<u>\$ -</u>	<u>\$ 27,746,027</u>

Depreciation expense totaled \$1,416,660 for the fiscal year ended September 30, 2024.

Note 7 - Long-Term Debt

A. Tax Notes

Tax Notes are issued pursuant to the general laws of the State of Texas, Chapters 1371 and 1431, Texas Government Code and are direct obligations of the County, payable from the levy and collection of an 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. Bridge System received proceeds of \$99,604 from this issuance with premium costs of \$7,467 and bond issuance costs of \$2,068. Payments are due semiannually on February 15 and August 15, maturing on February 15, 2031 with interest rates of 5.00%. As of September 30, 2024, principal balance of \$99,604 is attributable to the International Bridge System.

Cameron County issued \$6,850,000 Cameron County, Texas Tax Notes, Series 2022 dated May 5, 2022 for the purpose of purchasing equipment, and the paying costs of issuance. Payments are due semiannually on February 15th and August 15th, maturing on February 15, 2029 with interest rates of 5.00%. Proceeds received were \$6,973,342 with premium costs of \$693,342 and bond issuance cost of \$33,757. Cameron County Bridge System received proceeds of \$99,500 from this issuance. As of September 30, 2024, principal balance of \$86,572 is attributable to the International Bridge System.

Cameron County issued \$5,570,000 Cameron County, Texas Tax Notes, Series 2020 dated February 1, 2020 for the purpose of providing for the payment of contractual obligations to be incurred in connection with the purchase of equipment, technology upgrades for County departments, vehicles, HVAC and cooling system improvements to County buildings, costs of issuing the Notes and payment of contractual obligations for professional services rendered in connection therewith. Payments are due semiannually on February 15th and August 15th, maturing on February 15, 2025 with interest rates of 5.00%. Proceeds received were \$6,096,346 with premium costs of \$646,858 and issuance costs of \$120,512. Cameron County International Toll Bridge System received proceeds of \$137,793 from this issuance. As of September 30, 2024, principal balance of \$27,801 is attributable to the International Bridge System.

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 7 - Long-Term Debt (Continued)

A. Tax Notes (continued)

The annual requirements to amortize the amounts outstanding attributable to Bridges System as of September 30, 2024, including estimated interest payments of \$33,645 are as follows:

Fiscal Year Ending	Principal	Interest	Total
<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 35,209	\$ 9,819	\$ 45,028
2026	33,004	8,113	41,117
2027	34,575	6,424	40,999
2028	36,362	4,650	41,012
2029	38,219	2,786	41,005
Thereafter	<u>36,608</u>	<u>1,853</u>	<u>38,461</u>
	213,977	33,645	247,622
Unamortized premium	<u>15,583</u>	-	<u>15,583</u>
TOTAL	<u><u>\$229,560</u></u>	<u><u>\$ 33,645</u></u>	<u><u>\$ 263,205</u></u>

B. Bonds

During the period in which the bonds are outstanding, the International Toll Bridge Bond Resolution and Order require the County to create and maintain certain accounts or "funds" to receive the gross revenues derived from the operations of the System. In accordance with the terms of the Bond Resolution, these assets can be used 1) to pay the maintenance and operating expenses of the System, 2) to pay the debt service costs of the System's revenue bonds and 3) to pay for any ordinary maintenance, repairs, or replacements to the System's property. Any remaining revenues may be transferred to other County funds or used for the purchase of the System's outstanding revenue bonds at a price less than par and accrued interest.

The County issued Certificates of Obligation, Series 2024 for a total amount of \$35,040,000 on April 30, 2024. Bridge System received proceeds of \$5,606,400 from this issuance with premium costs of \$466,878 and bond issuance costs of \$73,278. 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. Payments are due semiannually on February 15 and August 15, maturing on February 15, 2044 with interest rates from 4.0% to 5.0%. As of September 30, 2024, principal balance totaled \$5,606,400.

Cameron County issued \$6,050,000 International Toll Bridge System Revenue Bonds, Taxable Series 2022 dated June 9, 2022 to pay for the purpose of making improvements to the Veterans International Toll Bridge, funding a reserve fund, and payment of the costs of issuance. The Bonds are secured by and payable from a pledge of and lien on the Net Revenues of the County's Toll Bridge System. The annual interest rate is 4.0%. Interest accrues semiannually and the bonds mature in fiscal year 2042. As of September 30, 2024, principal balance totaled \$5,680,000.

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 7 - Long-Term Debt (Continued)

B. Bonds (continued)

Cameron County issued \$17,865,000 Limited Tax Refunding Bonds, Taxable Series 2019 dated October 1, 2019 for the purpose of refunding current outstanding obligations to achieve debt service savings; and to pay costs related to the issuance of the Bonds; interest rates range from 1.831% to 2.893%. The proceeds were used to refund \$15,115,000 Certificates of Obligation Series 2011 and Limited Tax Refunding Bond, Series 2011, \$1,660,000 with interest rates ranging from 4.0% to 5.0%. The Refunded Bonds were sold at par \$17,769,127 less underwriters discount of \$95,873; costs of issuance incurred were \$171,267. Net proceeds from the Refunding Obligations were deposited with Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the “Escrow Agent,”) pursuant to Escrow Agreement between the Issuer and the Escrow Agent. The “Order” provides that proceeds of the sale of the Refunding Bonds and available funds of the Issuer will be sufficient to the discharge and final payment of the Refunded Obligations. The Escrow Fund is irrevocably pledged to the payment of principal and interest on the Refunded Obligations. The mathematical accuracy of payment schedules have been vetted by “Verification Agent”. By the deposit of the Governmental Obligations and cash with the Escrow Agent pursuant to the Escrow Agreement, the Issuer has entered into a firm banking and financial arrangement for the final payment and discharge of the Refunded Obligations pursuant to the terms of the Order and the Refunded Obligations are deemed to be no longer outstanding, except for the purpose of being paid from the funds held in such Escrow Fund. As of September 30, 2024, principal balance of \$2,141,323 is attributable to the International Toll Bridge System.

On February 12, 2015 Cameron County issued \$18,100,000 Limited Tax Refunding Bonds, Series 2015 with interest rates ranging from 3.0% to 5.0%. The proceeds were used to refund \$525,000 Unlimited Tax Road Bonds, Series 2005, \$5,645,000 Certificates of Obligation, Series 2007, \$10,490,000 Certificates of Obligation, Series 2008 and \$1,675,000 Unlimited Tax Road Bonds, Series 2008 with interest rates ranging from 4.00% to 6.125%. The 2014 Limited Tax Refunding Bonds carried an initial principal amount of \$18,335,000 but were sold at a net premium of \$2,338,519. Cameron County cash contribution of \$177,529 and incurred issuance cost, insurance premium and underwriting fees of \$283,639 the net proceeds were \$20,332,410. The net proceeds from the issuance of the Limited Tax Refunding Bonds, Series 2015 were deposited in the Escrow Fund to refund the Refunding Obligations. The accuracy and sufficiency of such deposits to make payments has been confirmed by the Financial Advisor and such amounts will be held in an escrow fund under an Escrow Agreement dated March 1, 2015 between the Issuer and the Escrow Agent. Funds held by the Escrow Agent are irrevocably pledged to the payment of principal and interest on the Refunded Obligations and will be used to purchase certain United States obligations and obligations of agencies or instrumentalities of the United States. The advance refunding by Cameron County has effected the defeasance of the Refunded Obligations in accordance with Law. The Refunded Obligations are deemed to be fully paid and no longer outstanding except for the purpose of being paid from the Federal Securities and funds as provided for in the Escrow Agreement. The purpose of this Refunding was to restructure debt service payments, to obtain net present value savings of \$1,587,781 and for the payment of related Refunding Bond issuance costs. As of September 30, 2024, principal balance of \$2,485,735 is attributable to the International Bridge System.

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CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 7 - Long-Term Debt (Continued)

B. Bonds (continued)

The annual requirements to amortize the amounts outstanding attributable to Bridges System as of September 30, 2024, including estimated interest payments of \$8,055,728 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	\$ 1,259,579	\$ 810,412	\$ 2,069,991
2026	1,466,184	751,882	2,218,066
2027	1,516,734	693,951	2,210,685
2028	1,347,372	643,928	1,991,300
2029	898,113	602,400	1,500,513
2030-2034	4,022,675	2,477,618	6,500,293
2035-2039	4,284,200	1,578,502	5,862,702
2040-2043	4,513,600	497,035	5,010,635
	<u>19,308,457</u>	<u>8,055,728</u>	<u>27,364,185</u>
Unamortized Premium	463,960	-	463,960
TOTAL	<u><u>\$19,772,417</u></u>	<u><u>\$8,055,728</u></u>	<u><u>\$27,828,145</u></u>

Interest expense on long-term debt totaled \$610,748 for the Bridge System's fiscal year ended September 30, 2024.

Note 8 – Commitments

A. Free Trade Bridge at Los Indios

On June 3, 1991, Cameron County executed interlocal agreements with the City of San Benito, Texas and the City of Harlingen, Texas, whereby the County would finance and construct an international bridge. This Free Trade Bridge at Los Indios is located approximately eight miles south of the cities of Harlingen and San Benito.

The County is the legal owner and operator of the bridge on the United States side of the border; however, in event of a revenue shortfall, the Cities have obligated themselves to pay twenty-five percent (25%) each, not to exceed the sum of \$200,000 each annually, of any deficiencies in the annual debt service requirements for the Los Indios International Toll Bridge revenue bonds, any capital expenditures not paid from bond proceeds, and any net losses before transfers excluding depreciation and including or excluding interlocal agreement revenues (or expenses) of the Free Trade International Bridge at Los Indios. Any surplus revenues remaining after payment of the debt service requirements, maintenance and operating costs will be shared between the Cities and the County as per interlocal agreements.

The results of operations for the Free Trade Bridge at Los Indios for the fiscal year ended September 30, 2024 produced a \$1,780,227 surplus as defined by the interlocal agreement between the entities and the County. The County's share of the interlocal agreement proceeds is \$891,173. Each participating entity is entitled to a combined total of \$889,054 for their share of the year's operations as defined under the interlocal agreement.

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 8 – Commitments (Continued)

B. Veteran’s International Toll Bridge at Los Tomates (continued)

On January 12, 1990, Cameron County executed an interlocal agreement with the City of Brownsville, Texas whereby the County would finance, construct and operate an international toll bridge located in Southeast Brownsville, Texas, approximately two miles east of Gateway International Toll Bridge, herein referred to as "Los Tomates International Bridge," located between Brownsville, Texas and Matamoros, Tamaulipas, Mexico. Revenue Bonds were issued on parity with any additional International Toll Bridge Bonds, for the construction of the international bridge and were outstanding from the revenues of the County's Toll Bridge System. Cameron County, Texas is the legal owner and operator of this bridge; however, the City of Brownsville has obligated itself to pay fifty percent (50%), not to exceed the sum of \$400,000 annually, of any deficiencies in the annual debt service requirements for the proposed revenue bonds issued to finance the Los Tomates International Bridge. Revenue Bond Debt obligation issued for this construction has been extinguished. Any surplus revenues remaining after payment of the debt service requirements, maintenance and operation costs, and an amount equal to one hundred forty percent (140%) of the average annual debt service requirements of all outstanding bonds will be shared equally between the City and the County. The Debt Reserve funds set aside to provide for the Veteran’s International Toll Bridge at Los Tomates (VITB) is funded at 140% of the highest annual debt service level. Unless additional debt is incurred, further allocation of bridge proceeds to fund the VITB Debt Reserve is unnecessary.

The City of Brownsville does not retain an equity interest in the project, which is considered a cooperative arrangement between the governments rather than a joint venture. The results of operations for the Veterans Bridge at Lost Tomates for the fiscal year ended September 30, 2024, produced a \$8,988,044 surplus as defined by the interlocal agreement between the entities and the County.

The following is a summary of the interlocal transactions between the City of Brownsville and the County:

<u>Year Ended</u> <u>September 30.</u>	<u>Cameron County</u>	<u>City of</u> <u>Brownsville</u>	<u>Total Surplus</u> <u>(Deficiency)</u>
2024	\$4,500,022	\$4,488,022	\$8,988,044
2023	4,809,359	4,809,359	9,618,718
2022	3,362,213	3,362,213	6,724,426
2021	2,805,450	2,805,450	5,610,900
2020	2,342,865	2,342,865	4,685,730
2019	3,097,696	3,097,696	6,195,392
2018	2,664,756	2,664,756	5,329,512
2017	2,552,857	2,552,857	5,105,714
2016	2,411,486	2,411,486	4,822,972
2015	1,876,662	1,876,662	3,753,324

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CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 9 – Retirement Plan

A. Plan Description

The Cameron County provides retirement, disability and death benefits, for all of its full-time employees through a nontraditional defined benefit pension plan administered by the statewide, public employee Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of approximately 800 counties and districts pension plans.

TCDRS issues an aggregate annual comprehensive financial report on a calendar year basis. The ACFR is available on the TCDRS website at www.TCDRS.org 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 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 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 %

Retirement Eligibility

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

Optional Benefits

Partial Lump-Sum Payment at Retirement	Yes
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CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 9 – Retirement Plan (Continued)

A. Plan Description (continued)

Governmental Accounting Standards Board (GASB), Statement No. 68 provides accounting and financial reporting standards for public pension plan obligations for employers. GASB 68 requires the Net Pension Liability (NPL) or Net Pension Asset (NPA) to be recognized on the balance sheets of participating employers. The allocated Net Pension Liability (NPL) for the Bridge System totaled \$244,887, and the recognized pension expense (income) totaled \$128,725 for fiscal year ended September 30, 2024.

Note 10 – Other Post-Employment Benefits

A. Post-Retirement 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.

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.

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 10 – Other Post-Employment Benefits (Continued)

B. The Plan: Health Insurance Benefit (continued)

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

Cameron County’s membership in the plan at 10/1/23, the date of the latest actuarial valuation, consists of the following:

Active Members	1,543
Retirees and beneficiaries receiving benefits:	33
Spouses of Retirees	<u>10</u>
Total	<u><u>1,586</u></u>

The valuation date of GASB 75 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	
Discount Rate	September 30, 2023	4.09%
	September 30, 2024	3.81%

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

Inflation 2.30% per annum

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

Medical OPEB Liability	<u>September 30, 2023</u>	<u>September 30, 2024</u>
Bridge System OPEB Liability	\$ 1,436,114	\$ 1,370,567
Covered Payroll	2,184,312	2,160,644
OPEB Liability a % of covered payroll	65.75%	63.43%
OPEB Liability a % of Total OPEB Liability	4.86%	4.45%

Total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions and was then projected forward to the measurement dates. Any significant changes during this period have been reflected as prescribed by GASB 75.

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 10 – Other Post-Employment Benefits (Continued)

B. The Plan: Health Insurance Benefit (continued)

	Incr(Decr)
	Total OPEB
	Liability
Changes in Total OPEB Liability	\$ 29,569,838
Balance as of September 30, 2023	
Changes for the year:	
Service Cost	1,793,625
Interest on total OPEB Liability	1,266,124
Effect on assumptions changes or inputs	(1,726,195)
Expected benefit payments	710,100
Other	(821,967)
Balance as of September 30, 2024	\$ 30,791,525

Information presented as CHANGES IN TOTAL OPEB LIABILITY is inclusive for the local government of Cameron County.

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 1% point lower (2.81%) or 1% 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.

	Current Trend	
1% Decrease	Rate	1% Increase

Total OPEB liability	\$ 27,044,355	\$ 30,791,525	\$ 35,244,981
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C. OPEB – Multiple Employer Defined Group Term Plan Group Term Life Fund

Cameron County participates in a cost-sharing multiple-employer defined-benefit group term life insurance plan operated by the Texas County & District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GTLF). The GTLF retiree death benefit paid from the Group Term Life (GTL) program is an OPEB benefit. This OPEB program is treated as an unfunded trust, because the GTL program covers both active and retirees and is not segregated. The 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 GASB 75, because the assets of GTL fund can be used to pay active GTL benefits which are not part of the

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 10 – Other Post-Employment Benefits (Continued)

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

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.

Information presented is inclusive for the local government of Cameron County:

	December 31, 2022	December 31, 2023
Total OPEB - GTL Liability	\$ 3,236,489	\$ 3,674,545
Bridge System Liability	\$ 238,782	\$ 261,313

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:	December 31, 2022	December 31, 2023
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 GASB 75.

	Beginning Date	Ending Date
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 Net - OPEB Liability - GTL

	Incr(Decr) 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	122,521
Effect on economic/demographic experience	(6,345)
Effect on assumptions changes or inputs	300,219
Expected benefit payments	(70,190)
Balance as of December 31, 2023	\$ 3,674,545

Information listed for OPEB Liability-GTL is inclusive for Cameron County.

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
INTERNATIONAL TOLL BRIDGE SYSTEM
GATEWAY INTERNATIONAL TOLL BRIDGE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

ASSETS

Current Assets:

Cash & cash equivalents	\$	6,622,674
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Restricted Cash:

Bond Debt Service		374,521
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Operating reserve		250,000
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Total Restricted Cash		624,521
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Accounts receivable		163,828
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Lease receivable		225,725
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Prepays		79,417
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Due from other funds		3,919,550
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Total Current Assets		11,635,715
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Non-Current Assets:

Lease receivable		1,099,273
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Depreciable Capital Assets:

Toll bridges and approaches		4,765,889
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Toll booths and equipment		1,489,619
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Buildings		437,137
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Furniture and fixtures		24,972
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Autos and machinery		136,794
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Less: accumulated depreciation		(6,112,979)
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Net Depreciable Capital Assets		741,432
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Construction in progress		141,061
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Land		7,823,926
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Total Capital Assets, net		8,706,419
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Total Non-Current Assets		9,805,692
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TOTAL ASSETS		21,441,407
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DEFERRED OUTFLOW OF RESOURCES

Deferred charges on refunding		101,874
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Deferred outflow of resources-Pension		268,949
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Deferred outflow of resources-OPEB		99,281
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TOTAL DEFERRED OUTFLOW OF RESOURCES		470,104
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TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$	21,911,511
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(continued)

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
GATEWAY INTERNATIONAL TOLL BRIDGE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

LIABILITIES

Current Liabilities:

Accounts payable	\$	16,170
Wages and fringe payable		24,189
Due to other funds		504,541
Compensated absences payable		4,360
Accrued interest payable		27,485
Tax notes, current		9,997
Bonds, current		276,841
Net pension liability		51,914
OPEB liability		20,238
Total Current Liabilities		935,735

Long-Term Liabilities:

Compensated absences payable		1,755
Leasehold deposits		18,750
Tax notes, non-current		26,048
Bonds, non-current		5,040,587
Net pension liability		40,852
OPEB liability		400,212
Total Long-Term Liabilities		5,528,204

TOTAL LIABILITIES		6,463,939
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DEFERRED INFLOW OF RESOURCES

Deferred inflows of resources-Pensions		52,616
Deferred inflows of resources-Leases		1,254,858
Deferred inflows of resources-OPEB		179,573
		1,487,047

TOTAL DEFERRED INFLOW OF RESOURCES		1,487,047
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TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES		7,950,986
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NET POSITION

Net investment in capital assets		7,206,390
Restricted for:		
Bond Debt Service		374,521
Unrestricted		6,379,614
		13,960,525

TOTAL NET POSITION		13,960,525
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TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		\$ 21,911,511
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CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
GATEWAY INTERNATIONAL TOLL BRIDGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

OPERATING REVENUES

Tolls	\$ 6,633,320
Rental income	228,807
TOTAL OPERATING REVENUES	6,862,127

OPERATING EXPENSES

Salaries and wages	769,660
Fringe benefits & payroll taxes	393,232
Supplies	27,654
Uniforms	4,530
Auditing	6,647
Pension expense (income)	(136,745)
OPEB expense (income)	(29,545)
Professional service	92,000
Repairs and maintenance	24,841
Utilities	43,588
Advertising	13,509
Insurance	40,947
Contractual	195,145
Depreciation	275,462
Other	14,043
TOTAL OPERATING EXPENSES	1,734,968

OPERATING INCOME (LOSS) 5,127,159

NON-OPERATING REVENUES (EXPENSES)

Interest income	570,686
Interest and fiscal charges	(170,295)
Amortization of bond discount	(15,876)
Amortization of bond premium	3,011
	387,526

TOTAL NON-OPERATING REVENUES (EXPENSES) 387,526

INCOME BEFORE TRANSFERS 5,514,685

Transfer in	10,096
Transfer (out)	(5,524,747)
	34

CHANGE IN NET POSITION 34

Net Position - beginning	13,960,491
Net Position - ending	\$ 13,960,525

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
FREE TRADE BRIDGE AT LOS INDIOS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

ASSETS

Current Assets:

Cash & cash equivalents	\$	9,653
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Restricted Cash:

Construction fund		885,382
Bond debt reserve		161,673
Bond debt service		219,589
Total Restricted Cash		1,266,644
Due from other funds		1,588,510
Prepays		71,401
Total Current Assets		2,936,208

Non-Current Assets:

Depreciable Capital Assets:

Toll bridges and approaches		7,804,349
Toll booths and equipment		798,731
Buildings		853,645
Furniture and fixtures		13,511
Autos and machinery		176,504
Less: accumulated depreciation		(7,777,000)
Net Depreciable Capital Assets		1,869,740
Construction in Progress		163,906
Land		911,393
Total Capital Assets, net		2,945,039
Total Non-Current Assets		2,945,039

TOTAL ASSETS		5,881,247
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DEFERRED OUTFLOW OF RESOURCES

Deferred outflow of resources-Pensions		93,549
Deferred outflow of resources-OPEB		5,673
		99,222

TOTAL DEFERRED OUTFLOW OF RESOURCES		99,222
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TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$	5,980,469
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CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
FREE TRADE BRIDGE AT LOS INDIOS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

LIABILITIES

Current Liabilities:

Accounts payable	\$	17,860
Wages and fringe payable		12,515
Due to other governments		685,251
Due to other funds		495,656
Unearned revenue		2,067
Compensated absences payable		3,927
Accrued interest payable		15,722
Tax notes, current		6,744
Bonds, current		112,821
Net pension liability		18,057
OPEB liability		4,400
Total Current Liabilities		1,375,020

Long-Term Liabilities:

Compensated absences payable		1,582
Tax notes, non-current		76,823
Bonds, non-current		2,835,716
Net pension liability		12,491
OPEB liability		365,867
Total Long-Term Liabilities		3,292,479

TOTAL LIABILITIES		4,667,499
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DEFERRED INFLOW OF RESOURCES

Deferred inflows of resources-Pensions		18,300
Deferred inflows of resources-OPEB		8,180
		26,480

TOTAL DEFERRED INFLOW OF RESOURCES		26,480
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TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		4,693,979
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NET POSITION

Net investment in capital assets		1,554,607
Restricted for:		
Bond debt service		219,589
Bond debt reserve		161,673
Unrestricted		(649,379)
		1,286,490

TOTAL NET POSITION		1,286,490
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TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$	5,980,469
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CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
FREE TRADE BRIDGE AT LOS INDIOS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

<u>OPERATING REVENUES</u>	
Tolls	\$ 3,066,530
Rental Income	2,120
Other	310,490
TOTAL OPERATING REVENUES	3,379,140
 <u>OPERATING EXPENSES</u>	
Salaries and wages	346,212
Fringe benefits and payroll taxes	189,775
Supplies	17,961
Uniforms	3,715
Auditing	6,647
Pension expense (income)	(47,564)
OPEB expense (income)	(10,277)
Repairs and maintenance	44,467
Utilities	70,050
Advertising	9,270
Insurance	37,582
Contractual	236,048
Depreciation	127,069
Other	27,057
TOTAL OPERATING EXPENSES	1,058,012
OPERATING INCOME (LOSS)	2,321,128
 <u>NON-OPERATING REVENUES (EXPENSES)</u>	
Intergovernmental agreement-Hgn. & San Benito	(889,053)
Interest income	55,144
Interest and fiscal charges	(116,272)
Amortization of bond premium	1,268
TOTAL NON-OPERATING REVENUES (EXPENSES)	(948,913)
INCOME BEFORE TRANSFERS	1,372,215
Transfer in	55,377
Transfer (out)	(1,057,405)
CHANGE IN NET POSITION	370,187
Net Position - beginning	916,303
Net Position - ending	\$ 1,286,490

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
VETERANS INTERNATIONAL TOLL BRIDGE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

ASSETS

Current Assets:

Cash and cash equivalents \$ 4,288,113

Restricted Cash:

Construction fund 1,196,489

Bond debt reserve 282,927

Bond debt service 1,147,259

Operating reserve 250,000

Total Restricted Cash 2,876,675

Due from other funds 1,627,417

Prepays 76,902

Total Current Assets 8,869,107

Non-Current Assets:

Depreciable Capital Assets:

Toll bridges and approaches, and toll booths 33,077,906

Toll booths and equipment 1,324,756

Buildings 2,696,179

Furniture and fixtures 12,508

Autos and machinery 343,584

Less: accumulated depreciation (21,937,766)

Net Depreciable Capital Assets 15,517,167

Construction in progress -

Land 577,403

Total Capital Assets, net 16,094,570

Total Non-Current Assets 16,094,570

TOTAL ASSETS 24,963,677

DEFERRED OUTFLOW OF RESOURCES

Deferred charges on refunding 127,313

Deferred outflow of resources-Pensions 350,803

Deferred outflow of resources-OPEB 105,926

TOTAL DEFERRED OUTFLOW OF RESOURCES 584,042

TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES \$ 25,547,719

(continued)

CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
VETERANS INTERNATIONAL TOLL BRIDGE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

LIABILITIES

Current Liabilities:

Accounts payable	\$	43,206
Wages & fringe payable		45,907
Unearned revenue		428,406
Due to other governments		817,402
Due to other funds		2,174,596
Compensated absences payable		25,744
Accrued interest payable		65,314
Tax Notes, current		18,468
Bonds, current		869,917
Net pension liability		67,714
OPEB liability		27,278
Total Current Liabilities		4,583,952

Long-Term Liabilities:

Compensated absences payable		10,367
Tax notes, non-current		91,480
Bonds, non-current		10,636,535
Net pension liability		53,859
OPEB liability		813,885
Total Long-Term Liabilities		11,606,126

TOTAL LIABILITIES		16,190,078
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DEFERRED INFLOW OF RESOURCES

Deferred inflow of resources-Pensions		68,628
Deferred inflow of resources-OPEB		189,890
		258,518

TOTAL DEFERRED INFLOW OF RESOURCES		258,518
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TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES		16,448,596
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NET POSITION

Net investment in capital assets		7,308,100
Restricted for:		
Bond debt service		1,147,259
Bond debt reserve		282,927
Unrestricted		360,837

TOTAL NET POSITION		9,099,123
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TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		\$ 25,547,719
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CAMERON COUNTY, TEXAS
INTERNATIONAL TOLL BRIDGE SYSTEM
VETERANS INTERNATIONAL TOLL BRIDGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

<u>OPERATING REVENUES</u>	
Tolls	\$ 12,384,897
Rental income	12,000
TOTAL OPERATING REVENUES	12,396,897
 <u>OPERATING EXPENSES</u>	
Salaries and wages	1,330,830
Fringe benefits & payroll taxes	620,301
Supplies	80,229
Uniforms	15,132
Auditing	6,647
Pension expense (income)	(178,363)
OPEB expense (income)	(38,538)
Repairs and maintenance	56,368
Utilities	81,458
Advertising	33,860
Insurance	34,410
Contractual	296,093
Depreciation	1,014,129
Other	39,087
TOTAL OPERATING EXPENSES	3,391,643
OPERATING INCOME (LOSS)	9,005,254
 <u>NON-OPERATING REVENUES (EXPENSES)</u>	
Intergovernmental agreement-City of Brownsville	(4,488,022)
Interest income	507,623
Amortization of debt discount	(19,841)
Amortization of debt premium	3,183
Interest and fiscal charges	(488,061)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(4,485,118)
INCOME BEFORE TRANSFERS	4,520,136
Transfer in	25,539
Transfer (out)	(4,725,164)
CHANGE IN NET POSITION	(179,489)
Net Position - beginning	9,278,612
Net Position - ending	\$ 9,099,123

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, Texas International Toll Bridge 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, Texas International Toll Bridge 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, Texas International Toll Bridge System’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Camron County, Texas International Toll Bridge 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, Texas International Toll Bridge 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



For additional information regarding the
Cameron County International Toll Bridge System

Please contact:

Erika Garcia
Cameron County Bridge Manager
3310 South Expressway 77
Brownsville, Texas 78521
(956) 574-8771