OFFICIAL STATEMENT DATED APRIL 13, 2022

NEW ISSUE - Book-Entry-Only

RATINGS:
Fitch: "AA"
Moody's: "Aa3"
(See "OTHER INFORMATION – Ratings" herein)

In the opinion of Bond Counsel, under existing law, assuming continuing compliance by the County (defined herein) after the date of initial delivery of the Obligations described below with certain covenants contained in the respective Orders (defined below) authorizing the Obligations and subject to the matters set forth under "TAX MATTERS" herein, interest on the Obligations for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions, will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Obligations and will not be a an item of tax preference for purposes of the alternative minimum tax. (See "TAX MATTERS" herein.)

$18,725,000
CAMERON COUNTY, TEXAS
CERTIFICATES OF OBLIGATION, SERIES 2022

$6,280,000
CAMERON COUNTY, TEXAS
TAX NOTES, SERIES 2022

Dated Date: April 1, 2022
Interest to accrue from Delivery Date (defined below)

Due: February 15, as shown on the following page

PAYMENT TERMS . . . Interest on the $18,725,000 Cameron County, Texas Certificates of Obligation, Series 2022 (the "Certificates") and the $6,280,000 Tax Notes, Series 2022 (the "Notes") will accrue from the Delivery Date to the Underwriters (defined below) and will be payable on February 15 and August 15 of each year, commencing August 15, 2022 and will be calculated on the basis of a 360-day year of twelve 30-day months. The Certificates and the Notes are collectively referred to herein as the "Obligations". Cameron County, Texas (the "County") will utilize the Book-Entry-Only System of The Depository Trust Company ("DTC"), New York, New York, acting as securities depository for the Obligations, but has reserved the right on its behalf or on behalf of DTC to discontinue such system. Beneficial ownership of the Obligations may be acquired in denominations of $5,000 or integral multiples thereof initially registered solely in the name of Cede & Co., as registered owner of DTC. **No physical delivery of the Obligations will be made to the purchasers thereof**. Principal of and interest on the Obligations will be payable by the Paying Agent/Registrar, initially, The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to DTC, which will make distribution of the amounts so paid to DTC Participants for subsequent distribution to the beneficial owners of the Obligations (see "THE OBLIGATIONS - Paying Agent/Registrar" and "THE OBLIGATIONS - Book-Entry-Only System" herein).

AUTHORITY FOR ISSUANCE . . . The Certificates are being issued pursuant to the general laws of the State of Texas, including particularly the Certificate of Obligation Act, Subchapter C of Chapter 271, Texas Local Government Code, as amended, Chapter 320, Texas Local Government Code, Chapter 1371, Texas Government Code, as amended, ("Chapter 1371") and an order adopted by the County Commissioners Court on March 29, 2022 authorizing the Certificates (the "Certificate Order").

The Notes are being issued pursuant to the general laws of the State of Texas, particularly Chapter 1371 and Chapter 1431, Texas Government Code, as amended, and an order adopted by the County Commissioners Court on April 12, 2022 authorizing the Notes (the "Note Order").

As permitted by certain provisions of Chapter 1371, the Commissioners Court delegated to certain authorized officials of the County the authority to establish the final sale terms of the Obligations pursuant to respective pricing certificates, (with respect to the Certificates, the "Certificate Pricing Certificate" and with respect to the Notes, the "Note Pricing Certificate") relating to each series of Obligations (each respective pricing certificate and the related order are jointly referred to herein as, with respect to the Certificates, the "Certificate Order" and with respect to the Notes, the "Note Order", and collectively as the "Orders"). (See "THE OBLIGATIONS – Authority for Issuance"). The Certificate Pricing Certificate was executed on April 5, 2022, and the Note Pricing Certificate was executed on April 13, 2022 by an authorized County official.

See Maturity Schedule, Interest Rates, Initial Yields,
and CUSIP Numbers and redemption provisions on pages ii and iii

PURPOSE . . . The Certificates are being issued for the purpose of providing for the payment of contractual obligations to be incurred for the design, planning, acquisition, equipping, construction, and renovation of public property and designated infrastructure and for other public purposes described herein; and paying costs of issuance related to the Certificates (see "PLAN OF FINANCING").

The Notes are being issued for the purpose of purchasing equipment and paying costs of issuance related to the Notes (see "PLAN OF FINANCING").

LEGALITY . . . The Obligations are offered for delivery when, as and if issued and received by the initial purchasers named below (collectively the "Underwriters"), subject to the approving opinions of the Attorney General of the State of Texas and the legal opinions of Winstead PC, San Antonio, Texas, Bond Counsel. Certain matters will be passed upon for the Underwriters by their counsel, Norton Rose Fulbright US LLP, Austin, Texas (see "OTHER INFORMATION — Legal Opinion and No-Litigation Certificates" herein and "FORM OF BOND COUNSEL'S OPINIONS" attached hereto as Appendix C).

SEPARATE ISSUES . . . The Certificates and Notes are being concurrently offered by the County under a common Official Statement but are separate and distinct securities offerings being issued and sold independently except for this Official Statement. While the Obligations share certain common attributes, each issue is separate from the others and should be reviewed and analyzed independently, including without limitation the type of obligation being offered, its terms for payment, the rights of the County to redeem the Obligations of each series, the federal, state, or local tax consequences of the purchase, ownership, or disposition of the Obligations and other features.

DELIVERY . . . It is expected that the Obligations will be delivered to the Underwriters through the facilities of DTC on or about May 5, 2022 (the "Delivery Date").

SAMCO CAPITAL MARKETS, INC.

FROST BANK

MATURITY SCHEDULE, INTEREST RATES, INITIAL YIELDS, AND CUSIP NUMBERS [1]

CUSIP[1] Prefix: 133303

$18,725,000
CAMERON COUNTY, TEXAS
CERTIFICATES OF OBLIGATION, SERIES 2022

Maturity (February 15)	Principal Amount	Interest Rate	Initial Yield		CUSIP Suffix [1]
2023	$ 220,000	5.000%	1.780%		3B1
2024	230,000	5.000%	2.000%		3C9
2025	240,000	5.000%	2.170%		3D7
2026	720,000	5.000%	2.330%		3E5
2027	755,000	5.000%	2.440%		3F2
2028	795,000	5.000%	2.520%		3G0
2029	840,000	5.000%	2.590%		3H8
2030	880,000	5.000%	2.660%		3J4
2031	925,000	5.000%	2.720%		3K1
2032	970,000	4.000%	2.880%	(2)	3L9
2033	1,010,000	4.000%	2.970%	(2)	3M7
2034	1,050,000	4.000%	3.050%	(2)	3N5
2035	1,095,000	4.000%	3.130%	(2)	3P0
2036	1,135,000	4.000%	3.150%	(2)	3Q8
2037	1,180,000	4.000%	3.170%	(2)	3R6
2038	1,230,000	4.000%	3.190%	(2)	3S4
2039	1,280,000	4.000%	3.210%	(2)	3T2
2040	1,335,000	4.000%	3.220%	(2)	3U9
2041	1,390,000	4.000%	3.230%	(2)	3V7
2042	1,445,000	4.000%	3.250%	(2)	3W5

(Interest accrues from the Delivery Date)

REDEMPTION OF THE CERTIFICATES. . . The County has reserved the right to redeem, at its option, Certificates having stated maturities on and after February 15, 2032, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2031, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption (see "THE OBLIGATIONS - Redemption of the Obligations - Optional" herein).

[1] CUSIP numbers are included solely for the convenience of owners of the Certificates. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the County, the Financial Advisor, or the Underwriters are responsible for the selection or correctness of the CUSIP numbers set forth herein.
[2] Yield calculated based upon the assumption that the Certificates designated and sold at a premium will be redeemed on February 15, 2031, the first optional redemption date for the Certificates, at a redemption price of par plus accrued interest to the redemption date.

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CUSIP(1) Prefix: 133303

$6,280,000
CAMERON COUNTY, TEXAS
TAX NOTES, SERIES 2022

Maturity (February 15)	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix [1]
2023	$ 95,000	5.000%	1.900%	3X3
2024	225,000	5.000%	2.170%	3Y1
2025	510,000	5.000%	2.320%	3Z8
2026	1,265,000	5.000%	2.450%	4A2
2027	1,325,000	5.000%	2.540%	4B0
2028	1,395,000	5.000%	2.610%	4C8
2029	1,465,000	5.000%	2.730%	4D6

(Interest accrues from the Delivery Date)

REDEMPTION OF THE NOTES. . . The Notes are not subject to redemption prior to stated maturity (see "THE OBLIGATIONS - Redemption of the Obligations - Optional" herein).

[1] CUSIP numbers are included solely for the convenience of owners of the Certificates. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the County, the Financial Advisor, or the Underwriters are responsible for the selection or correctness of the CUSIP numbers set forth herein.

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USE OF INFORMATION IN OFFICIAL STATEMENT

The information set forth or included in this Official Statement has been provided by the County and from other sources believed by the County, the Financial Advisor, and the Underwriters to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the County described herein since the date hereof. The Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

No dealer, broker, salesman, or other person has been authorized to give any information, or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County, the Financial Advisor, or the Underwriters.

This Official Statement and the information contained herein are subject to completion and amendment. This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the County's undertaking to provide certain information on a continuing basis.

The prices and other terms respecting the offering and sale of the Obligations may be changed from time to time by the Underwriters after the Obligations are released for sale, and the Obligations may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Obligations into investment accounts.

THE OBLIGATIONS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE OBLIGATIONS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE OBLIGATIONS HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE THE MARKET PRICE OF THE OBLIGATIONS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD LOOKING STATEMENTS.

None of the County, the Financial Advisor, or the Underwriters make any representation or warranty with respect to the information contained in this Official Statement regarding The Depository Trust Company ("DTC") or its Book-Entry-Only System, as such information was provided by DTC.

The agreements of the County and others related to the Obligations are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Obligations is to be construed as constituting an agreement with the purchasers of the Obligations. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

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The cover page hereof, this page, and the appendices included herein, the financial statements and any addenda, supplement or amendment hereto, are part of the Official Statement.

COUNTY ADMINISTRATION

ELECTED OFFICIALS

Commissioners Court	Length of Service	Term Expires
Eddie Trevino, Jr. County Judge	Since 11-23-16	12-31-22[(1)]
Sofia C. Benavides Commissioner Precinct #1	Since 11-18-06	12-31-24
Joey Lopez Commissioner Precinct #2	Since 1-1-19	12-31-22[(1)]
David A. Garza Commissioner Precinct #3	Since 1-1-01	12-31-24
Gustavo Ruiz Commissioner Precinct #4	Since 3-18-16	12-31-22[(1)]

[(1)] Judge Trevino, Commissioner Lopez and Commissioner Ruiz are all running for re-election for their respective offices.

ELECTED ADMINISTRATIVE OFFICIALS

Name	Position	Length of Service	Term Expires
Sylvia Garza-Perez	County Clerk	Since 1-1-15	12-31-22
Antonio Yzaguirre, Jr.	Tax Assessor-Collector	Since 1-1-89	12-31-24
David A. Betancourt	County Treasurer	Since 1-1-07	12-31-22
Eric Garza	Sheriff	Since 1-1-21	12-31-24

APPOINTED OFFICIALS

Name	Position	Length of Service	Term Expires
Lorena Hernandez, CPA	County Auditor	Since 9-16-21	9-15-23
Pete Sepulveda [(1)]	County Administrator	Since 6-25-2019[(1)]	N/A
Xavier E. Villareal	Deputy County Administrator	Since 9-18-15	N/A
Juan Gonzalez	Commissioner Court Legal Counsel	Since 10-30-17	N/A

[(1)] Mr. Sepulveda was appointed County Administrator on October 29, 2019 after serving as Interim County Administrator since June 25, 2019. Mr. Sepulveda previously served as County Administrator from January 1, 2007 through March 11, 2015 and County Judge from March 11, 2015 through December 31, 2016.

CONSULTANTS AND ADVISORS

Bond Counsel .... Winstead PC
San Antonio, Texas

Certified Public Accountants .... Burton McCumber & Longoria, LLP
Brownsville, Texas

Financial Advisor .... Estrada Hinojosa & Company, Inc.
Dallas, Texas

For additional information regarding the County, please contact:

Lorena Hernandez, CPA County Auditor Cameron County 1100 Monroe St. Brownsville, Texas 78520 (956) 544-0822 (956) 544-0876 – Fax	or	David Gordon Estrada Hinojosa & Company, Inc. 600 N. Pearl St., Suite 2100 Dallas, Texas 75201 (214) 658-1670 (214) 658-1671 – Fax

OFFICIAL STATEMENT

Relating to

$18,725,000 **CAMERON COUNTY, TEXAS** **CERTIFICATES OF OBLIGATION, SERIES 2022**	**$6,280,000** **CAMERON COUNTY, TEXAS** **TAX NOTES, SERIES 2022**

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Cameron County, Texas (the "County") of its Certificates of Obligation, Series 2022 (the "Certificates") and its Tax Notes, Series 2022 (the "Notes"). The Certificates and the Notes are collectively referred to herein as the "Obligations".

There follows in this Official Statement descriptions of the plan of financing, information regarding the Obligations, and certain other information about the County and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of documents may be obtained from the County's Financial Advisor, Estrada Hinojosa & Company, Inc., 600 N. Pearl Street, Suite 2100, Dallas, Texas 75201, upon payment of reasonable copying, mailing and handling charges.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the final Official Statement will be deposited with the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access ("EMMA") System.

INFECTIOUS DISEASE OUTBREAK (COVID-19)

In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State because of the effects of COVID-19. Subsequently, in response to a rise in COVID-19 infections in the State and pursuant to the Chapter 418 of the Texas Government Code, the Governor issued a number of executive orders intended to help limit the spread of COVID-19 and mitigate injury and the loss of life, including limitations imposed on business operations, social gatherings and other activities.

Over the ensuing year, COVID-19 negatively affected commerce, travel and businesses locally and globally, and negatively affected economic growth worldwide and within the U.S., the State and the County. Following the widespread release and distribution of various COVID-19 vaccines beginning in December 2020 and a decrease in active COVID-19 cases generally in the United States, state governments (including Texas) began lifting business and social limitations associated with COVID-19. Under executive orders in effect as of the date of this Official Statement, there are no State-imposed COVID-19 related operating limits for any business or other establishment and no State-imposed requirement to wear a face covering. The Governor retains the right to impose future restrictions on activities if needed in order to mitigate the effects of COVID-19. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at https://gov.texas.gov/. Neither the information on, nor accessed through, such website of the Governor is incorporated by reference, either expressly or by implication, into this Official Statement.

With the easing or removal of associated governmental restrictions, economic activity has increased. However, there are no assurances that economic activity will continue or increase at the same rate, especially if there are future outbreaks of COVID-19. The COVID-19 pandemic may result in lasting changes in some businesses and social practices, which could affect business activity and County revenues and expenses. The County cannot predict the long-term economic effect of COVID-19 or the effect of any future outbreak of COVID-19 or a similar virus on the County's operations or financial condition.

Cares Act Grant

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") established the Coronavirus Relief Fund (the "Fund") which is to be used to cover costs that are necessary expenditures incurred by states and certain local governments due to the public health emergency with respect to COVID-19. The County received $5,369,804 from the Fund. Such funds are required to be used to pay for expenditures made to respond to the public health emergency, including direct medical or public health needs, providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures and payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to COVID-19. Funds may not be used to cover shortfalls in government revenue when that revenue would have been used to cover expenditures that would not otherwise qualify under the CARES Act. All of such funds have been spent.

American Rescue Plan Act (ARPA)

The American Rescue Plan Act (ARPA) which establishes the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund (together the "Fiscal Recovery Funds") provides State, local, and Tribal governments with significant resources to respond to the COVID–19 public health emergency and its economic impacts through four categories of eligible uses: (a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (b) To respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers; (c) For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and (d) To make necessary investments in water, sewer, or broadband infrastructure. The County received $41,097,226 from the Treasury as the first half of the total funds allocated to the County. To date the County has approved over $33 million in projects. The County anticipates receiving the second $41,097,226 installment by July 2022.

PLAN OF FINANCING

PURPOSE OF THE OBLIGATIONS . . . The Certificates are being issued for the purpose of providing for the payment of contractual obligations to be incurred for the design, planning, acquisition, equipping, construction, and renovation of public property, and designated infrastructure and for other public purposes specifically being improvements to County parks and recreational facilities; County roads (including utility relocation, related drainage improvements and rights-of-way acquisition); County buildings and facilities (including parking lot renovations) including the County Veterans Services Building, County Jails and Juvenile and Adult Detention and Probation Facilities; County Judicial buildings; County administrative services annexes; the County Animal Control Facility; the County Building Maintenance Facility; County Sheriff's Office Facilities; the County Emergency Management Building; and the payment of contractual obligations for professional services in connection with such projects (including, but not limited to, financial advisory, legal, architectural, and engineering), and paying the costs of issuance related to the Certificates.

The Notes are being issued for the purpose of purchasing equipment, and paying costs of issuance related to the Notes.

THE OBLIGATIONS

AUTHORITY FOR ISSUANCE OF THE OBLIGATIONS . . . The Certificates are being issued pursuant to the general laws of the State of Texas, including particularly the Certificate of Obligation Act, Subchapter C of Chapter 271 and Chapter 320, Texas Local Government Code, as amended, Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), and an order adopted by the County Commissioners Court on March 29, 2022 authorizing the Certificates (the "Certificate Order") and constitute direct obligations of the County, payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property within the County and (ii) a limited pledge of the net revenues of the County's Park System, but only to the extent of and not in the amount in excess of $1,000, as provided in the Certificate Order (see "THE OBLIGATIONS – Security for the Certificates" herein).

The Notes are being issued pursuant to the general laws of the State of Texas, particularly Chapter 1371 and Chapter 1431, Texas Government Code, as amended, and an order adopted by the County Commissioners Court on April 12, 2022 authorizing the Notes (the "Note Order") and constitute 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.

As permitted by certain provisions of Chapter 1371, the Commissioners Court delegated to certain authorized officials of the County the authority to establish the final sale terms of the Obligations pursuant to respective pricing certificates (with respect to the Certificates, the "Certificates Pricing Certificate" and with respect to the Notes, the "Notes Pricing Certificate" relating to each series of Obligations (each respective pricing certificate and the related order are jointly referred to herein as, with respect to the Certificates, the "Certificate Order" and with respect to the Notes, the "Note Order", and collectively as the "Order" or "Orders"). The Certificate Pricing Certificate was executed on April 5, 2022, and the Note Pricing Certificate was executed on April 13, 2022 by an authorized County official.

GENERAL DESCRIPTION OF THE OBLIGATIONS . . . The Obligations will be dated April 1, 2022, will mature on the dates and in the principal amounts and will bear interest at the rates set forth on pages ii and iii of this Official Statement. The Obligations will be issued in fully registered form and will be in denominations of $5,000 or any integral multiple thereof. The Obligations will bear interest from the Delivery Date (as defined on the cover hereof), or from the most recent date to which interest has been paid or duly provided for, and interest will be paid semiannually on February 15 and August 15, commencing August 15, 2022.

Principal and interest on the Obligations are payable in the manner described herein under "THE OBLIGATIONS - Book-Entry-Only System". In the event the Book-Entry-Only System is discontinued, the interest on the Obligations payable on an interest payment date will be payable to the registered owner as shown on the security register (the "Security Register") relating to the Obligations maintained by the Paying Agent/Registrar (as hereinafter defined), as of the Record Date (hereinafter defined), by check, mailed first-class, postage prepaid, to the address of such person on the Security Register or by such other method acceptable to the Paying Agent/Registrar requested by and at the risk and expense of the registered owner. In the event the Book-Entry-Only System is discontinued, principal of the Obligations will be payable at stated maturity or prior redemption upon presentation and surrender thereof at the corporate trust office of the Paying Agent/Registrar.

If the date for the payment of the principal of or interest on the Obligations is a Saturday, Sunday, a legal holiday, or a day when banking institutions in the County where the designated payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date for such payment will be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized to close; and payment on such date will have the same force and effect as if made on the original date payment was due.

SECURITY FOR THE OBLIGATIONS . . . In the Orders, the County covenants that it will levy and collect an annual ad valorem tax, within the limitations prescribed by law, against all taxable property located within the County sufficient to meet the debt service requirements on the Obligations. The Texas Constitution (Article VIII, Section 9) imposes a limit of $0.80 per $100 assessed valuation for all purposes of General Fund, Permanent Improvement Fund, Road and Bridge Fund and Jury Fund, including debt service of bonds, warrants or certificates of obligation issued against such funds. The Obligations are payable from this limited tax. Also, under the provisions of the Certificate Order, $1,000 of the net revenues of the County's Parks System are pledged for payment of the Certificates solely to comply with legal requirements for the sale of the Certificates for cash. (See "TAX INFORMATION - Tax Rate Limitation").

PERFECTION OF SECURITY . . . Chapter 1208, Texas Government Code, as amended, applies to the issuance of the Obligations and the pledge of the proceeds of ad valorem taxes and limited revenues thereto, and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Obligations are outstanding and unpaid, the result of such amendment being that the pledge of the ad valorem tax and limited revenues proceeds is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Obligations a security interest in such pledge, the County agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

REDEMPTION OF THE OBLIGATIONS . . . *Optional Redemption of the Certificates*: The County has reserved the right to redeem at its option, Certificates having stated maturities on and after February 15, 2032, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2031, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. If less than all of the Certificates of a maturity are to be redeemed, the Paying Agent/Registrar will determine by lot the particular Certificates, or portions thereof, within such maturity to be redeemed.

Optional Redemption of the Notes: The Notes are not subject to optional redemption prior to their stated maturities.

Notice of Redemption: Except as hereinafter set forth, not less than 30 days prior to a redemption date for the Certificates or a portion thereof, the County must cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to each registered owner of a Certificate, or a portion thereof, to be redeemed at the address of the registered owner appearing on the Security Register on the day such notice of redemption is mailed. Any notice of redemption so mailed will be conclusively presumed to have been duly given irrespective of whether received by the owner of the Certificate. If such notice of redemption is given and if due provision for such payment is made, all as provided above, the Certificates or portions thereof which are to be so redeemed thereby automatically will be treated as redeemed prior to their scheduled maturities, and they will not bear interest after the date fixed for redemption, and they will not be regarded as being outstanding, except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

With respect to any optional redemption of the Certificates, unless the Paying Agent/Registrar has received funds sufficient to pay the principal and premium, if any, and interest on the Certificates to be redeemed before giving of a notice of redemption, the notice of redemption may state that the County may condition redemption on the receipt by the Paying Agent/Registrar of such funds on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the County shall not redeem the Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, that the Certificates have not been redeemed.

All notices of redemption will (i) specify the date of redemption for the Certificates, (ii) identify the Certificates to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Certificates, or the portion of the principal amount hereof to be redeemed, will become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, will cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Certificates, or the principal amount thereof to be redeemed, will be made at the designated corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the registered owner. If Certificates are subject by their terms to redemption and have been called for redemption and notice of redemption thereof has been duly given or waived as provided in the Order, such Certificates (or the principal amount thereof to be redeemed) so called for redemption will become due and payable, and on the redemption date designated in such notice, interest on said Certificates (or the principal amount thereof to be redeemed) so called for redemption will become due and payable, and on the redemption date designated in such notice, interest on said Certificates (or principal amount thereof to be redeemed) called for redemption will cease to accrue and such Certificates will not be deemed to be Outstanding.

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Obligations is to be transferred and how the principal of, premium, if any, and interest and redemption payments on the Obligations are to be paid to and credited by the Depository Trust Company ("DTC") while the Obligations are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The County, the Financial Advisor and Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.*

The County, the Financial Advisor and Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Obligations, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Obligations), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each stated maturity of the Obligations, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities Obligations. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of U.S. regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of "AA+" (CreditWatch negative). The DTC Rules applicable to its participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of the Obligations ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Obligations representing their ownership interests in the Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligations documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Obligations unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Obligations will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent/Registrar or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Obligations at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, Obligations are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Obligations will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

So long as Cede & Co. is the registered owner of the Obligations, the County will have no obligation or responsibility to the DTC Participants or Indirect Participants, or the persons for which they act as nominees, with respect to payment to or providing of notice to such Participants, or the persons for which they act as nominees.

Use of Certain Terms in Other Sections of this Official Statement . . . In reading this Official Statement it should be understood that while the Obligations are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Direct Participant or Indirect Participant acquires an interest in the Obligations, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described in "THE OBLIGATIONS – Book-Entry-Only System" herein, notices that are to be given to registered owners under the Order will be given only to DTC.

Paying Agent/Registrar . . . The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. The County covenants to maintain and provide a Paying Agent/Registrar at all times while the Obligations are outstanding and any successor Paying Agent/Registrar must be a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Obligations.

The County has reserved in the Order the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the County, the new Paying Agent/Registrar must accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the County will be a bank, a trust company, financial institution, or other entity duly qualified and legally authorized to serve and perform the duties of Paying Agent/Registrar for the Obligations. Upon a change in the Paying Agent/Registrar for the Obligations, the County will promptly cause a written notice thereof to be sent to each registered owner of the Obligations at least 30 days prior to the effective date of such substitution by United States certified mail which notice will give the address of the new Paying Agent/Registrar.

Transfer, Exchange and Registration . . . In the event the Book-Entry-Only System should be discontinued, the Obligations may be transferred and exchanged on the Security Register only upon presentation and surrender thereof to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. An Obligation may be assigned by the execution of an assignment form on the Obligation or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Obligation or Obligations will be authenticated and delivered by the Paying Agent/Registrar, in lieu of the Obligation or Obligations being transferred or exchanged, at the principal office of the Paying Agent/Registrar, or sent by United States mail, first-class, postage prepaid, to the new registered owner or his designee. To the extent possible and under reasonable circumstances, new Obligations issued in an exchange or transfer of Obligations will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Obligations to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Obligations registered and delivered in an exchange or transfer will be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount and series as the Obligations surrendered for exchange or transfer. See "THE OBLIGATIONS - Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Obligations.

Limitation on Transfer of the Obligations . . . Neither the County nor the Paying Agent/Registrar is required to exchange any Obligations to an assignee of the owner of the Obligations (i) during the period of 15 days next preceding an interest payment date, and (ii) with respect to Obligations called for redemption, within 15 days of the redemption date for such Obligations; provided, however, that such limitation of transfer will not be applicable to an exchange by the registered owner of such unredeemed balance of any Obligation called for redemption in part.

Record Date for Interest Payment . . . The date for identifying the person to whom the interest is payable on any interest payment date is the close of business on the last calendar day of the preceding month (the "Record Date").

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new Record Date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the County. Notice of the Special Record Date and of the scheduled payment date of past due interest ("Special Payment Date", which must be 15 days after the Special Record Date) will be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner of an Obligation appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

DEFAULT AND REMEDIES . . . If the County defaults in the payment of principal, interest, or redemption price on the Obligations when due, or if it fails to make payments into any fund or funds created in the Orders, or defaults in the observation or performance of any other covenants, conditions, or Obligations set forth in the Orders, the owners of the Obligations may seek a writ of mandamus to compel County officials to carry out their legally imposed duties with respect to the Obligations, if there is no other available remedy at law to compel performance of the Obligations or the Orders and the County's Obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Obligations in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Orders do not provide for the appointment of a trustee to represent the interest of the owners upon any failure of the County to perform in accordance with the terms of the Orders, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of and be financed by, the Obligation owners. Texas counties are generally immune from suits for money damages under contracts under the doctrine of sovereign immunity. In Tooke v. City of Mexia, 197 S.W.3d 325 (Tex. 2006), the Texas Supreme Court ruled that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Chapter 1371, which pertains to the issuance of public securities by issuers such as the County, permits the County to waive sovereign immunity in the proceedings authorizing the issuance of the applicable series of Obligations. Notwithstanding its reliance upon the provisions of Chapter 1371 in connection with the issuance of the applicable series of Obligations, the County has not waived the defense of sovereign immunity with resect thereto. Because it is unclear whether the Texas Legislature has effectively waived the County's sovereign immunity from a suit for money damages, owners may not be able to bring such a suit against the County for breach of the Obligations or Orders covenants. Even if a judgment against the County could be obtained, it could not be enforced by direct levy and execution against the County's property. Further, the registered owners cannot themselves foreclose on property within the County or sell property within the County to enforce the tax lien on taxable property to pay the principal of and interest on the Obligations. Furthermore, the County is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or bondowners of an entity which has sought protection under Chapter 9. Therefore, should the County avail itself of Chapter 9 protection front creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Obligations are qualified with respect to the customary rights of debtors relative to their creditors.

DEFEASANCE OF OBLIGATIONS . . . The County may discharge its obligation to the registered owners of any or all of the Obligations to pay principal and interest, within the meaning of the Order when payment of the principal of and interest on such Obligations to the stated maturity thereof or to the redemption date thereof has been made, by depositing with any permitted entity, as specified in Chapter 1207, Texas Government Code, for such Obligations: (i) money sufficient to pay the principal amount of such Obligations plus interest thereon to the date of maturity or redemption, (ii) Government Obligations (as defined below) certified by an independent public accounting firm to be of such maturities and bearing interest at rates sufficient to provide for the timely payment of the principal amount of such Obligations plus interest thereon to the date of maturity or redemption, or (iii) a combination of money and Government Obligations together so certified sufficient to make such payment; provided, however, that if any of such Obligations are redeemed prior to their respective dates of maturity, provision will have been made for giving notice of redemption as provided in the Order.

The Order provides that "Government Obligations" means the (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency of instrumentality and that, on the date the governing body of the County adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the County adopts or approves the proceedings and authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, or (iv) any other obligations authorized by state law for defeasance puposes.

Upon such deposit as described above, such Obligations will no longer be regarded to be outstanding or unpaid and will no longer be entitled to the benefits and the rights afforded under the Order, including (but not limited to) the ad valorem tax pledge made therein; provided, however, that the County may reserve the option, to be exercised at the time of the defeasance of the Obligations, to call for redemption at an earlier date those Obligations which have been defeased to their maturity date, if the County (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Obligations for redemption, (ii) gives notice of the reservation of that right to the owners of the Obligations immediately following the making of the firm banking and financial arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

There is no assurance that the current law will not be changed in a manner which would permit other investments to be made with amounts deposited to defease the Obligations. Because the Order does not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as currently permitted under Texas law. There is also no assurance that any investment held for such discharge will maintain its rating.

AMENDMENTS. . . The County may amend the Orders without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the County, may, with the written consent of the owners of a majority in aggregate principal amount of the Obligations then outstanding affected thereby, amend, change, modify, or rescind any of the provisions of the Orders, except that without the consent of the registered owners of all of the Obligations affected, no such amendment, change, modification, or rescission may (1) extend the time or times of payment of the principal of and interest on the Obligations or reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify terms of payment of principal of or interest on additional Obligations on a parity with the lien on the Obligations; (2) give any preference to any Obligation over any other Obligation; (3) extend any waiver of default to subsequent defaults; or (4) reduce the aggregate principal amount of Obligations required for consent to any such amendment, change, modification, or rescission.

SOURCES AND USES OF FUNDS . . . The proceeds of the Certificates will be applied approximately as follows:

Sources of Funds:	
Principal Amount of the Certificates	$ 18,725,000.00
Premium	1,584,277.75
Total Sources of Funds	$ 20,309,277.75
Uses of Funds:	
Deposit to Project Fund	$ 20,000,000.00
Costs of Issuance	203,464.56
Underwriters' Discount	105,813.19
Total Uses of Funds	$ 20,309,277.75

SOURCES AND USES OF FUNDS . . . The proceeds of the Notes will be applied approximately as follows:

Sources of Funds:	
Principal Amount of the Notes	$ 6,280,000.00
Premium	693,342.15
Total Sources of Funds	$ 6,973,342.15
Uses of Funds:	
Deposit to Project Fund	$ 6,850,000.00
Costs of Issuance	89,584.99
Underwriters' Discount	33,757.16
Total Uses of Funds	$ 6,973,342.15

TAX INFORMATION

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

VALUATION OF TAXABLE PROPERTY . . . The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the County is the responsibility of the Cameron Appraisal District (the "Appraisal District"). Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three years. A taxing unit may require annual review at its own expense and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity ("Productivity Value"). The same land may not be qualified as both agricultural and open-space land. See "Table 1 – Valuation, Exemptions, and Debt Obligations" for the reduction in taxable valuation attributable to valuation by Productivity Value.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the County, in establishing their tax rolls and tax rates. See "TAX INFORMATION – County and Taxpayer Remedies."

STATE MANDATED HOMESTEAD EXEMPTIONS . . . State law grants, with respect to each taxing entity in the State, (1) a $25,000 exemption of the appraised value of all homesteads, (2) a $10,000 exemption of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled, and (3) various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty.

LOCAL OPTION HOMESTEAD EXEMPTIONS . . . The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than $5,000) and (2) an additional exemption of at least $3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2) above may also be created, increased, decreased, or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of a least 20% of the number of qualified voters who voted in the preceding election of the taxing unit.

The County grants an exemption to the market value of the residence homestead of persons 65 years of age or older of $6,000; the disabled are granted an exemption of $3,000.

LOCAL OPTION FREEZE FOR THE ELDERLY AND DISABLED . . . The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons sixty-five (65) years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded. The exemption described above, may be created, increased, decreased, or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit.

PERSONAL PROPERTY . . . Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

FREEPORT AND GOODS-IN-TRANSIT EXEMPTIONS . . . Certain goods that are acquired in or imported into the State to be forwarded outside the State and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing, or fabrication ("Freeport Property") are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue taxing Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or without the State within 175 days ("Goods-in-Transit"), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit, on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer's motor vehicle, boat, or heavy equipment inventory.

A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

Temporary Exemption for Qualified Property Damaged by a Disaster . . . The Property Tax Code entitles the owner of certain qualified (i) tangible personal property used for the production of income, (ii) improvements to real property, and (iii) manufactured homes located in an area declared by the Governor to be a disaster area following a disaster and is at least 15 percent damaged by the disaster, as determined by the chief appraiser, to an exemption from taxation of a portion of the appraised value of the property. The amount of the exemption ranges from 15 percent to 100 percent based upon the damage assessment rating assigned by the chief appraiser. Except in situations where the territory is declared a disaster on or after the date the taxing unit adopts a tax rate for the year in which the disaster declaration is issued, the governing body of the taxing unit is not required to take any action in order for the taxpayer to be eligible for the exemption. If a taxpayer qualifies for the exemption after the beginning of the tax year, the amount of the exemption is prorated based on the number of days left in the tax year following the day on which the Governor declares the area to be a disaster area. For more information on the exemption, reference is made to Section 11.35 of the Tax Code. Section 11.35 of the Tax Code was enacted during the 2019 legislative session, and there is no judicial precedent for how the statute will be applied. Texas Attorney General Opinion KP-0299, issued on April 13, 2020, concluded a court would likely find the Texas Legislature intended to limit the temporary tax exemption to apply to property physically harmed as a result of a declared disaster.

Other Exempt Property . . . Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

Tax Increment Reinvestment Zone . . . The County may create one or more tax increment reinvestment zones ("TIRZ"), under which the tax values on property in the zone are "frozen" at the value of the property at the time of creation of the zone. The County is participating in nine TIRZs with the Cities of Brownsville, Harlingen, La Feria, Los Fresnos, Port Isabel and San Benito, and South Padre Island. The County has also created a countywide transportation reinvestment zone ("TRZ") with the Cameron County Regional Mobility Authority.

Tax Abatement Agreements . . . The County also may enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The County in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. The County currently has four tax abatement agreements. The value of property subject to abatement is shown in Table 1.

Economic Development Agreements . . . The County is authorized, pursuant to Chapter 381, Texas Local Government Code, as amended ("Chapter 381"), to establish programs to promote state or local economic development and to stimulate business and commercial activity in the County. In accordance with a program established pursuant to Chapter 381, the County may make loans or grants of public finds for economic development purposes, however no obligations secured by ad valorem taxes may be issued for such purposes unless approved by the voters of the County. The County may contract with the federal government, the State of Texas, another political subdivision, a nonprofit organization or any other entity, including private entities, for the administration of such a program.

County and Taxpayer Remedies . . . Under certain circumstances, the County and its taxpayers may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the County may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value in excess of the current year "minimum eligibility amount", as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount was set at $50 million, and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the County and provides for taxpayer referenda that could result in the repeal of certain tax increases (See "– Public Hearing and Maintenance and Operations Tax Rate Limitations".) The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes . . . The County is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. By the later of September 30 or the 60th day after the certified appraisal role is received by the County from the Appraisal District, the rate of taxation is set by the County based upon the valuation of property within the County as of the preceding January 1. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Oil and gas reserves are assessed on the basis of a valuation process which uses an average of the daily oil price of oil and gas for the prior year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1. A delinquent tax incurs a penalty of 6% of the amount of the tax for the first calendar month it is delinquent, plus 1% for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of 12% regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to 20% if imposed by the County related to the attorney's collection fee. The delinquent tax also accrues interest at a rate of 1% for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment, and the postponement of the delinquency date of taxes under certain circumstances. The County does not allow split payments; discounts are allowed (see Table 4 - Tax Rate, Levy and Collection History). See "AD VALOREM PROPERTY TAXATION – Temporary Exemption for Qualified Property Damaged by a Disaster" for a discussion of the applicability of this section of the Property Tax Code.

COUNTY'S RIGHTS IN THE EVENT OF TAX DELINQUENCIES . . . Taxes levied by the County are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the County, having power to tax the property. The County's tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the County is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the County may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the County must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within two years after the purchaser's deed issued at the foreclosure sale is filed in the County records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. **Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents enforcement of liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.**

TAX RATE LIMITATION

General Operations: Limited Tax Bonds, Time Warrants and Notes. The Texas Constitution (Article VIII, Section 9) imposes a limit of $0.80 per $100 assessed valuation for all purposes of General Fund, Permanent Improvement Fund, Road and Bridge Fund and Jury Fund, including debt service of bonds, warrants or certificates of obligation issued against such funds. **The Obligations are payable from this limited tax.** Administratively, the Attorney General of the State of Texas will permit allocation of $0.40 of the $0.80 constitutional tax rate for debt service in connection with the issue of the Obligations.

Road Bonds. Article III, Section 52 of the Texas Constitution permits counties to levy an unlimited tax for road purposes if approved by the voters.

Road Maintenance (Special Road and Bridge Tax). Article VIII, Section 9 of the Texas Constitution permits counties to levy a $0.15 per $100 of assessed valuation tax for road maintenance; no part of this tax, however, may be used for debt service on County debt, including the Obligations.

Farm-to-Market Roads and Flood Control Purposes. Article VIII, Section 1-a of the Texas Constitution permits counties to levy a $0.30 per $100 of assessed valuation tax (after a homestead exemption of up to $3,000) for debt service and maintenance expenses associated with Farm-to-Market roads and flood control purpose.

PUBLIC HEARING AND MAINTENANCE AND OPERATIONS TAX RATE LIMITATIONS

The following terms as used in this section have the meanings provided below:

"adjusted" means lost values are not included in the calculation of the prior year's taxes and new values are not included in the current year's taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional $500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"effective tax rate" means the rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted).

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted). Certain counties for which certain expenditures for indigent legal defense or certain hospital expenditures exceed the amount for such expenditures for the preceding tax year, may increase their no-new-revenue tax rate proportionately with such expenditures in the manner provided by the Property Tax Code.

"rollback tax rate" means the rate that will produce the prior year's total levy (adjusted) from the current year's values (adjusted) multiplied by 1.08, plus a rate that will produce current year's debt service from the current year's values (unadjusted), divided by the anticipated tax collection rate.

"special taxing unit" means a county for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per $100 of taxable value.

"unused increment rate" means the cumulative difference between a county's voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a county's tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

"voter-approval tax rate" means the maintenance and operations tax rate that will produce the prior year's maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the unused increment rate.

The County's tax rate consists of two components: (1) rates for funding of maintenance and operations expenditures in the current year, which may additionally include the Road and Bridge Maintenance Tax and the Farm-to-Market Road and Flood Control Tax, if levied (collectively, the "maintenance and operations tax rate"), and (2) a rate for funding debt service in the current year (the "debt service tax rate"). Under State law, the assessor for the County must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the County to the Commissioners Court by August 1 or as soon as practicable thereafter.

A county must annually calculate and prominently post on its internet website, and submit to the County tax assessor-collector its voter-approval tax rate and no-new-revenue tax rate in accordance with forms prescribed by the State Comptroller. The Commissioners Court must adopt a tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the County, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If the County fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the County for the preceding tax year.

As described below, the Property Tax Code provides that if a county adopts a tax rate that exceeds the voter-approval tax rate or, in certain cases, the de minimis rate, an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A county may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until the county appraisal district has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the county has held a public hearing on the proposed tax increase.

If a county's adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the county must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a county does not qualify as a special taxing unit, if a county's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the county's voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the county would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any county located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its voter-approval tax rate using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such county's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the County's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the County's tax-supported debt obligations, including the Obligations.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

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TABLE 1 -VALUATION, EXEMPTIONS AND DEBT OBLIGATIONS

Tax Year 2021 Market Valuation Established by Cameron County Appraisal District			$ 25,969,470,358
Less Exemptions/Reductions at 100% of Market Value:			
Abatement Loss	$ 150,215,153		
Charitable	28,581,158		
Community Housing	18,987,151		
Over 65 and Disabled	278,050,913		
Disabled Veterans Exemptions	265,175,788		
Productivity Loss	880,359,276		
Homestead Cap	228,792,178		
Freeport	490,360,128		
First Responder Surviving Spouse	505,382		
Historical	5,063,061		
MASSS	238,256		
Pollution Control Loss	3,286,715		
Pvt. Personal Vehicle	1,797,245		
Exempt Property	2,248,790,732		4,600,203,136
Tax Year 2021 Net Taxable Assessed Valuation			$ 21,369,267,222
Debt Payable from Ad Valorem Taxes ("Tax Debt") (as of May 5, 2022)			
Limited Tax Refunding Bonds, Series 2012	$ 2,740,000		
Cerificates of Obligation, Series 2014	11,335,000		
Revenue & Tax Bonds, Series 2014 (State Highway 550 Project)	4,040,000		
Limited Tax Refunding Bonds, Series 2015	11,120,000		
Revenue & Tax Bonds, Series 2015 (State Highway 550 Project)	4,100,000		
Cerificates of Obligation, Series 2016 A	13,020,000		
Cerificates of Obligation, Series 2016 B	17,100,000		
Revenue & Tax Refunding Bonds, Series 2016 (State Highway 550 Project)	15,805,000		
Limited Tax Refunding Bonds, Series 2017	4,275,000		
Certificates of Obligation, Series 2017	10,495,000		
Certificates of Obligation, Series 2019	36,835,000		
Limited Tax Refunding Bonds, Taxable Series 2019	14,105,000		
Tax Notes, Series 2020	3,510,000		
Revenue and Tax Refunding Bonds, Taxable Series 2020 (State Highway 550 Project)	26,115,000		
Certificates of Obligation, Series 2021	13,720,000		
The Certificates	18,725,000		
The Notes	6,280,000		
Total Gross Tax Debt			$ 213,320,000
Less Self-Supporting Debt:			
International Bridge System Debt	$ 9,081,443	(1)	
Park System Debt	55,889,784	(2)	
State Highway 550 Agreement	50,060,000	(3)	$ 115,031,227
Total Net Tax Debt			$ 98,288,773
Interest and Sinking Fund (as of September 30, 2021)			$ 4,214,143
Ratio Net Tax Debt to Taxable Assessed Valuation			0.46%

2022 Estimated Population -	426,235
Per Capita Taxable Assessed Valuation -	$ 50,135
Per Capita Net Tax Debt -	$ 230.60

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(1) Bridge system self-supporting debt includes portions of the Series 2019 COs, Series 2019 Refunding Bonds, and the Notes.

(2) Parks system self-supporting debt includes portions of the Series 2015 Refunding Bonds, 2016B COs, Series 2019 COs, Series 2019 Refunding Bonds, the Series 2020 Notes, the Series 2021 COs, the Certificates, and the Notes.

(3) State Highway 550 self-supporting debt includes portions of the SH 550 Revenue & Tax Bonds Series 2012, Series 2014, Series 2015, Series 2016, and Series 2020.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

	Taxable Appraised Value For Fiscal Year Ended September 30,					
	2022		2021		2020	
Category	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	$ 12,994,245,568	50.04%	$ 11,961,262,771	48.85%	$ 11,794,608,876	50.91%
Real, Residential, Multi-Family	1,037,918,109	4.00%	932,053,833	3.81%	805,774,887	3.48%
Real, Vacant Lots/Tracts	823,819,566	3.17%	778,005,975	3.18%	807,206,474	3.48%
Real, Acreage (Land Only)	983,978,270	3.79%	978,738,297	4.00%	983,225,791	4.24%
Real, Farm and Ranch Improvements	631,747,969	2.43%	553,074,933	2.26%	537,293,981	2.32%
Real, Commercial	3,754,772,047	14.46%	3,420,078,122	13.97%	3,502,251,109	15.12%
Real, Industrial/Minerals	448,083,654	1.73%	258,647,538	1.06%	243,389,624	1.05%
Oil and Gas	57,060	0.00%	50,370	0.00%	238,310	0.00%
Real and Tangible Personal, Utilities	723,165,027	2.78%	1,066,371,674	4.35%	1,056,314,696	4.56%
Tangible Personal, Commercial	1,114,712,522	4.29%	1,077,529,052	4.40%	1,093,858,274	4.72%
Tangible Personal, Industrial	987,291,356	3.80%	1,025,139,474	4.19%	955,081,225	4.12%
Tangible Personal, Mobile Homes	70,907,635	0.27%	67,801,011	0.28%	66,027,453	0.29%
Intangible Personal	-	0.00%	-	0.00%	-	0.00%
Real Property, Inventory	10,124,493	0.04%	15,621,745	0.06%	23,551,882	0.10%
Totally Exempt Property	2,298,158,492	8.85%	2,264,919,756	9.25%	1,216,121,403	5.25%
Special Inventory	90,488,590	0.35%	87,769,013	0.36%	81,836,859	0.35%
Total Appraised Value Before Exemptions	$ 25,969,470,358	100.00%	$ 24,487,063,564	100.00%	$ 23,166,780,844	100.00%
Less: Total Exemptions/Reductions	(4,600,203,136)		(4,395,652,252)		(3,340,760,196)	
Taxable Assessed Value	$ 21,369,267,222		$ 20,091,411,312		$ 19,826,020,648	

	Taxable Appraised Value For Fiscal Year Ended September 30,			
	2019		2018	
Category	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	$ 11,448,420,187	52.24%	$ 10,833,467,472	52.10%
Real, Residential, Multi-Family	759,828,876	3.47%	731,629,103	3.52%
Real, Vacant Lots/Tracts	816,271,210	3.72%	807,344,832	3.88%
Real, Acreage (Land Only)	976,109,778	4.45%	953,428,015	4.58%
Real, Farm and Ranch Improvements	526,140,826	2.40%	528,973,545	2.54%
Real, Commercial	2,996,117,008	13.67%	2,951,961,048	14.20%
Real, Industrial/Minerals	167,903,452	0.77%	134,874,456	0.65%
Oil and Gas	358,460	0.00%	687,250	0.00%
Real and Tangible Personal, Utilities	922,728,242	4.21%	670,133,197	3.22%
Tangible Personal, Commercial	1,107,651,663	5.05%	1,097,383,506	5.28%
Tangible Personal, Industrial	866,130,492	3.95%	790,798,922	3.80%
Tangible Personal, Mobile Homes	61,494,175	0.28%	59,327,958	0.29%
Intangible Personal	-	0.00%	-	0.00%
Real Property, Inventory	34,715,620	0.16%	43,890,156	0.21%
Totally Exempt Property	1,156,073,935	5.28%	1,110,331,863	5.34%
Special Inventory	75,778,747	0.35%	80,397,889	0.39%
Total Appraised Value Before Exemptions	$ 21,915,722,671	100.00%	$ 20,794,629,212	100.00%
Less: Total Exemptions/Reductions	(3,222,206,717)		(2,483,080,751)	
Taxable Assessed Value	$ 18,693,515,954		$ 18,311,548,461	

Note: Valuations shown are certified taxable assessed values reported by the Cameron Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as certified values are resolved and the appraisal district updates records.

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TABLE 3 - VALUATION AND TAX DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population[1]	Taxable Assessed Valuation[2]	Taxable Assessed Valuation Per Capita	Tax Debt		Tax Debt to Taxable Assessed Valuation Ratio	Debt Per Capita
2013	415,557	$16,237,631,953	$ 39,074	$ 115,470,000		0.71%	$ 278
2014	417,296	16,703,966,643	40,029	110,960,000		0.66%	266
2015	420,392	16,831,541,422	40,038	130,820,000		0.78%	311
2016	422,156	17,033,496,419	40,349	162,500,000		0.95%	385
2017	422,135	17,676,273,533	41,874	173,720,000		0.98%	412
2018	423,725	18,311,548,461	43,216	166,985,000		0.91%	394
2019	423,908	18,693,515,954	44,098	199,590,000		1.07%	471
2020	421,017	19,826,020,648	47,091	199,365,000		1.01%	474
2021	423,163	20,091,411,312	47,479	201,470,000		1.00%	476
2022	426,235	21,369,267,222	50,135	213,320,000	(3)	1.00%	500

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(1) Source: Cameron County.

(2) The valuations shown are the certified Taxable Assessed Valuations reported annually in September to the Appraisal District. The valuations are subject to change during the ensuing year due to the settlement of contested valuation, and other matters.

(3) Includes the Obligations.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	General Fund	Unlimited Tax Interest and Sinking Fund	Limited Tax Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2013	$ 0.384291	$ 0.345075	$ 0.002205	$ 0.037011	$ 61,480,831	95.97%	100.37%
2014	0.384291	0.344583	0.002120	0.037588	63,298,545	96.27%	100.46%
2015	0.399291	0.348885	0.002119	0.048287	66,138,187	97.17%	101.20%
2016	0.399291	0.353939	-	0.045352	66,935,094	98.18%	101.65%
2017	0.407743	0.356401	-	0.051342	70,898,567	97.06%	100.09%
2018	0.410803	0.357829	-	0.052974	73,952,498	96.82%	99.83%
2019	0.416893	0.360875	-	0.056018	76,465,202	96.43%	99.28%
2020	0.436893	0.381153	-	0.055740	84,722,213	96.66%	96.66%
2021	0.436893	0.383608	-	0.053285	85,865,018	97.11%	91.95%
2022	0.436893	0.383608	-	0.053285	94,391,666	85.32% (1)	80.21% (1)

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(1) Collection as of January 31, 2022.

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TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	Tax Year 2021 Taxable Assessed Valuation	% of Total Assessed Valuation
AEP Texas Central Co.	Electric Utility	$ 314,660,773	1.47%
Valley Crossing Pipeline LLC	Pipeline	166,070,530	0.78%
Union Pacific Railroad Co.	Railroad	78,568,681	0.37%
VHS Harlingen Hospital Company LLC	Healthcare	67,312,543	0.31%
East Raymond Wind Farm LLC	Wind Energy	60,857,000	0.28%
CBL SM Brownsville LLC	Retail Mall	52,780,842	0.25%
Sharyland Utilities LP	Utility	43,328,290	0.20%
Transmontaigne Operating Company LP	Pipeline	37,271,098	0.17%
H E Butt Grocery Co.	Retail	35,736,565	0.17%
Keppel Amfels	Shipyard	35,566,099	0.17%
		$ 892,152,421	4.17%

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Source: Cameron Appraisal District.

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TABLE 6 – TAX DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Tax Debt Requirements			The Certificates [1]		The Notes [1]		Total Debt Service Requirements	Less: Self Supporting Debt Service Requirements	Net Debt Service Requirements	% of Principal Retired	Fiscal Year Ended 9/30
	Principal	Interest	Total	Principal	Interest	Principal	Interest					
2022	$ 13,155,000	$ 7,333,523	$ 20,488,523	$ -	$ 223,625	$ -	$ 87,222	$ 20,799,370	$ 9,865,710	$ 10,933,660		2022
2023	12,060,000	6,869,833	18,929,833	220,000	799,550	95,000	311,625	20,356,008	9,538,638	10,817,370		2023
2024	12,395,000	6,408,150	18,803,150	230,000	788,300	225,000	303,625	20,350,075	9,713,674	10,636,401		2024
2025	13,035,000	5,909,603	18,944,603	240,000	776,550	510,000	285,250	20,756,403	9,855,622	10,900,781		2025
2026	11,425,000	5,432,911	16,857,911	720,000	752,550	1,265,000	240,875	19,836,336	9,520,852	10,315,484		2026
2027	11,955,000	4,992,428	16,947,428	755,000	715,675	1,325,000	176,125	19,919,228	9,603,596	10,315,632	35.15%	2027
2028	11,785,000	4,557,704	16,342,704	795,000	676,925	1,395,000	108,125	19,317,754	9,243,156	10,074,598		2028
2029	9,980,000	4,157,675	14,137,675	840,000	636,050	1,465,000	36,625	17,115,350	8,365,241	8,750,110		2029
2030	10,455,000	3,771,615	14,226,615	880,000	593,050	-	-	15,699,665	8,322,703	7,376,962		2030
2031	10,905,000	3,350,673	14,255,673	925,000	547,925	-	-	15,728,598	8,350,253	7,378,346		2031
2032	9,560,000	2,929,907	12,489,907	970,000	505,400	-	-	13,965,307	7,867,297	6,098,011	61.62%	2032
2033	9,970,000	2,517,577	12,487,577	1,010,000	465,800	-	-	13,963,377	7,866,922	6,096,454		2033
2034	10,375,000	2,113,556	12,488,556	1,050,000	424,600	-	-	13,963,156	7,867,937	6,095,220		2034
2035	9,670,000	1,753,983	11,423,983	1,095,000	381,700	-	-	12,900,683	8,004,400	4,896,283		2035
2036	10,005,000	1,412,111	11,417,111	1,135,000	337,100	-	-	12,889,211	7,997,137	4,892,074		2036
2037	7,410,000	1,116,708	8,526,708	1,180,000	290,800	-	-	9,997,508	6,350,228	3,647,279	84.98%	2037
2038	7,670,000	857,627	8,527,627	1,230,000	242,600	-	-	10,000,227	6,349,263	3,650,965		2038
2039	7,105,000	601,094	7,706,094	1,280,000	192,400	-	-	9,178,494	5,801,145	3,377,348		2039
2040	4,350,000	400,344	4,750,344	1,335,000	140,100	-	-	6,225,444	4,599,633	1,625,811		2040
2041	4,520,000	232,925	4,752,925	1,390,000	85,600	-	-	6,228,525	4,604,531	1,623,994		2041
2042	3,685,000	73,700	3,758,700	1,445,000	28,900	-	-	5,232,600	4,185,630	1,046,970	100.00%	2042
	$ 201,470,000	$ 66,793,646	$ 268,263,646	$ 18,725,000	$ 9,605,200	$ 6,280,000	$ 1,549,472	$304,423,318	$ 163,873,566	$140,549,753		

[1] Includes self-supporting debt from the Bridge System, Parks System and SH 550 Agreement. A portion of the Certificates will be self-supporting from the Parks System and a portion of the Notes will be self-supporting from both the Bridge System and the Parks System.

TABLE 7 - ESTIMATED OVERLAPPING TAX DEBT

Expenditures of the various taxing entities within the territory of the County are paid out of ad valorem taxes levied by such entities on properties within the County. Such entities are independent of the County and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping Tax Debt was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas (the "MAC"). Except for the amounts relating to the County, the County has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities may have issued additional debt since the date such information was last updated by the MAC, and such entities may have programs requiring the issuance of substantial amounts of additional debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the County.

Taxing Jurisdiction	2021 Taxable Assessed Valuation	Tax Year 2021 Rate	Total Tax Debt	Estimated % Applicable	Overlapping Tax Debt As Of 5/5/2022	Authorized But Unissued Debt As Of 3/1/2022
Cameron County	$ 21,369,267,222	$ 0.436893	$ 213,320,000 (1)	100.00%	$ 213,320,000 (1)	$ -
Brownsville ISD	6,492,552,368	1.175000	97,415,000	100.00%	97,415,000	-
Brownsville Nav. Dist.	10,422,544,944	0.030000	415,000	100.00%	415,000	8,000,000
City of Brownsville	7,929,857,225	0.697000	171,080,000	100.00%	171,080,000	-
Cameron Drainage District #5	2,183,836,959	0.137000	6,000,000	100.00%		
Town of Combes	114,016,684	0.760000	5,900,000	100.00%	1,595,000	-
Harlingen Cons. ISD	4,034,262,949	1.172000	97,785,000	100.00%	97,785,000	-
City of Harlingen	3,810,694,673	0.620000	33,735,000	100.00%	33,735,000	-
La Feria ISD	509,806,531	1.156000	20,420,100	100.00%	23,151,050	-
City of La Feria	275,716,014	0.760000	12,571,570	100.00%	12,571,570	-
Laguna Madre WD	3,559,095,152	0.038000	11,705,000	100.00%	11,705,000	43,275,000
Town of Laguna Vista	389,550,036	0.404000	890,000	100.00%	1,030,000	-
Los Fresnos Cons. ISD	2,207,648,555	1.152000	73,890,000	100.00%	73,890,000	-
City of Los Fresnos	319,704,771	0.715000	18,617,000	100.00%	18,617,000	-
Lyford CISD	1,080,281,159	1.120000	3,480,000	2.56%	91,579	-
City of Palm Valley	126,720,644	0.516000	1,347,000	100.00%		
Paseo de la Resaca MUD #1	92,908,636	0.395000	2,204,520	100.00%	2,204,520	4,440,000
Paseo de la Resaca MUD #2	168,910,412	0.340000	3,741,400	100.00%	3,741,400	7,415,000
Paseo de la Resaca MUD #3	122,101,121	0.390000	3,479,080	100.00%	3,479,080	2,840,000
Point Isabel ISD	3,978,219,811	1.009000	8,395,000	100.00%	8,395,000	26,965,000
City of Port Isabel	370,846,922	0.698000	5,855,000	100.00%	6,990,000	3,545,000
City of Primera	163,755,451	0.685000	1,963,000	100.00%	1,963,000	-
Town of Rancho Viejo	281,884,306	0.450000	2,922,000	100.00%	2,922,000	-
Rio Hondo ISD	380,585,818	1.450000	33,137,000	100.00%	33,137,000	-
City of Rio Hondo	74,346,190	0.812000	-	100.00%	-	-
San Benito Cons. ISD	1,208,829,617	1.305000	90,365,000	100.00%	90,365,000	-
City of San Benito	847,397,312	0.728000	21,150,000	100.00%	22,370,000	-
Santa Maria ISD	72,114,422	1.517000	13,505,000	100.00%	13,505,000	-
Santa Rosa ISD	125,556,911	1.253000	7,130,000	100.00%	7,130,000	-
City of South Padre Island	2,690,778,565	0.314000	9,895,000	100.00%	9,895,000	-
South Texas ISD	68,722,786,444	0.049000	-	34.30%		
Texas Southmost College District	14,832,662,490	0.155000	31,045,000	100.00%	31,045,000	-
Valley MUD #2	317,648,671	0.350000	7,971,000	100.00%	7,971,000	63,603,000
Total Direct and Overlapping Tax Debt					$ 1,001,514,199	
Ratio of Direct and Overlapping Tax Debt to Taxable Assessed Valuation						21.30%
Per Capita Overlapping Tax Debt						$2,367

Sources: "Texas Municipal Reports" published by the MAC and Cameron Appraisal District.
(1) Includes the Obligations.

TABLE 8 - INTEREST AND SINKING FUND BUDGET PROJECTION

Estimated Tax Debt Service Requirements, Fiscal Year Ending 9/30/22		$ (20,799,370)
Interest and Sinking Fund, 10/1/21	$ 4,214,143	
Tax Year 2021 Interest and Sinking Fund Tax Levy @ 94% Collection	10,703,417	
Investment Income	353,000	
Other Sources	9,865,710	25,136,270
Estimated Ending Fund Balance, 9/30/22		$ 4,336,900

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(1) Includes the Obligations.

AUTHORIZED BUT UNISSUED TAX DEBT

The County has no Tax Debt authorized by the voters of the County that is unissued. However, the County has the legal authority to issue other debt obligations which could include additional certificates of obligation, public property finance contractual obligations, limited tax notes, revenue bonds, lease purchase agreements, tax anticipation notes, bond anticipation notes, certificates of participation, or traditional bank loans without an election.

ADDITIONAL DEBT OBLIGATIONS . . . The County currently does not plan on issuing any additional tax-supported debt within the next 12 months' however, the County may issue Bridge System revenue bonds in the approximate par amount of $6.5 million later this year.

TABLE 9 - OTHER OBLIGATIONS

The County has entered into various lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments.

Cameron County entered into an agreement with the State Energy Conservation Office (SECO) dated October 15, 2019 to provide $2,656,818 in financing for 1) Lighting retrofit and controls, 2) HVAC/Controls for the Mary Lucio building, 3) HVAC/Controls for the Darrell Hester building, 4) HVAC and Controls for the San Benito building, 5) HVAC and Controls for the Browne Clinic, and a Utility Assessment Report. The agreement is financed through the Texas State Comptroller (TX Comp. Austin), with payments of $75,521.79 to be made quarterly from November 2021 through August 2029. The interest rate is 2%, and after the projects were completed, the final principal amount was $2,248,141.

The County entered into several capital lease agreements for the purchase of computers, software, surveillance systems, security scanners, vehicles, and heavy equipment all which are classified as equipment. At September 30, 2021, maturities, including interest at an average rate of 2.79%, are as follows:

Fiscal Year Ending September 30,	General Fund	Road and Bridge Fund	Enterprise Fund	Total
2022	$ 533,215	$ 471,086	$ 251,260	$ 1,255,561
2023	170,190	-	-	170,190
Total Future Lease Payments	$ 703,405	$ 471,086	$ 251,260	$ 1,425,751
Less: Interest	(21,076)	(11,843)	(6,375)	$ (39,294)
Present Value of Future Minimum Lease Payments	682,329	459,243	244,885	1,386,457
Less: Current Portion of Lease Principal Payments	(516,085)	(459,243)	(244,885)	(1,220,213)
Long-Term Lease Payments	$ 166,244	$ -	$ -	$ 166,244

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Source: County's Audited Financial Statements.

PENSION FUND

Cameron County provides retirement, disability and death benefits, for all of its full-time employees through a non-traditional 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 735 county and district pension plans. TCDRS issues an aggregate comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR 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.

Funding Policy

The County 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 County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The County's contribution is determined using an actuarially determined rate of 10.56% for the months of the calendar year in 2020 and 10.49% for the months of the calendar year in 2021. As of December 31, 2019, the Summary Valuation for the County's TCDRS plan recognized an investment gain. Previous years' deferred actuarial investment losses are first used to reduce that year's actuarial investment gain. A portion of the remaining gain was recognized in this year's valuation, with the remainder deferred until future valuations. Investment markets have experienced an investment loss in 2020 due to the Coronavirus outbreak making it likely that the County's plan will experience a substantial investment loss which will cause an increase in the required contribution rates. Due to the valuation smoothing of investment gains and losses over five years, we can expect rates to increase over the next several years as the investment loss is recognized.

The contribution rate payable by the employee members for the calendar years 2019 and 2020 is the rate of 7.00% as adopted by the Commissioners Court. The employee contribution rate and the County contribution rate may be changed by the Commissioners Court within the options available in the TCDRS Act. For the County's fiscal year ended September 30, 2021, the actual employer contributions were $8,289,101, and were equal to the required contribution.

Governmental Accounting Standards Board issued Statement No. 68 which are reporting standards for public pension plans and participating employers which address specifics of the reporting of public pension plan obligations for employers. Employers are required to recognize liabilities as Net Pension Liability (NPL) on the balance sheets, changes in NPL are recognized as Pension Expense on the income statement or reported as deferred inflows/outflows of resources over a period of time. Changes in Net pension liability (NPL) for Cameron County was determined as of December 31, 2020, and total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Events that occurred subsequent to that date, December 31, 2020, that led to the decline in investment markets that took place during the first quarter of 2022, are not reflected in this report.

For additional information concerning the County's pension plan, see Note 15 in "Excerpts from the Cameron County, Texas Annual Financial Report" found in Appendix B.

OTHER POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described above, the County provides certain other post-retirement benefits to retired employees and their dependents that fall within the scope of Governmental Standards Board's Statement of General Accounting Standards No. 45 ("GASB 45"). The County has implemented and is in compliance with the requirements of GASB 45. For additional information concerning the County's other post-retirement benefits, see Note 15 in "Excerpts from the Cameron County, Texas Annual Financial Report" found in Appendix B.

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FINANCIAL INFORMATION

TABLE 10 - GENERAL FUND REVENUES AND EXPENDITURES HISTORY

	For Fiscal Year Ended September 30,				
Revenues	2021	2020	2019	2018	2017
Taxes	$ 64,801,806	$ 61,408,071	$ 55,659,152	$ 54,677,632	$ 53,131,563
Licenses and Permits	665,573	599,328	633,300	593,974	575,046
Intergovernmental	5,856,118	6,539,840	6,845,841	5,560,162	5,835,273
Charges for Services	6,392,416	6,900,829	7,607,363	6,802,571	7,635,690
Fines and Forfeitures	7,675,264	6,571,455	7,483,445	6,630,810	6,820,528
Miscellaneous	5,742,715	5,951,804	6,349,982	5,446,881	4,634,295
Total Revenues	$ 91,133,892	$ 87,971,327	$ 84,579,083	$ 79,712,030	$ 78,632,395
Expenditures					
General Government	$ 23,753,458	$ 23,348,563	$ 21,588,101	$ 21,243,473	$ 18,653,285
Law Enforcement and Public Safety	61,522,306	62,223,059	61,927,699	59,390,941	59,547,490
Public Health	2,731,874	2,718,658	2,731,103	2,896,744	2,835,316
Public Welfare	4,331,381	3,225,675	4,902,541	4,938,278	4,878,492
Capital Outlay	-	1,462,979	1,021,985	2,394,435	3,641,313
Interest and Fiscal Chgs	2,244,668	113,009	-	-	-
Total Expenditures	$ 94,583,687	$ 93,091,943	$ 92,171,429	$ 90,863,871	$ 89,555,896
Excess (Deficiency) of Revenues Over Expenditures	$ (3,449,795)	$ (5,120,616)	$ (7,592,346)	$ (11,151,841)	$ (10,923,501)
Budgeted Transfers In	$ 5,780,616	$ 5,152,432	$ 9,706,196	$ 9,101,875	$ 8,554,670
Budgeted Transfers Out	(3,611,872)	(2,362,357)	(3,799,648)	(1,709,070)	(1,202,678)
Sale of Capital Assets	26,841	7,253	25,161	40,138	214,501
Tax Note	-	3,824,354			
Tax Note - Premium	-	608,443			
Capital Lease Financing	-	-	1,034,060	-	-
Financing Proceeds	-	487,257	-	2,148,284	819,940
Total Transfers	$ 2,195,585	$ 7,717,382	$ 6,965,769	$ 9,581,227	$ 8,386,433
Net Increase/Decrease	$ (1,254,210)	$ 2,596,766	$ (626,577)	$ (1,570,614)	$ (2,537,068)
Beginning Fund Balance	24,382,578	21,785,812	22,412,389	23,983,003	1,967,700
Prior Period Adjustment	-	-	-	-	-
Ending Fund Balance	$ 23,128,368	$ 24,382,578	$ 21,785,812	$ 22,412,389	$ (569,368)

Source: County's Audited Financial Statements.

FINANCIAL ADMINISTRATION . . . Under the Texas Constitution and Texas law, the financial administration of the County is the responsibility of the Commissioners Court, both as to policy and execution. The Budget Officer is the Deputy County Administrator and the County Auditor participates in budget preparation by certification of revenues. The County Auditor also assists the Commissioners Court in financial record keeping and auditing. The County Treasurer is the custodian of the County's funds. The County adheres to financial policies as established by the Governmental Accounting Standards Board ("GASB") and the Government Finance Officers Association ("GFOA"). Objectives of financial management include: exercise a discipline which will allow the County to retain a good financial position; strive to retain the best possible bond rating; give recognition to the community's needs and ability to pay; and provide future generations with the ability to borrow capital without severe financial burden. These objectives are accomplished by prudent budgeting and effective budget control, budgeted replacement of capital equipment as the need arises, providing working capital in all funds sufficient to meet current operating needs, financial accounting and reporting in accordance with methods prescribed by the GASB and the GFOA and making such reports available to bond rating agencies and other financially interested organizations, and trying to achieve and maintain a fund balance that is at least equivalent to 15% of the general operating budget. This should be sufficient to provide financing for necessary projects and to meet unanticipated needs.

FINANCIAL POLICIES

Basis of Accounting . . . The County's policy is to adhere to the accounting principles set out by the GASB.

Fund Balance in Operating Funds . . . The County's practice is to maintain surplus and unencumbered funds equal to at least two months of expenditures (approximately 15% of annual expenditures) in the General Fund and Special Revenue Funds. This allows the County to avoid interim borrowing pending tax receipts. The County divides taxes collected into the component parts of Maintenance and Operations and Debt Service and deposits the taxes into the proper funds upon receipt.

Tax Collections for Debt Service . . . The County deposits interest and sinking fund taxes collected into separate accounts where such monies are invested until required.

Current Operating and Debt Service Fund Budgeting Procedures . . . Under the County's budgeting procedures, the County Budget Officer prepares a proposed budget for the fiscal year after consultation with department heads and representatives of members of the Commissioners Court. The proposed budget, together with revenue estimates furnished by the County Auditor, is submitted to the Commissioners Court for its consideration.

A public hearing on the budget is held by the Commissioners Court. The Court may increase or decrease any budget item prior to formal adoption of the budget. However, the total amount of the budget cannot exceed the County's cash balance at the commencement of the fiscal year plus the County Auditor's estimate of revenue for the budget year.

After a budget has been adopted by the Commissioners Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners Court advised of the condition of the various accounts. The Commissioners Court may transfer amounts among budget classifications in these funds, but no such transfers will increase the total budget unless additional funds are provided for that purpose. Purchase orders and contracts are not valid until the County Auditor clarifies that money is or will be available to make the payment.

Encumbrances against budgeted appropriations are recorded in the County's records upon execution of purchase orders, contracts or other appropriate documents. All encumbered amounts remaining unexpended at the end of the year lapse.

Risk Management . . . On May 1, 1989, the County established a limited risk management program for health and life benefits provided to County employees. Premiums are paid into an internal service fund (Health and Life Benefits Fund) by all other funds and are available to pay claims, administrative costs, and claims' reserves. Administrative costs include the cost of individual stop loss insurance ($200,000 per insured) and aggregate stop loss insurance (determined by the monthly number of insured lives, at a specified dollar value times 12). Premiums are actuarially calculated based on prior claims' history for the County and include an amount needed to accumulate claims' reserves for catastrophic claims.

Investments . . . The County invests its funds in investments authorized by Texas law in accordance with investment policies approved by the Commissioners Court of the County. Both State law and the County's investment policies are subject to change.

Legal Investments . . . Under State law, the County is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their respective successors, or otherwise meeting the requirements of the Texas Public Funds Investment Act; (8) certificates of deposit and share certificates that (i) are issued by or through an institution that has its main office or a branch in Texas and (a) are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their respective successors, (b) are secured as to principal by obligations described in clauses (1) through (7) above, or (c) secured in any other manner and amount provided by law for County deposits, or (ii) certificates of deposit where (a) the funds are invested by the County through a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the County as required by law, or a depository institution that has its main office or a branch office in the State of Texas that is selected by the County; (b) the broker or the depository institution selected by the County arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the County, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the County appoints the depository institution selected under (a) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the United States Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 as custodian for the County with respect to the certificates of deposit issued for the account of the County; (9) fully collateralized repurchase agreements that (i) have a defined termination date, (ii) are fully secured by a combination of cash and obligations described in clause (1), (iii) require the securities being purchased by the County or cash held by the County to be pledged to the County, held in the County's name and deposited at the time the investment is made with the County or with a third party selected and approved by the County, and (iv) are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (10) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time, and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (7) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (7) above and clauses (12) through (15) below, (ii) securities held as collateral under a loan are pledged to the County, held in the County's name and deposited at the time the investment is made with the County or a third party designated by the County, (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas, and (iv) the agreement to lend securities has a term of one year or less; (11) certain bankers' acceptances if the bankers' acceptance (i) has a stated maturity of 270 days or fewer from the date of issuance, (ii) will be, in accordance with its terms, liquidated in full at maturity, (iii) is eligible for collateral for borrowing from a Federal Reserve Bank, and (iv) is accepted by a State or Federal bank, if the short-term obligations of the accepting bank or its holding company (if the accepting bank is the largest subsidiary) are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with (i) a stated maturity of 365 days or less from the date of issuance, and (ii) a rating of at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds that are (i) registered with and regulated by the United States Securities and Exchange Commission, (ii) provide the County with a prospectus and other information required by the Securities and Exchange Act of 1934; and (iii) comply with Federal Securities and Exchange Commission Rule 2a-7; (14) no-load mutual funds that are (i) registered with the United States Securities and Exchange Commission, (ii) have an average weighted maturity of less than two years, and (iii) either (a) have a duration of one year or more and are invested exclusively in obligations described in this paragraph, or (b) have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset- backed securities; (15) investment pools if the County has authorized investment in the particular pool and the pool invests solely in investments permitted by the Texas Public Funds Investment Act, and is continuously rated no lower than "AAA" or "AAA-m" or at an equivalent rating by at least one nationally recognized rating service; and (16) guaranteed investment contracts that (i) have a defined termination date, (ii) are secured by obligations which meet the requirements of the Texas Public Funds Investment Act in an amount at least equal to the amount of bond proceeds invested under such contract, and (iii) are pledged to the County and deposited with the County or with a third party selected and approved by the County.

The County may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the County retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the County must do so by order, ordinance, or resolution. The County is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . Under Texas law, the County is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for County funds, maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, and a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis. All County funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Texas law requires that investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived". At least quarterly the investment officer of the County submits an investment report detailing: (1) the investment position of the County, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, any additions and changes to market value and the ending value of each pooled fund group, (4) fully accrued interest for the reporting period, (5) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (6) the maturity date of each separately invested asset, (7) the account or fund or pooled fund group for which each individual investment was acquired, and (8) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) State law. No person may invest County funds without express written authority from the Commissioners Court.

ADDITIONAL PROVISIONS . . . Under Texas law, the County is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt an order or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the said order or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the County to disclose the relationship and file a statement with the Texas Ethics Commission and the Commissioners Court; (4) require the qualified representative of firms offering to engage in an investment transaction with the County to: (a) receive and review the County's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the County and the business organization that are not authorized by the County's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the County's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the County and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the County's investment policy; (6) provide specific investment training for the treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict the investment in mutual funds in the aggregate to 15% of the County's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the County.

CURRENT INVESTMENTS

The County's investments as of September 30, 2021 are shown below.

First Public	$ 81,881,528
NOW Bank Accounts	111,987,151
Total Investments	$ 193,868,679

Source: The County

TAX MATTERS

Opinion

The delivery of the Obligations is subject to the opinion of Winstead PC, San Antonio, Texas, Bond Counsel, to the effect that interest on the Obligations for federal income tax purposes (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be an item of tax preference for purposes of the federal alternative minimum tax. Forms of Bond Counsel's opinions are reproduced as APPENDIX C. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, state, or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligations. Prospective purchasers of the Obligations should be aware that the ownership of tax-exempt obligations such as the Obligations may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, owners of an interest in a financial asset securitization investment trust, individuals otherwise qualifying for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or how have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the County described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Obligations is commenced, under current procedures the IRS is likely to treat the County as the "taxpayer," and the owners of the Obligations would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Obligations, the County may have different or conflicting interests from the owners of the Obligations. Public awareness of any future audit of the Obligations could adversely affect the value and liquidity of the Obligations during the pendency of the audit, regardless of its ultimate outcome.

Tax Accounting Treatment Of Discount Obligations

The initial public offering price of certain Obligations may be less than the amount payable on such Obligations at maturity (the "Discount Obligations"). An amount equal to the difference between the initial public offering price of a Discount Obligations (assuming that a substantial amount of the Discount Obligations of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Obligations. A portion of such original issue discount, allocable to the holding period of such Discount Obligations by the initial purchaser will, upon the disposition of such Discount Obligations (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Discount Obligations described above under "Tax Exemption". Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Obligations, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Obligations and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year.

However, such interest may be required to be taken into account in determining the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences as described below. Moreover, in the event of the redemption, sale, or other taxable disposition of a Discount Obligations by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Obligations in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Obligations was held) is includable in gross income.

Owners of Discount Obligations should consult with their own tax advisors with respect to the determination for federal income tax purposes of and with respect to the state and local tax consequences of owning and disposing of Discount Obligations. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Obligations may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

Tax Accounting Treatment of Premium Obligations

The initial public offering price of certain Obligations may be greater than the amount payable on such Obligations at maturity (the "Premium Obligations"). An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Obligations of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Obligations. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Owners of the Premium Obligations should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Obligations for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Obligations.

Collateral Tax Consequences Summary

The following discussion is a brief discussion of certain collateral federal income tax consequences resulting from the purchase, ownership, or disposition of the Obligations. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of an Obligation. This discussion is based on existing statutes, regulations, published rulings, and court decisions, all of which are subject to change or modification, retroactively. Prospective investors should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Obligations may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by section 884 of the Code.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. PROSPECTIVE INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE OBLIGATIONS.

Under section 6012 of the Code, owners of tax-exempt obligations, such as the Obligations, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax exempt obligation, such as the Obligations, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the owner at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio of the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local, and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership, or disposition of the Obligations under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Changes in Law

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Obligations under federal or state law or otherwise prevent owners of the Obligations from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Obligations.

Prospective purchasers of the Obligations should consult their own tax advisors regarding the foregoing matters.

OTHER INFORMATION

RATINGS . . . The Obligations have been rated "AA" by Fitch Ratings ("Fitch") and "Aa3" by Moody's Investors Service, Inc. ("Moody's"). The presently outstanding ad valorem tax debt of the County has unenhanced ratings of "Aa3" by Moody's, "AA-" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), and "AA" by Fitch. The County also has several series of obligations outstanding with enhanced ratings from various municipal bond insurance companies. An explanation of the significance of such ratings may be obtained from the companies furnishing the ratings. The ratings reflect only the views of such organizations and the County makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies, if in the judgement of such companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or any of them, may have an adverse effect on the market price of the Obligations.

LITIGATION . . . It is the opinion of the County Attorney that there is no pending litigation to his knowledge or threatened against the County in any court, agency or other administrative body (state or federal) which if decided adversely to the County would have a material adverse financial impact upon the County or its operations.

REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE . . . The sale of the Obligations has not been registered under the federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Obligations have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Obligations been qualified under the securities acts of any jurisdiction. The County assumes no responsibility for qualification of the Obligations under the securities laws of any jurisdiction in which the Obligations may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Obligations must not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS . . . Section 1201.041 of the Texas Government Code provides that the Obligations constitute negotiable instruments, and are investment securities governed by Chapter 8, Texas Business and Commerce Code, notwithstanding any provisions of law or court decision to the contrary, and are legal and authorized investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries, and trustees, and for the sinking funds of cities, towns, villages, school districts, and other political subdivisions or public agencies of the State of Texas. With respect to investment in the Obligations by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Obligations be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. The Obligations are eligible to secure deposits of any public funds of the State, its agencies and political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the County has been made of the laws in other states to determine whether the Obligations are legal investments for various institutions in those states. **To determine whether the Obligations described herein are eligible to secure public deposits, reference should be made to current ratings shown herein under "OTHER INFORMATION – Ratings".**

The County has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Obligations for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Obligations for such purposes. The County has made no review of laws in other states to determine whether the Obligations are legal investments for various institutions in those states.

LEGAL OPINION AND NO-LITIGATION CERTIFICATE . . . The County will furnish the Underwriters a complete transcript of proceedings relating to the authorization and issuance of the Obligations, including the unqualified approving legal opinion of the Attorney General of Texas approving the initial Obligations , and to the effect that the Obligations are valid and legally binding obligations of the County, and based upon examination of such transcript of proceedings, the legal opinions of Bond Counsel, to like effect and to the effect that the interest on the Obligations will be excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions, subject to the matters described under "TAX MATTERS" herein. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Obligations, or which would affect the provision made for their payment or security, or in any manner questioning the validity of said Obligations will also be furnished. In its capacity as Bond Counsel, Winstead PC, San Antonio, Texas has reviewed the information included in this Official Statement under the captions "PLAN OF FINANCING", "THE OBLIGATIONS" (other than the information under the subcaptions "Book-Entry-Only System", "Default and Remedies" and "Sources and Uses of Funds", as to which no opinion is expressed), "TAX INFORMATION – Tax Rate Limitation", "TAX MATTERS", "OTHER INFORMATION – Legal Investments and Eligibility to Secure Public Funds in Texas", "OTHER INFORMATION – Registration and Qualification of Obligations for Sale", "OTHER INFORMATION – Legal Opinions and No-Litigation Certificate", and "CONTINUING DISCLOSURE OF INFORMATION" (other than the subcaption "Compliance with Prior Undertakings", as to which no opinion is expressed) in the Official Statement and such firm is of the opinion that the information relating to the Obligations and the Orders contained under such captions is a fair and accurate summary of the information purported to be shown and that the information and descriptions contained under such captions relating to the provisions of applicable state and federal laws are correct as to matters of law. The legal opinions of Bond Counsel will accompany the Obligations deposited with DTC or will be printed on definitive Obligations in the event of discontinuance of the Book-Entry-Only System. The fees to be paid to Bond Counsel are contingent upon sale and delivery of the Obligations. Certain matters will be passed upon for the Underwriters by their counsel, Norton Rose Fulbright US LLP, Austin, Texas.

Winstead PC represents, from time to time, the Underwriters in transactions unrelated to the Obligations, but is not representing the Underwriters in connection with the issuance of the Obligations.

The various legal opinions to be delivered concurrently with the delivery of the Obligations express the professional judgment of the attorneys rendering the opinions as the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION . . . The financial data and other information contained herein have been obtained from the County's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and Orders contained in this Official Statement are made subject to all of the provisions of such statues, documents and Order. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

FINANCIAL STATEMENTS . . . Appendix B to this Official Statement contains excerpts from the County's annual financial report for the fiscal year ended September 30, 2021. These financial statements and supplemental schedules have been audited by Burton McCumber & Longoria, LLP, Brownsville, Texas, independent certified public accountants, as stated in the reports included with such financial statements in Appendix B.

FINANCIAL ADVISOR . . . Estrada Hinojosa & Company, Inc. is employed as Financial Advisor to the County in connection with the issuance of the Obligations. The Financial Advisor's fee for services rendered with respect to the sale of the Obligations is contingent upon the issuance and delivery of the Obligations. Estrada Hinojosa & Company, Inc., in its capacity as Financial Advisor, has relied on the opinions of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Obligations, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

UNDERWRITING . . . The Underwriters have agreed, subject to certain conditions, to purchase the Certificates from the County for a price of $20,203,464.56 (which reflects the par amount of the Certificates plus an original issue premium of $1,584,277.75 and an underwriters' discount of $105,813.19), with no accrued interest. The Underwriters' obligation is subject to certain conditions precedent. The Underwriters will be obligated to purchase all of the Certificates if any Certificates are purchased. The Certificates may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters.

The Underwriters have agreed, subject to certain conditions, to purchase the Notes from the County for a price of $6,939,584.99 (which reflects the par amount of the Notes plus an original issue premium of $693,342.15 and an underwriters' discount of $33,757.16), with no accrued interest. The Underwriters' obligation is subject to certain conditions precedent. The Underwriters will be obligated to purchase all of the Notes if any Notes are purchased. The Notes may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

RECENT EVENTS AND INVESTOR CONSIDERATIONS

GENERAL DISCLAIMER . . . Each prospective investor in the Obligations should read this Official Statement in its entirety including its Appendices. Particular attention should be given to the considerations described which could affect the payment of debt service on the Obligations, and which could also affect the marketability of the Obligations to an extent that cannot be determined. (See "FORWARD-LOOKING STATEMENTS.")

WEATHER EVENTS . . . The County is located along the coast and is subject to severe weather events, including flooding, tropical storms, and hurricanes. If the County were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property with the County as a result of such a weather event, the investment security of the Obligations could be adversely affected.

Cameron County has experienced three significant weather events within the last five years which caused localized flooding. Heavy rains over short periods of time caused flooding in the northwestern part of the County mainly in the rural areas affecting homes and businesses. The County has worked with Federal, State and local agencies in responding to these events and is actively with the same agencies in preparedness for any potential events in the future. During the 2019 legislative session, the Texas Legislature passed House Bill 4726, which created the Cameron County Flood Control District to address areas of the County that are not currently served by drainage districts to improve the flow of water. The Commissioners Court of the County convened on July 23, 2019 to conduct the organizational meeting of the Cameron County Flood Control District. The County is also working with regional partners to address drainage issues for the region as a whole.

If a future weather event significantly damaged all of part of the investments within the County, the assessed value or property within the County could be substantially reduced, which could result in a decrease in tax revenues and/or necessitate an increase to the County's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the County will be covered by insurance (or that property owners will even carry flood or other casualty insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the County. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the County could be adversely affected.

MARKET FACTORS . . . The County is within close proximity to the international border with Mexico. See Appendix A - General Information Regarding the County and the Surrounding Area. The County collects revenues related to the tourist industry and cross-border commerce. See Appendix B - Excerpts from Cameron County, Texas Annual Financial Report. The County's general fund (the "General Fund") revenues may be affected by a variety of market factors which the County does not control, including (1) fluctuations in the local, national, and international economy; and (2) changes to the federal policies and procedures related to border security affecting traffic into the United States through the international border. The County is unable to predict the extent that any fluctuations in the economy or changes to border security may have on its collection of revenues. See "FORWARD-LOOKING STATEMENTS."

CONTINUING DISCLOSURE OF INFORMATION

In the Order, the County has made the following agreement for the benefit of the owners and beneficial owners of the Obligations. The County is required to observe the agreement for so long as it remains obligated to advance funds to pay the Obligations. Under the agreement, the County will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org, as further described below under "Availability of Information".

ANNUAL REPORTS . . . The County will provide certain updated financial information and operating data to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the County of the general type included in this Official Statement under Tables numbered 1 through 6 and 8 through 10 and in Appendix B. The County will update and provide this information within six months after the end of each fiscal year ending in and after 2022. The financial information and operating data to be provided may be set forth in full in one or more publicly available documents, as permitted by SEC Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements. If audited financial statements are not available by the required time, the County will provide unaudited financial statements by the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B or such other accounting principles as the County may be required to employ from time to time pursuant to State law or regulation.

The County's current fiscal year end is September 30. Accordingly, it must provide updated information by the last day of March in each year, unless the County changes its fiscal year. If the County changes its fiscal year, it will notify the MSRB of the change.

Disclosure Event Notices . . . The County shall notify the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, of any of the following events with respect to the Obligations: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701- TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations; (7) modifications to rights of holders of the Obligations, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Obligations, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the County; (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or change in the name of the trustee, if material; (15) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties. Neither the Obligations nor the Orders make any provision for debt service reserves, credit enhancement, or liquidity enhancement. In addition, the County will provide timely notice of any failure by the County to provide annual financial information in accordance with their agreement described above under "Annual Reports."

For the purposes of (a) the event identified in (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County, and (b) the words used in clauses (15) and (16) in the immediately preceding paragraph and "Financial Obligation" have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

The County shall also provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the County to provide required annual financial information and notices of material events. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

Notice Of Failure To Timely File . . . The County also will notify the MSRB through EMMA, in a timely manner, of any failure by the County to provide financial information or operating data in accordance with the provisions described above.

Availability Of Information . . . The County has agreed to provide the foregoing information only to the MSRB through the EMMA system. Access to such filings will be provided, without charge to the general public, by the MSRB at www.emma.msrb.org.

Limitations And Amendments . . . The County has agreed to update information and to provide notices of certain events only as described above. The County has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The County makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Obligations at any future date. The County disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although owners of Obligations may seek a writ of mandamus to compel the County to comply with its agreement.

The County may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the County, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Obligations in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the owners of a majority in aggregate principal amount of the outstanding Obligations consent to the amendment or (b) any person unaffiliated with the County (such as nationally recognized Bond Counsel) determines that the amendment will not materially impair the interests of the owners and beneficial owners of the Obligations. The County may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that such amendment or repeal would not have prevented an underwriter from lawfully purchasing or selling Obligations in the primary offering of the Obligations. If the County so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings . . . During the last five years, the County has complied in all material respects with all of its continuing disclosure agreements pursuant to the Rule.

FORWARD - LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the County, that are not purely historical, are forward-looking statements, including statements regarding the County's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward - looking statements included in this Official Statement are based on information available to the County on the date hereof, and the County assumes no obligation to update any such forward-looking statements. It is important to note that the County's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the County. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

CERTIFICATION OF THE OFFICIAL STATEMENT

At the time of payment for and delivery of the Obligations, the Underwriters of the Obligations will be furnished a certificate, executed by proper officers of the County, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the descriptions and statements of or pertaining to the County contained in its Official Statement, and any addenda, supplement or amendment thereto, on the date of such Official Statement, on the date of sale of said Obligations and on the date of initial delivery thereof, were and are true and correct in all material respects; (b) insofar as the County and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities other than the County, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the County believes to be reliable and the County has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the County since the date of the last audited financial statements of the County.

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The financial data and other financial information contained herein have been obtained from the County's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provision of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provision and reference is made to such documents for further information. Reference is made to original documents in all respects.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

The Orders authorizing the issuance of the respective Obligations will (for the Certificates) or has authorized certain County officials to approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Obligations by the Underwriters of the Obligations.

/s/ Eddie Trevino, Jr.
Authorized Representative

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APPENDIX A

GENERAL INFORMATION REGARDING THE COUNTY AND SURROUNDING AREA

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THE COUNTY

Cameron County (the "County") was created in 1848, and is the southernmost county in Texas. The County's 2022 population is estimated to be 426,235. According to the 2010 U.S. Census, the population of the County was 406,220, an increase of 21.18% since 2000. The area of the County is approximately 883 square miles, comprising the Brownsville-Harlingen-San Benito Metropolitan Area. The largest city in the County is Brownsville, which serves as the county seat. The economy is well diversified, based on agricultural production, fishing industries, manufacturing plants and tourism. Major agricultural crops include oranges, grapefruit, cotton, grains and sugar cane. Principal manufacturing products include offshore drilling platforms, fiberglass products, dairy products, clothing, electric equipment and frozen foods. The County is the only port of entry from Mexico that provides all four methods of transportation - sea, air, highway and rail. Tourist attractions include South Padre Island, Laguna-Atascosa Wildlife Refuge, Confederate Air Force Flying Museum and the Gladys Porter Zoo. The Port of Brownsville is one of the world's largest shrimp loading points and a very important link between the United States and Mexico.

The County is traversed by Interstate I-69E and I-2 formerly known as U.S. Highways 77 and 83 as well as U.S. 281; U.S. Highways 77, 83 and 281; State Highways 4, 48, 100, 107 and 245; and nine farm-to-market roads. Fifteen motor freight trucking firms provide service to and from Brownsville. Rail transportation is provided by Union Pacific and National Railways of Mexico. Commercial air service is provided to Brownsville by United Airlines; and to Harlingen by Southwest, American, and United Airlines. Air freight service is provided by Emery, UPS, Kitty Hawk, Casino Express, and Burlington. The Brownsville International Airport also includes an industrial park. The Port of Brownsville is the main shipping port for the Rio Grande Valley and South Texas. Port facilities include a man-made basin connected by 17 miles of channel to the Gulf of Mexico, various docking and terminal facilities, turning basin and approach, fishing harbor, warehousing and railway switching operations, worldwide shipping lines and barge transportation services.

POPULATION STATISTICS

Year		Cameron County
1990	(1)	266,600
2000	(1)	335,227
2010	(1)	406,220
2013	(2)	415,557
2014	(2)	417,296
2015	(2)	420,392
2016	(2)	422,156
2017	(2)	422,135
2018	(2)	423,725
2019	(2)	423,908
2020	(1)	421,017
2021	(2)	423,163
2022	(2)	426,235

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(1) U.S. Census figures.
(2) Estimate from Cameron County.

EMPLOYMENT STATISTICS

	Cameron County			Texas		
	December 2021	December 2020	December 2019	December 2021	December 2020	December 2019
Civilian Labor Force	170,564	169,862	168,823	14,398,693	14,139,874	14,169,618
Total Employment	158,998	153,750	159,478	13,785,955	13,191,324	13,705,505
Total Unemployment	11,566	16,112	9,345	612,738	948,550	464,113
Percentage Unemployment (1)	6.8%	9.5%	5.5%	4.3%	6.7%	3.3%

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(1) The County's unemployment figures are influenced by its location on the Mexican border and the many workers who are migrants or are newly on the workforce.

Source: Texas Labor Market Information.

THE CITY OF BROWNSVILLE, TEXAS

The City of Brownsville, Texas (the "City") is not obligated in any way on the Obligations. Information concerning the City is included to provide general information concerning the area surrounding the County. The City is a home-rule city and is the county seat of the County. It is the southernmost city in Texas and the largest city in the lower Rio Grande Valley. The City is located about 25 miles inland from the Gulf of Mexico on the north bank of the Rio Grande directly across from Matamoros, Mexico, which it joins by three international bridges. The City serves as a trade center for much of the lower Rio Grande Valley.

BUILDING PERMITS (CITY OF BROWNSVILLE)

Fiscal Year	New Residential	Total Value	New Commercial	Total Value
2013	496	$ 50,186,757	77	$ 67,686,288
2014	599	54,102,527	74	75,986,058
2015	504	68,822,317	94	52,531,425
2016	496	46,162,399	54	48,699,936
2017	506	48,736,975	56	26,354,137
2018	596	56,516,702	45	51,491,091
2019	643	58,691,377	67	108,901,822 (1)
2020	737	56,459,341	58	42,309,341
2021(2)	903	71,772,700	43	45,361,170

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Source: Brownsville Economic Development Council.
(1) Includes Airport Terminal valued at $45 million.
(2) Through September 2021

TOURISM

Tourism is one of the area's biggest industries. Brownsville ranks among the top five cities in Texas for long and short term stays, with the Rio Grande Valley as the number one area in the State of Texas as a destination point for automobile tourist traffic entering Texas. The Brownsville-Harlingen-San Benito area has 29 hotels and motels with 1,740 rooms and two country clubs, 38 apartment projects and 41 mobile home and trailer parks. Ten parks totaling 292 acres and at least 10 regulation golf courses and a number of par three golf courses serve the area.

Vacationers are attracted by the subtropical climate, proximity to Mexico and access to South Padre Island. In addition to a rich historical past, Brownsville has one of the finest zoos in the nation, the Gladys Porter Zoo, donated by the Sams Foundation. Also the Laguna-Atascosa Wildlife Refuge, Confederate Airforce Flying Museum and the Port Isabel Lighthouse are open for tourists.

The Cameron County Park System owns and operates Isla Blanca Park, Andy Bowie Park, Adolph Thomae Park, E.K. Atwood Park, public beach access and eight community parks. The County Park System's mission is to provide quality recreation opportunities to the citizens of Cameron County at an affordable price. The Park System provides beach access for day-use enjoyment, offering parking, stores, restaurants, beach equipment rental and covered areas. Fishing, surfing, and volleyball are available along South Padre Island. Thomae Park is located on the Arroyo Colorado River, three miles from the Laguna Madre Bay. This facility offers boat launches, fish cleaning facilities, vehicle and trailer parking, picnic areas and campsites. The Park System also provides controlled access to public beaches north of Andy Bowie Park. The Park System also provides commissioned officer park ranger patrol to the parks and the unincorporated public areas.

THE INTERNATIONAL TOLL BRIDGE SYSTEM

The Cameron County International Toll Bridge System is composed of the "Gateway Bridge", "Veteran's Bridge" and the "Free Trade Bridge". The Gateway Bridge connects the City and Cameron County with the City of Matamoros, Tamaulipas, Mexico and the Free Trade Bridge connects the cities of Harlingen and San Benito with the village of Lucio Blanco.

The Gateway Bridge has been operated under a joint agreement with the Government of Mexico since 1961. County ownership of the Bridge extends to a point over the river representing the international boundary between the United States and Mexico. Repair and maintenance of specific portions of the structure are made by the respective owner governments; other generalized maintenance is paid for on a pro rata basis. Tolls for southbound traffic are set independently by Cameron County.

On June 3, 1991, Cameron County entered into an agreement with the cities of San Benito, Texas and Harlingen, Texas whereby the County would finance, construct and operate an international toll bridge located at Los Indios, Texas (the "Free Trade Bridge"), approximately eight miles south of both communities. Each of the cities has agreed to pay the lesser of $200,000 annually, or 25% of any deficiency in annual debt service requirements, net operating losses not including depreciation, and any capital equipment not paid for with bond proceeds.

Any surplus remaining after payment of operations, debt service, or capital equipment purchases, in excess of 140% of the average annual debt service requirements of outstanding Los Indios Toll Bridge Bonds, will be distributed 25% to each city and 50% to the County. The Free Trade Bridge opened November 1, 1992. In accordance with the interlocal agreement between Cameron County and the Cities of Harlingen and San Benito, each city in this joint venture was allocated $153,091 in surplus from operations through September 30, 2004, as defined by their governing interlocal agreement. The County's share of interlocal agreement surplus was $306,183. The following is a summary of the interlocal transactions between the County and the Cities of Harlingen, Texas and San Benito, Texas:

Year Ended 9/30	Cameron County (50%)	City of Harlingen (25%)	City of San Benito (25%)	Total Surplus (Deficiency)
2012	$ 287,151	$ 143,576	$ 143,576	$ 574,303
2013	260,984	130,492	130,492	521,968
2014	347,560	173,780	173,780	695,120
2015	418,727	209,364	209,364	837,455
2016	625,896	312,948	312,948	1,251,792
2017	837,794	418,897	418,897	1,675,588
2018	702,087	351,043	351,043	1,404,173
2019	699,214	349,607	349,607	1,398,428
2020	340,364	170,182	170,182	680,728
2021	314,904	157,452	157,452	629,808

Veteran's Bridge

On January 12, 1990, Cameron County executed an interlocal agreement with the City of Brownsville whereby the County would finance, construct and operate an international toll bridge located in Southeast Brownsville, approximately two miles east of Gateway International Toll Bridge, herein referred to as "Veteran's International Toll Bridge at Los Tomates" ("VITB"), located between Brownsville, Texas and Matamoros, Tamaulipas, Mexico.

Cameron County, Texas is the legal owner and operator of this bridge; however, the City of Brownsville has obligated itself to pay 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 VITB.

Any surplus revenues remaining after payment of the debt service requirements, maintenance and operation costs, and an amount equal to 140% of the average annual debt service requirements of all outstanding bonds will be shared equally between the City and the County. 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 following is a summary of the interlocal transactions between the City of Brownsville and the County:

Year Ended 9/30	Cameron County (50%)	City of Brownsville (50%)	Total Surplus (Deficiency)
2012	$ 1,554,861	$ 1,554,861	$ 3,109,722
2013	1,288,520	1,288,520	2,577,040
2014	1,551,694	1,355,745	2,907,439
2015	1,876,662	1,876,662	3,753,324
2016	2,411,486	2,411,486	4,822,972
2017	2,552,857	2,552,857	5,105,714
2018	2,664,756	2,664,756	5,329,512
2019	3,097,696	3,097,696	6,195,392
2020	2,342,865	2,342,865	4,685,730
2021	1,528,935	1,528,935	3,057,870

The Debt Reserve funds set aside to provide for the VITB is funded at the 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.

A detail of historical crossing is listed below for each bridge within the System.

Gateway International Toll Bridge Border Traffic at Brownsville, TX		
Fiscal Year Ended	Vehicles	Pedestrians
2012	1,371,493	1,750,139
2013	1,454,083	1,793,623
2014	1,330,974	1,843,231
2015	1,334,443	1,959,648
2016	1,300,963	2,028,000
2017	1,367,316	2,185,403
2018	1,349,115	2,258,090
2019	1,202,740	2,311,480
2020	898,430	1,483,643
2021	962,072	941,271

Veteran's International Toll Bridge at Los Tomates Border Traffic at Brownsville, TX		
Fiscal Year Ended	Vehicles	Pedestrians
2012	1,212,284	579
2013	1,041,917	325
2014	1,198,306	680
2015	1,313,545	944
2016	1,433,830	978
2017	1,547,673	913
2018	1,789,396	1,248
2019	1,714,485	1,815
2020	1,334,714	1,869
2021	353,063	1,339

Free Trade Bridge at Los Indios South of Harlingen/San Benito, TX		
Fiscal Year Ended	Vehicles	Pedestrians
2012	322,950	149
2013	320,848	122
2014	323,779	281
2015	294,299	1,332
2016	369,299	1,586
2017	404,713	1,734
2018	395,154	2,579
2019	392,152	3,160
2020	274,631	2,534
2021	1,401,400	2,247

Total		
Fiscal Year Ended	Vehicles	Pedestrians
2012	2,906,727	1,750,867
2013	2,816,848	1,794,070
2014	2,853,059	1,844,192
2015	2,942,287	1,961,924
2016	3,104,092	2,030,564
2017	3,319,702	2,188,050
2018	3,246,897	2,261,917
2019	3,039,016	2,316,455
2020	2,256,499	1,488,046
2021	2,716,535	944,857

Source: Cameron County International Toll Bridge System.

"IN-BOND" INDUSTRIALIZATION PROGRAM

The two cities, Brownsville, Texas, U.S.A. and H. Matamoros, Tamps., Mexico have established over the past 25 years the "In-Bond" Industrialization or "Maquiladora" program. This program allows the assembly of labor intensive products at advantageous costs; thus, allowing North American products to be more competitive on a world-wide basis. Since its inception in 1966, the "In-Bond" program has grown to an estimated 108 companies, expanding to a total of 4,300,000 square feet of manufacturing space, and employing approximately 52,000 people.

Brownsville gains greatly from these operations since all of the Mexican plants have offices, warehouses, or twin plants on the U.S. side; U.S. management and technical personnel live in Brownsville; and goods and services are purchased in Brownsville for use in the Matamoros facilities.

HIGHER EDUCATION

Since 1991, the University of Texas at Brownsville and Texas Southmost College have shared campuses, faculties, and operations under one administration. Effective June 14, 2013, the University of Texas Rio Grande Valley was established within the University of Texas System, which consolidated the University of Texas-Brownsville and the University of Texas-Pan American. However, Texas Southmost College will continue to serve the community and issue two-year Associate Degrees as a separate institution with its own administration. Texas State Technical College, located in Harlingen, offers associate degrees, and provides customized technical training to fit the needs of those industries seeking to locate in the County.

THE PORT OF BROWNSVILLE

The Brownsville Navigation District (the "District") is located at the southernmost tip of Texas on the Gulf of Mexico and information concerning the District is included for general informational purposes only. The District is one of the deep-water ports along the Gulf of Mexico coast, having completed a project to deepen the channel to 42 feet in May of 1995. The channel is 17 miles long and terminates in a turning basin that is 1,200 feet wide.

Terminal facilities provided by the District include eight reinforced concrete wharves with closed corrugated iron and sprinklered steel cargo transfer sheds; two reinforced concrete open barge docks; a 600 ft. by 280 ft. reinforced concrete open deep-sea dock and a 120 ft. by 520 ft. concrete open deep-sea dock for ores, metals and other bulk cargoes; a privately owned 3,750,000 bu. capacity grain elevator; four liquid cargo docks, open surfaced storage yards; 33 miles of railroad trackage; and mechanical freight handling equipment. A multi-purpose, deep draft cargo dock went into service in February 1999.

All docks are equipped with electric lights, light and power lines and fresh water. All docks are served by rail. Wastewater and ballast facilities are available. All of the facilities are operated for hire on a first-come, first-served basis.

The dry dock at Los Alamos has been signed over to the District by the Navy. It is presently leased to AMFELS for operation as a dry dock to repair drilling rigs, one of the few in existence. It was placed into service by AMFELS in May, 1996.

A complete shrimp and fishing harbor, separate and apart from the main harbor, was completed and placed in service in mid-summer 1953. A second phase was finished in December, 1968. All docks were completely rebuilt in a project that was completed in 1993. Located four miles east of the main Turning Basin, the Fishing Harbor measures 1,600 ft. wide by 2,100 ft. long, and has a depth of 14 ft. It provides 12,000 linear feet of docking space, and is equipped with all necessary facilities for handling and processing fish and shrimp as well as maintaining and servicing shrimp vessels. More than 200 shrimp trawlers are home-ported at the Fishing Harbor; more than double that number of foreign trawlers call regularly for repairs, fuel, and stores.

On October 20, 1980, U.S. Customs created Foreign Trade Zone Number 62 with the District as the grantee. There is a total area of 2,680 acres available for FTZ status at the Port of Brownsville, the Brownsville/South Padre Island Airport, and at the Harlingen Airpack. There are currently nine companies operating within the zone with general purpose warehousing and liquid bulk storage available.

The District derives its operating revenues from charges for lease rentals, wharfage, storage, vessel dockage, and the sale of various port services such as utilities.

CARGO TONNAGE OF THE PORT OF BROWNSVILLE

Calendar Year(1)	Inbound Tonnage	Outbound Tonnage	Total Tonnage	Number of Vessels
2012	4,440,890	1,095,800	5,536,690	1,083
2013	4,177,735	1,157,133	5,334,868	1,030
2014	4,865,468	1,382,422	6,247,890	1,059
2015	6,034,419	1,502,121	7,536,540	1,164
2016	5,719,732	1,235,014	6,954,746	1,091
2017	6,194,867	1,137,640	7,332,507	1,317
2018	7,204,403	1,068,820	8,273,223	1,306
2019	5,620,456	958,943	6,579,399	1,566
2020	5,736,934	1,415,384	7,152,318	1,671
2021	7,520,467	1,254,909	8,775,376	1,856

Source: Brownsville Navigation District
(1) December 31st year ending

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APPENDIX B

EXCERPTS FROM THE
CAMERON COUNTY, TEXAS
ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2021

The information contained in this Appendix consists of excerpts from the Cameron County, Texas Annual Financial Report for the Year Ended September 30, 2021, and is not intended to be a complete statement of the County's financial condition. Reference is made to the complete Report for further information.

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The Right Choice. BML Burton McCumber & Longoria, LLP CPAs & Advisors
Brownsville • McAllen

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business- type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cameron County, Texas (County) as of and for the year ended September 30, 2021, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 through 36 and schedule of funding progress – OPEB, schedule of changes in net pension liability and related ratios, schedule of employer contributions, schedules of revenues, expenditures, and changes in fund balance-budget and actual, on pages 115 through 123 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements. The introductory section, combining and individual non-major fund financial statements and individual basic non-major fund budget and actual schedules, capital assets used in the operations of governmental funds and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas Single Audit Circular, and are also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and individual non-major fund budget and actual schedules, capital assets used in the operations of governmental funds, and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the individual non-major fund budget and actual schedules, capital assets used in the operations of governmental funds, and the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022 on our consideration of the County'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 solely is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 the County's internal control over financial reporting and compliance.

Burton, McCumber & Longoria LLP

Brownsville, Texas
March 30, 2022

CAMERON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Fiscal Year Ended September 31, 2021

This discussion and analysis of the Cameron County, Texas ("County") financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2021. The MD&A should be read in conjunction with the accompanying transmittal letter, the basic financial statements and accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

The County's governmental activities total assets and deferred outflows exceeded total liabilities and deferred inflows at the close of the FY2021 and FY2020 by $133,551,402 and $135,925,796, respectfully. Of this amount, $31,375,131 is restricted for specific purposes; the largest restriction is 45%, or $14,040,877, is for special revenue/grant programs. As required by GASB 34, net position also reflects $115,639,993 that is net investment in capital assets. With the presentation of the investment in capital assets, unrestricted net position is ($13,463,722).

In contrast to the government-wide statements, the fund statements of the governmental funds report a combined fund balance at year-end of $95,690,460 of which $19,703,070, or 21% represent unassigned fund balances. The more significant components of unassigned fund balance are maintained in the General Fund as unassigned reserves; emergency reserves and committed funds for indigent defense and capital projects; Special Revenue fund balances are restricted by external funding obligations and the Special Road and Bridge fund balances are restricted for road improvements throughout the County.

The County's budgetary fund balance target is 24.66%. The general fund unassigned fund balance of $19,841,829 equals 21% of total general fund expenditures. In FY 2021, the General Fund's net change in fund balance totaled ($1,254,210). The County's self-funded Health Insurance Fund required an operating transfer of $3,328,971 due to increasing health costs. The transfer needed was funded by the General Fund, Special Road & Bridge Fund and Enterprise funds. In FY 2019, the County's employee contribution to the Health Insurance Fund was increased to $650 per annum per employee in efforts to keep pace with health expenditures. The County continues to work with health consultants to explore medical coverage options.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

The Government-wide financial statements - *The government-wide financial statements* are designed to provide readers with a broad overview of the County's finances in a manner similar to a private sector business. They present the financial picture of the County from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the County (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regards to interfund activity, payables and receivables.

The *statement of net position* presents information on all the County's assets, deferred outflows of resources, liabilities, deferred inflows of resources with the difference reported as *net position.* Increases or decreases in net position contrasted with budgetary decisions should serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* 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 government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general government, law enforcement and public safety, highways and streets, health and welfare.

Fund financial statements - A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the governmental-wide financial statements. Unlike the government-wide financial statements, however, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities.*

The County maintains 48 individual governmental funds (excluding fiduciary funds), 36 special revenue funds, 9 capital project funds, 2 debt service funds, and the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Road & Bridge, 2019 Certificates of Obligation, American Rescue Plan Act, and Emergency Rental Assistance funds which are classified as major funds for the fiscal year ended September 31, 2021. Data from the other non-major governmental funds are combined into a single, aggregated presentation titled "Non-major Governmental Funds." Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the other supplementary information section.

The County adopts an annual appropriated budget as a management control device during the year for the General Fund and for all Special Revenue Funds. A budgetary comparison schedule (original versus final) has been provided for the General Fund and Special Road and Bridge Fund to demonstrate compliance with budget.

Proprietary funds - *Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund (a component of proprietary funds) is used to report activities that provide supplies and services for other programs and activities-such as the County's self-insurance program and employee benefits trust. Because these services predominantly benefit governmental rather than business-type functions, the Internal Service Fund is reported with *governmental activities* in the government-wide financial statements.

Fiduciary funds - *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. The County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the basic financial statements - The notes provide required disclosures and additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information - In addition to the basic financial statements and accompanying notes, the report also presents certain *required supplementary information* concerning the County's major governmental funds, non-major governmental funds, special revenue funds, debt service funds, agency funds, and component units. Budgetary schedules, which include the original budget, final budget and actual figures, have been provided to demonstrate compliance.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Of the County's governmental activities total assets and deferred outflow of resources of $434,980,069, the largest components are: 1) cash and investments of $165,427,278 or 38%; 2) tax receivables of $7,353,690 or 2% (net of allowance), 3) trade receivables of $9,239,441 or 2%, and 4) capital assets net of accumulated depreciation of $216,030,228 or 50%. Deferred outflows of resources are $298,314 deferred charges on refunding in addition to $23,450,119 for pensions, and $3,915,485 for OPEB. Capital assets are non-liquid assets and cannot be utilized to satisfy County obligations. Out of the $284,043,189 total liabilities $98,576,278 are current liabilities; however, the current liabilities for compensated absences of $2,530,673 are not anticipated to result in the draw-down of emergency reserves. The Net OPEB liability of $30,353,441 is not anticipated to cause a fund balance reduction and is presently being funded on a pay as you go basis. The Net Pension Liability of $22,544,783 is not expected to cause a fund balance reduction. Deferred inflows of resources of $12,967,843 are recognized due to pension reporting requirements, as is $4,417,635 for OPEB.

The County's governmental activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $133,551,402 at the close of the most recent fiscal year.

The County's net position for fiscal year ended September 30, 2021 and 2020 are summarized as follows:

Governmental Activities

		FY 2021		FY 2020		Increase (Decrease)
Current and other assets	$	191,285,923	$	137,519,147	$	53,766,776
Capital Assets (net of accumulated depreciation)		216,030,228		214,596,660		1,433,568
Total Assets		407,316,151		352,115,807		55,200,344
Total Deferred outflows of resources		27,663,918		10,076,426		17,587,492
Current and other liabilities		98,576,278		47,779,879		50,796,399
Long-term liabilities		185,466,911		163,650,265		21,816,646
Total Liabilities		284,043,189		211,430,144		72,613,045
Total Deferred inflows of resources		17,385,478		4,437,047		12,948,431
Net position:						
Net investment in capital assets		115,639,993		116,101,698		(461,705)
Restricted		31,375,131		31,083,384		291,747
Unrestricted		(13,463,722)		(11,259,286)		(2,204,436)
Total Net Position	$	133,551,402	$	135,925,796	$	(2,374,394)

About 23% or $31,375,131 of the County's net position represents *restricted net position* which are resources that are subject to external restrictions on how they may be used. Restrictions include highway and street requirements, debt service, capital projects and external funding obligations. The most significant portion, $115,639,993 or 87%, of the County's net position reflects its capital assets (e.g., land, buildings, machinery and equipment) net of related debt.

Governmental activities decreased the County's net position by ($2,374,394). The key components of difference between fund statement increases/(decreases) and the statement of activities increase(decreases) are:

- A ($6,492,853) net difference due to long-term debt repayments consuming current financial resources while debt issuances providing current financial resources.
- A $4,188 difference in net position from the internal service fund that is reported with the governmental activities in the government-wide statements.
- A $1,404,036 increase in net position due to capital outlay exceeding depreciation.
- A $235,972 increase in net position due to annual OPEB expense of $(1,982,520) and recognition of pension income of $2,218,492, which do not require use of current financial resources.
- A $29,532 net effect of various miscellaneous transactions involving capital assets, which increased governmental activities net position.
- A ($656,885) difference in tax revenues on the statement of activities that do not provide current financial resources.

The Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds in the basic financial statements further details the increase in net position. Program revenues and expenses are presented net of interfund eliminations.

Business-Type Activities

	FY 2021	FY 2020	Increase (Decrease)
Current and other assets	$ 28,981,386	$ 25,740,021	$ 3,241,365
Capital Assets (net of accumulated depreciation)	62,800,083	64,916,407	(2,116,324)
Total Assets	91,781,469	90,656,428	1,125,041
Total Deferred outflow of resources	3,234,541	1,567,566	1,666,975
Current and other liabilities	5,988,889	5,318,431	670,458
Long-term liabilities	36,499,225	38,256,035	(1,756,810)
Total Liabilities	42,488,114	43,574,466	(1,086,352)
Total Deferred inflow of resources	1,744,333	1,553,671	190,662
Net position:			
Net investment in capital assets	30,529,738	29,969,603	560,135
Restricted	10,234,975	11,136,221	(901,246)
Unrestricted	10,018,850	5,990,033	4,028,817
Total Net Position	$ 50,783,563	$ 47,095,857	$ 3,687,706

Changes in Net Position - Governmental Activities

	FY 2021	FY 2020	Increase (Decrease)
Revenues:			
Net Program revenues:			
Charges for services	$ 42,973,519	$ 41,499,103	$ 1,474,416
Operating grants and contributions	32,612,752	25,328,329	7,284,423
Capital grants and contributions	446,946	767,859	(320,913)
General revenues:			
Property taxes	87,153,014	83,453,819	3,699,195
Miscellaneous	7,980,982	7,189,334	791,649
Gain on sale of capital assets	50,684	350,295	(299,612)
Unrestricted investments earnings	290,182	1,242,915	(952,733)
Total revenues	171,508,079	159,831,654	11,676,425
Expenses:			
General government	55,800,961	52,213,204	3,587,757
Law Enforcement and Public Safety	76,106,450	80,488,845	(4,382,395)
Highways and streets	18,971,612	21,628,059	(2,656,447)
Health	11,202,548	9,267,438	1,935,110
Welfare	14,145,263	4,961,147	9,184,116
Interest on long-term debt	5,059,125	5,058,891	234
Total expenses	181,285,959	173,617,584	7,668,375
Incr(decr) in net position before transfers	(9,777,880)	(13,785,930)	4,008,050
Transfers	7,403,486	6,380,908	1,022,578
Increase (decrease) in net position	(2,374,394)	(7,405,022)	5,030,628
Net position – beginning	135,925,796	143,330,818	(7,405,022)
Net position – ending	$ 133,551,402	$ 135,925,796	$ (2,374,394)

Key elements of the analysis of governmental activities revenues and expenses reflect the following:

- Program revenues of $76,033,217 equaled 42% of government expenses of $181,285,959. General revenues, $95,474,862, did not provide the required support and coverage for expenses of $181,285,959.
- 42% of the expenses are for Law Enforcement and Public Safety ($76,106,450) while this category provided about 31% ($23,283,953) of total program revenues. Total expenses increased by $7,668,375 over the prior year and revenues increased by $11,676,425 due to increases in operating grants funding, program revenues and property tax valuations. Cameron County's taxable values increased by 5.96% with new construction representing $301,928,637 in new property values. Law Enforcement and Public Safety expenditures decreased by $(4,382,395), and Highways and streets decreased by $(2,656,447). General Governmental and Welfare expenses increased by $12,771,873 due to increased funding received relative to COVID-19. Other governmental categories experienced minimal expenditure decreases.
- Capital Grant revenue and contributions comprise about 1% of program revenues.

Changes in Net Position - Business-Type Activities

	FY 2021	FY 2020	Increase (Decrease)
Revenues:			
Net Program revenues:			
Charges for services	$ 28,828,742	$ 24,202,495	$ 4,626,247
Capital grants and contributions	1,426,569	1,111,917	314,652
Gain on sale of asset	97,017	-	97,017
General revenues:			
Unrestricted investments earnings	51,089	295,844	(244,755)
Miscellaneous	-	34,913	(34,913)
Total revenues	30,403,417	25,645,169	4,758,248
Expenses:			
Bridge System	9,424,973	9,757,049	(332,076)
Parks System	8,907,362	8,607,848	299,514
Jail Commissary	606,713	493,631	113,082
Airport System	373,177	339,517	33,660
Total expenses	19,312,225	19,198,045	114,180
Incr(decr) in net position before transfers	11,091,192	6,447,124	4,644,068
Transfers In	-	-	-
Transfers Out	(7,403,486)	(6,380,908)	(1,022,578)
Increase (decrease) in net position	3,687,706	66,216	3,621,490
Net position – beginning	47,095,857	47,029,641	66,216
Net position – ending	$ 50,783,563	$ 47,095,857	$ 3,687,706

Key elements of the analysis of the Business-type activities revenues and expenses reflect the following:

- The Bridge System revenues of $15,862,518 accounted for 52% of the $30,403,417 Business-type activities revenues.
- The Bridge System expenses of $9,424,973 accounted for 49% of the $19,312,225 Business-type activities expenses.
- The transfers to the Governmental activities, from the Business-type activities, are the result of the difference in the Bridge Systems revenues and expenses.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and budget controls has been the framework of the County's strong fiscal management and accountability.

Governmental Funds - The general government functions are reported in the General, Special Revenue, Debt Service and Capital Project Funds. The focus of the County's *governmental funds* is to provide information on near-term inflow, outflows and balances of *spendable* resources. Such information is useful in assessing the County's annual financing and budgeting requirements.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $95,690,460, an increase of $3,101,616 in comparison with prior year. This increase was partly due to financing sources provided by FY 2021 bond issuance. Approximately $19,703,070 of the fund balance represents *unassigned fund balance,* which is available for spending at the County's discretion. N*onspendable fund balance* of $2,140,099 is reserved for inventory and prepaid expenditures. Committed fund balance of $1,000,000 is reserved for indigent defense and pending litigation in the event funding is required. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it has already been restricted per contractual obligations for: 1) $42,932,639 for capital projects 2) $25,228,552 for special revenue/grant programs, and 3) $4,214,143 for reserve for debt service.

The General Fund is the chief operating fund of the County. The FY 2021 unassigned fund balance of the General Fund was $19,841,829. As a measure of the general fund's liquidity, we compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21% of $94,583,687 general fund expenditures, while $23,128,368 total general fund balance represents 24% of total general fund expenditures. Budgetary targets for reserves are 24.7% ($23,362,171) of general fund expenditures which compares favorably to GFOA recommended reserves for large counties. In fiscal year 2021, Cameron County General Fund's fund balance decreased by ($1,254,210). Due to the COVID-19 pandemic, Cameron County received CARES ACT, Emergency Rental Assistance, and American Rescue Plan Act federal funding. Many administrative, emergency management, health and welfare operations were repurposed for COVID19 mitigation. Budgeted customary operational expenses were reduced due to this repurposed safety measures.

Key factors for the FY2021 General Fund balance change are as follows:

> Current ad valorem property tax for FY 2021 had a collection of 97.11% and tax collection exceeded projected revenues.
>
> Charges for services experienced a revenue budget deficit of $(1,767,212) due to COVID-19 operational adjustments required.
>
> General Fund transferred to the County's Health Insurance Internal Service Fund $2,694,802, an increase of 68% compared to $1,600,699, the needed transfer in FY20. These transfers are to provide sufficient funds for the medical cost of the County's Health Insurance Plan which is self-funded by the County. Funds for this needed transfer was covered by lapsed General Fund expenditures which were not utilized at fiscal year-end.

Special Road and Bridge fund balance of $11,368,593 reflects an increase of $1,370,712. Special Road and Bridge tax revenues exceeded prior year by 7% or $591,577, and building permits and automobile registration fees increased by 11% or $436,640.

The 2019 Certificates of Obligation fund balance decreased by $(9,446,132) due to $9,509,572 project expenditures incurred during FY 2021.

Non-major Governmental Funds fund balance increased by $12,414,075 due mostly to increases in debt service funds from the 2021 debt issuance.

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The following table presents the amount of Governmental Fund revenues from various sources compared to prior year amounts:

Governmental Funds – Revenues Classified by Source

		FY 2021		FY 2020		Increase (Decrease)	Percent of Change
Taxes	$	87,809,899	$	82,931,975	$	4,877,924	5.88%
Licenses and permits		4,955,934		4,453,049		502,885	11.29%
Intergovernmental		41,034,852		32,984,239		8,050,613	24.41%
Charges for services		6,916,273		7,414,842		(498,569)	-6.72%
Fines and Forfeitures		7,713,319		6,619,964		1,093,355	16.52%
Miscellaneous		9,310,818		8,579,056		731,762	8.53%
Total	$	157,741,095	$	142,983,125	$	14,757,970	10.32%

- Taxes – the increase of $4,877,924 was primarily due to an increase in assessed property valuation and tax collections.
- Intergovernmental revenues – the increase of $8,050,613 is due to grant-funded projects being completed and new funding received.
- Fines and Forfeitures – increased by $1,093,355 due to return more normal operations compared to FY 2020 COVID-19 safety measures.

The following table presents Governmental Fund expenditures by function compared to prior year amounts:

Governmental Funds - Expenditures by Function

		FY 2021		FY 2020		Increase (Decrease)	Percent of Change
General government	$	29,889,516	$	31,049,337	$	(1,159,821)	-3.74%
Law enforcement and public safety		75,156,217		75,929,079		(772,862)	-1.02%
Highways and streets		13,771,728		13,231,567		540,161	4.08%
Health		9,090,452		8,920,101		170,351	1.91%
Public welfare		16,242,407		4,901,171		11,341,236	231.40%
Capital outlays		16,408,120		16,718,154		(310,034)	-1.85%
Bond Issuance Cost:							
Debt service-principal retirement		11,289,758		9,824,794		1,464,964	14.91%
Debt service-interest/fiscal fees		5,028,282		5,061,353		(33,071)	-0.65%
Total	$	176,876,480	$	165,635,556	$	11,240,924	6.79%

Overall, total Governmental Fund expenditures of $176,876,480 increased 6.79% as the County returned to normal operations after the FY 2020 COVID-19 safety measures. Public welfare expenditures increased by $11,341,236 due to COVID-19 funding.

COMPONENT UNITS

Cameron County Regional Mobility Authority (CCRMA)

Cameron County is reporting as a discretely presented major component unit the Cameron County Regional Mobility Authority (CCRMA - Authority); regional mobility authorities were created by the State of Texas legislatively through the creation of Chapter 370 of the Texas Transportation Code in 2003. CCRMA is a legally separate organization that is authorized to construct, maintain, repair and operate turnpike projects at locations authorized by the State Department of Transportation. CCRMA is authorized to receive revenues from tolls, fees and rents from the operation of turnpike projects. They may also issue revenue bonds for the purpose of financing the costs of these projects. The Authority is governed by a 7 member board, 6 members are appointed by Cameron County commissioners for a term of 2 years and the Chairman of the board who is appointed by the Governor. Cameron County may influence operations of the CCRMA through the appointment process and for reporting purposes, is treated as a discretely presented component unit.

The Authority and County in June 2012 entered into SH550 Funding and Development Agreement, a project titled "SH550 Director Connector Transportation Project." This project will be a component of a tolled facility and upon completion in FY 2022, traffic using SH550 will have a route free of at-grade intersections from U.S.77/83 to SH48 at the Port of Brownsville.

For the period 2010 thru 2014, Cameron County entered into a number of Transportation Reinvestment Zone for numerous specific areas throughout the County. Projects in particular covered the development of transportation projects, provide funding for planned highway and bridge construction, portions of US Highways 83 and 77, the outer Parkway/FM509, the proposed second access to South Padre Island and FM1925, FM 803 and West Parkway and were created to promote public safety, facilitate the development or redevelopment of property and facilitate the movement of traffic.

In December 2015, CCRMA and Cameron County entered into interlocal agreement TRZ#6 establishing a County-Wide Transportation Reinvestment Zone." The projections are that this TRZ#6 will support $1.6 Billion in transportation projects promoting safety, support development and facilitate the movement of traffic throughout Cameron County. The base year for this zone is all real property as of January 1, 2015 with a cumulative maximum transfer amount $1,625,954,462. County's participation is 25% of the tax increment M&O tax rate and excluding amounts committed on existing TIRZ agreements with other entities. TRZ#6 supersedes previous CCRMA TRZs #1 through #5.

The ability of Cameron County to influence operations of the CCRMA through the appointment of a majority of the directors and through participation in the TRZ agreement with CCRMA meets the component unit requirements that the primary government, Cameron County, include CCRMA as part of county's financial reporting entity in conformity with GAAP.

Cameron County Health Care Funding District (CCHCD)

Cameron County under Senate Bill 1623 (SB1623) established "CAMERON COUNTY HEALTH CARE FUNDING DISTRICT" (CCHCFD) on July 2013. SB1623 amended chapter 288 of the Health and Safety Code by making these "districts" components of county government and not separate political subdivisions and designates the commissioners' court as the governing body of the district. The CCHCFD annually holds a public hearing setting the amount of mandatory payments required and how proceeds will be spent. A representative of each paying hospital may appear and be heard on any matter related to the mandatory payments required by the CCHCFD. Funds received under SB1623 are restricted to fund intergovernmental transfers from the district to the state to provide the nonfederal share of a Medicaid supplemental payment program, the Texas Healthcare Transformation and Quality Improvement Program, subsidize indigent programs, district administrative expenses and refunds of mandatory payments from paying hospital and refunding the proportionate share of money received by District from HHSC that is not used to fund the nonfederal share of Medicaid supplemental payment program payments. The intent of the CCHCFD is to assist Safety-Net hospitals in gaining fair access to the Texas Transformational & Quality Improvement Waiver and improving access, affordability, delivery and funding for healthcare services without expanding Medicaid. During FY 2021, medical providers were assessed a 6% tax mandatory payment based on 2018 net patient revenue. Funds to be for forwarded to state for the FY 2021 were $40,118,711 generated by the self-assessed tax on the medical providers.

Cameron County Spaceport Development Corporation (CCSDC)

The Cameron County Spaceport Development Corporation (CCSDC) was formed in 2013 by the Cameron County Commissioners Court under Chapter 22 of the Texas Business Organizations Code, as authorized by Chapter 507 of the Texas Local Government Code to assist in the promotion and development of a spaceport project in Cameron County. In FY 2018, this component unit received $2.63 million as the first installment of a total $13 million allocation from the State Spaceport Trust Fund account. In FY 2021, the second installment of $10.37 million was received. Both instalments were transferred to SpaceX in partnership and support to continue the construction of a commercial launch complex in Cameron County.

For additional financial reporting information, each component unit may be contacted. Cameron County Regional Mobility Authority may be contacted as listed in the notes to the financial statements. Cameron County Health Care Funding District and Cameron County Spaceport Development Corporation may be contacted at Cameron County Administration Department.

FINANCIAL ANALYSIS OF PROPRIETARY FUNDS

The following table presents operating revenues of the different proprietary funds as compared to the previous year:

Program Revenues by Enterprise:	FY 2021	FY 2020	Increase (Decrease)	Percent of Change
Bridge System	$ 15,862,518	$ 15,513,622	$ 348,896	2.25%
Park System	12,249,867	7,990,557	4,259,310	50.30%
Airport System	80,804	62,620	18,184	29.04%
Jail Commissary	635,553	670,609	(30,056)	-5.23%
Total	$ 28,828,742	$ 24,237,408	$ 4,591,334	18.94%

The Bridge System is the biggest generator of revenues. Toll revenues of $15,596,231 increased by $269,960 from FY 2020, however FY 2021 decreased by $4,671,571 from FY 2019 due to ongoing COVID-19 pandemic effects, social distancing, federally mandated international crossings and pandemic mitigation requirements. FY 2021, ended with 3,661,392 vehicles and pedestrians crossings into Mexico through the County's International Bridges. Total FY 2021 crossings reflect a decrease in comparison to 5,782,367 crossings in FY 2019 and prior year levels which are attributed to the effects of travel limitations imposed by federal authorities due to the COVID-19 pandemic.

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TOLL RATES
The following schedule illustrates the toll rates for the fiscal year ended September 30, 2021 and in effect as of October 1, 2021:

Classification	As of October 1, 2021 AVI	Non-AVI Rate	FY 2021 (Oct 2020 - Sep 2021) AVI	Non-AVI Rate
Pedestrian/Bike	$1.00		$1.00	
Motorcycle	3.75		3.75	
Auto	3.75		3.75	
Bus	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

The following table presents Enterprise Fund expenses as compared to the previous year:

Expense by Enterprise:	FY 2021	FY 2020	Increase (Decrease)	Percent of Change
Bridge System	$ 9,424,973	$ 9,757,049	$ (332,076)	-3.40%
Park System	8,907,362	8,607,848	299,514	3.48%
Airport System	373,177	339,517	33,660	9.91%
Jail Commissary	606,713	493,631	113,082	22.91%
Total	$ 19,312,225	$ 19,198,045	$ 114,180	0.59%

The Bridge System continues to monitor costs fiscally responsible in all areas and monthly bridge traffic. The Park System's increase in expenses is due to a minimal increases in general operations. The non-major enterprise funds expense increase was due to general supply cost increases.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget is prepared in accordance with financial policies approved by the Cameron County Auditor and the Commissioners Court following a public hearing. The Cameron County Auditor is required by policy to present Commissioners Court with a balanced budget that contains a no-tax increase assumption as a starting point for budget discussions.

The budget is prepared in accordance with accounting principles generally accepted in the United States of America by the County Auditor's Office and the County Administrator and approved by the Commissioners Court following a public hearing. Appropriated budgets are employed as a management control device during the year. The County maintains strict budgetary controls and sets its appropriations at the line item level for each department. Appropriation transfers may be made between line items or departments only with the approval of the Commissioners Court. Reserves are established as a budget line item and may be transferred to other budget line items with approval of Commissioners Court.

The final FY 2021 budget was adopted on September 2020 with the total expenditures and reserves amounting to $174,612,789, an increase of 4% over the FY2020 budget. Commissioners Court approved a tax rate of $0.436893 per $100 assessed taxable valuation for the Oct 2020 tax year, same as the prior tax year. At this rate, current property tax revenues were budgeted to increase by 5.7%, generating an additional $4,833,827 at 100% collection rate.

On November 27, 2018, County adopted a "Compensation & Classification Policy (CCP)." This CCP provided for a pay grade structure of the bulk of County positions identifying all positions with a minimum and maximum grade of pay. These pay grades were based on market conditions, internal relationships and are intended to be competitive among peer organizations in the market place.

Actual FY 2021 General Fund expenditures were $2M less than the final amended budget. This decrease was due to funding provided to departments that did not utilize the full approved budgeted appropriations. In addition, Commissioners Court officially adopted an order restricting usage of lapsed salaries. Actual FY 2021 General Fund revenues were less than projected general fund revenues by $1.2M. An operating transfer to the County's self-funded Health Insurance Fund of $3,328,971 was needed due to increasing health care costs. Commissioners Court is working with various medical providers to negotiate clinical prices and better pharmaceutical costs in efforts to control medical costs.

DEBT ADMINISTRATION AND CAPITAL ASSETS

The County's bonds are rated "Aa3" by Moody's Investor Service, "AA" by Fitch, and "AA-" by Standard and Poor's rating agencies. In October 2020, S&P gave notice to Cameron County of an "outlook of negative" with regard to Cameron County's General Obligation (GO) and GO-equivalent debt based on challenges presented by the COVID-19 pandemic.

At September 30, 2021, the County has limited tax general obligation bonds outstanding in the amount of $154,890,000. According to Texas statutes, the County has two debt limits. Bonds issued under Article 3, Section 52e of the Texas Constitution total $151,170,000. The debt limits for the two authorizations are $5,753,009,949 (25% of real property assessed valuation) and $1,298,473,518 (5% of assessed valuation of all taxable property); therefore, the County has legal debt margins on general obligation debt of $5,753,009,949 and $1,298,473,518.

The following represents the activity of the long-term debt for FY2021:

	September 30, 2020 Balance	Additions	Reductions	September 30, 2021 Balance
Governmental Activities:				
Bonds and Tax Notes, net of unamortized premium	$ 133,588,757	$ 14,160,000	$ (7,818,080)	$ 139,930,677
Capital leases	3,305,042	-	(2,163,470)	1,141,572
SECO Note payable	-	2,228,141	-	2,228,141
Compensated absences	2,888,295	2,722,337	(3,079,959)	2,530,673
Total	$ 139,782,094	$ 19,110,478	$ (13,061,509)	$ 145,831,063
Business-Type Activities:				
Bonds and Tax Notes, net of unamortized premium	$ 36,172,503	$ -	$ (2,525,776)	$ 33,646,727
Capital leases	613,506	-	(368,621)	244,885
Compensated absences	89,645	343,039	(318,621)	114,063
	$ 36,875,654	$ 343,039	$ (3,213,018)	$ 34,005,675

Certificates of Obligation is debt financed capital contribution secured by Cameron County and is included in Governmental Activities and Business Type Activities outstanding obligation bonds.

Capital assets - The capital assets of the County are those assets (land, buildings, improvements, roads, bridges and machinery & equipment (M&E), which are used in the performance of the County's functions. At September 30, 2021 net capital assets of the governmental activities totaled $216,030,228. Annual depreciation for buildings, improvements and M&E of the governmental activities totaled $15,004,084 and recognized in the Government-wide financial statements.

Capital Assets

		September 30, 2021 Balance		September 30, 2020 Balance
Governmental Activities:				
Depreciable Capital Assets				
Buildings	$	150,362,904	$	142,263,038
Improvements other than buildings		6,329,210		6,195,282
Infrastructure		313,743,191		313,045,174
Other structures		12,015,317		12,015,317
Equipment		56,054,618		53,744,643
Accumulated depreciation		(351,978,092)		(337,907,329)
Total depreciable capital assets		186,527,148		189,356,125
Land		10,956,632		10,956,632
Construction in Progress		18,546,448		14,283,903
Total Capital Assets, net	$	216,030,228	$	214,596,660
Business-Type Activities:				
Depreciable Capital Assets				
Buildings	$	16,183,458	$	16,183,458
Improvements other than buildings		63,155,543		63,155,543
Other structures		25,360,036		25,325,036
Equipment		11,075,737		10,702,919
Accumulated depreciation		(67,053,597)		(63,532,581)
Total depreciable capital assets		48,721,177		51,834,375
Land		11,402,854		11,402,854
Construction in Progress		2,676,052		1,679,178
Total Capital Assets, net	$	62,800,083	$	64,916,407

Additional information on the capital assets note disclosure in the related notes to the financial statements this report.

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ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The annual budget is developed to provide efficient, effective and economic uses of the County's resources. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities.

The Commissioners' Court adopted the County's 2021-2022 budget on September 2021. The budget was adopted based on estimated balances that would be available at the end of the fiscal year 2021 and estimated revenues to be received in the fiscal year 2022. The final FY 2022 budget set expenditures and reserves at $181,066,858, an increase of 4% over the FY2021 budget.

For 2021-2022, the property tax rate is $0.436893 per $100 assessed taxable valuation, same rate as the prior year. Tax revenues are budgeted to grow by 5.7% generating an additional $4,833,827 at the 100% property tax collection rate. The Commissioners' Court has targeted fund balance reserves to represent 24.66% of appropriations.

For FY 2021, the County's self-funded health insurance fund health care costs exceeded available resources by $3.3M- funds were transferred from the General, Special Road and Bridge and Enterprise Funds to meet this deficiency. Steps have been taken to address the rising cost of insurance for FY 2022 by increasing employee contribution rates and offering two distinct plans. Quarterly Status Reports are given to Commissioners Court by the County's third party administrator. From a fiscal perspective, Cameron County expects to see continued revenue budget projections due to appreciate property tax valuations for FY2022.

REQUEST FOR INFORMATION

This financial report is designed to provide Cameron County citizens, taxpayers and investors with a general overview of the County's finances. If you have questions about this report, of the County's component units or need any additional financial information, contact the County Auditor at 1100 E. Monroe, Brownsville, Texas 78520.

BASIC FINANCIAL STATEMENTS

CAMERON COUNTY, TEXAS
GOVERNMENT WIDE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	PRIMARY GOVERNMENT			COMPONENT UNITS		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	CCRMA	CCHCFD	NON-MAJOR
ASSETS						
Cash and cash equivalents	$ 165,427,278	$ 19,341,948	$ 184,769,226	$ 1,607,855	$ 10,649,757	$ 16,069
Restricted Cash:						
Bond debt reserve	-	5,440,840	5,440,840	7,983,534	-	-
Bond debt service	-	1,571,518	1,571,518	2,035,000	-	-
Operating reserve	-	2,485,000	2,485,000	-	-	-
Construction fund	-	4,577,055	4,577,055	5,675,384	-	-
Donations	-	54,937	54,937	-	-	-
Receivables:						
Accounts or trade	9,239,441	950,710	10,190,151	2,466,422	8,333,400	-
Taxes-net of allowances	7,353,690	-	7,353,690	-	-	-
Due from other governments	1,325,265	-	1,325,265	-	-	-
Due from other agencies	-	-	-	3,503,073	-	-
Internal balances	5,674,802	(5,674,802)	-	-	-	-
Prepaids	2,102,345	233,888	2,336,233	94,960	-	-
Inventory	161,504	292	161,796	-	-	-
Other assets	1,598	-	1,598	-	-	-
Net pension asset	-	-	-	122,663	-	-
Depreciable Capital Assets:						
Buildings	150,362,904	16,183,458	166,546,362	202,803	-	-
Improvements other than buildings	6,329,210	63,155,543	69,484,753	20,791	-	-
Equipment	56,054,618	11,075,737	67,130,355	9,432,846	-	-
Infrastructure	313,743,191	-	313,743,191	107,835,477	-	-
Other structures	12,015,317	25,360,036	37,375,353	-	-	-
Accumulated depreciation	(351,978,092)	(67,053,597)	(419,031,689)	(21,761,197)	-	-
Net Depreciable Capital Assets	186,527,148	48,721,177	235,248,325	95,730,720	-	-
Construction in progress	18,546,448	2,676,052	21,222,500	24,504,190	-	-
Land	10,956,632	11,402,854	22,359,486	154,268	-	-
Total Capital Assets, net	216,030,228	62,800,083	278,830,311	120,389,178	-	-
TOTAL ASSETS	407,316,151	91,781,469	499,097,620	143,878,069	18,983,157	16,069
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding	298,314	505,992	804,306	97,585	-	-
Deferred outflows of resources - Pension	23,450,119	2,319,243	25,769,362	192,320	-	-
Deferred outflows of resources - OPEB	3,915,485	409,306	4,324,791	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	27,663,918	3,234,541	30,898,459	289,905	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 434,980,069	$ 95,016,010	$ 529,996,079	$144,167,974	$ 18,983,157	$ 16,069

See accompanying notes to the financial statements.

(Continued)

CAMERON COUNTY, TEXAS
GOVERNMENT WIDE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	PRIMARY GOVERNMENT			COMPONENT UNITS		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	CCRMA	CCHCFD	NON-MAJOR
LIABILITIES						
Accounts payable	$ 23,791,140	$ 830,977	$ 24,622,117	$ 1,383,069	$ 5,543,792	$ -
Wages and fringe payable	3,369,665	51,101	3,420,766	-	-	-
Accrued compensated absences	2,530,673	114,063	2,644,736	-	-	-
Due to other governments	6,524,404	364,394	6,888,798	-	20,000	-
Due to other agencies	-	-	-	16,184,188	-	-
Deposits	-	1,391,868	1,391,868	-	-	-
Unearned revenue	50,913,004	-	50,913,004	162,831	-	-
Escrows	95,188	-	95,188	-	-	-
Reserve	-	80,187	80,187	-	-	-
Non-current liabilities due within one year:						
Capital lease payable	975,328	244,885	1,220,213	-	-	-
SECO note payable	259,462	-	259,462	-	-	-
Tax note payable	976,110	78,890	1,055,000	-	-	-
Bonds payable	8,520,803	2,709,197	11,230,000	2,035,000	-	-
Accrued interest payable	620,501	123,327	743,828	320,301	-	-
Non-current liabilities due in more than one year:						
Leasehold deposits	-	18,750	18,750	-	-	-
Capital lease payable	166,244	-	166,244	-	-	-
SECO note payable	1,968,679	-	1,968,679	-	-	-
Tax note payable	3,663,301	262,468	3,925,769	-	-	-
Bonds payable	126,770,463	30,596,172	157,366,635	75,432,246	-	-
Net pension liability	22,544,783	2,229,704	24,774,487	-	-	-
Net OPEB liability	30,353,441	3,392,131	33,745,572	-	-	-
TOTAL LIABILITIES	284,043,189	42,488,114	326,531,303	95,517,635	5,563,792	-
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - Pension	12,967,843	1,282,534	14,250,377	168,027	-	-
Deferred inflows of resources - OPEB	4,417,635	461,799	4,879,434	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	17,385,478	1,744,333	19,129,811	168,027	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	301,428,667	44,232,447	345,661,114	95,685,662	5,563,792	-
NET POSITION						
Net investment in capital assets	115,639,993	30,529,738	146,169,731	26,777,488	-	-
Restricted for:						
Highways and streets	12,135,348	-	12,135,348	18,001,712	-	-
Debt service	5,147,470	7,012,360	12,159,830	-	-	-
Capital projects	51,436	-	51,436	-	-	-
Beach maintenance	-	3,167,678	3,167,678	-	-	-
Health	-	-	-	-	13,419,365	-
Restricted grants/donations	14,040,877	54,937	14,095,814	-	-	-
Economic development and assistance	-	-	-	-	-	16,069
Unrestricted	(13,463,722)	10,018,850	(3,444,872)	3,703,112	-	-
TOTAL NET POSITION	133,551,402	50,783,563	184,334,965	48,482,312	13,419,365	16,069
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 434,980,069	$ 95,016,010	$ 529,996,079	$144,167,974	$ 18,983,157	$ 16,069

See accompanying notes to the financial statements.

CAMERON COUNTY, TEXAS
GOVERNMENT WIDE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

		PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION					
					PRIMARY GOVERNMENT			COMPONENT UNITS		
FUNCTION / PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**	**CCRMA**	**CCHCFD**	**NON-MAJOR**
Primary Government:										
Governmental activities:										
General government	$ 55,800,961	$ 27,205,945	$ 1,521,926	$ -	$ (27,073,090)	$ -	$ (27,073,090)			
Law enforcement and public safety	76,106,450	10,593,499	12,690,454	-	(52,822,497)	-	(52,822,497)			
Highways and streets	18,971,612	4,816,963	-	47,109	(14,107,540)	-	(14,107,540)			
Health	11,202,548	357,112	9,116,149	-	(1,729,287)	-	(1,729,287)			
Welfare	14,145,263	-	9,284,223	399,837	(4,461,203)	-	(4,461,203)			
Interest and issuance costs	5,059,125	-	-	-	(5,059,125)	-	(5,059,125)			
Total governmental activities	181,285,959	42,973,519	32,612,752	446,946	(105,252,742)	-	(105,252,742)			
Business-Type activities:										
Bridge system	9,424,973	15,862,518	-	-	-	6,437,545	6,437,545			
Parks system	8,907,362	12,249,867	-	1,426,569	-	4,769,074	4,769,074			
Airport system	373,177	80,804	-	-	-	(292,373)	(292,373)			
Jail commissary	606,713	635,553	-	-	-	28,840	28,840			
Total business-type activities	19,312,225	28,828,742	-	1,426,569	-	10,943,086	10,943,086			
Total Primary Government	200,598,184	71,802,261	32,612,752	1,873,515	(105,252,742)	10,943,086	(94,309,656)			
Component Units:										
Cameron County Regional Mobility Authority	11,184,429	10,336,023	-	3,465,235				2,616,829	-	-
Cameron County Health Care Funding District	40,139,341	46,005,217	-	-				-	5,865,876	-
Cameron County Spaceport Development Corp.	10,366,698	-	10,366,671	-				-	-	(27)
Total Component Units	61,690,468	56,341,240	10,366,671	3,465,235				2,616,829	5,865,876	(27)
GENERAL REVENUES:										
Property taxes, levied for general purposes					73,593,333	-	73,593,333	-	-	-
Property taxes, levied for debt service					13,559,681	-	13,559,681	-	-	-
Unrestricted investment earnings					290,182	51,089	341,271	70,241	6,950	317
Miscellaneous					7,980,982	-	7,980,982	-	-	-
Gain on sale of capital assets					50,684	97,017	147,701	-	-	-
Transfers in (out)					7,403,486	(7,403,486)	-	-	-	-
Total general revenues and transfers					102,878,348	(7,255,380)	95,622,968	70,241	6,950	317
Change in net position					(2,374,394)	3,687,706	1,313,312	2,687,070	5,872,826	290
Net position - beginning					135,925,796	47,095,857	183,021,653	45,795,242	7,546,539	15,779
Net position - ending					$ 133,551,402	$ 50,783,563	$ 184,334,965	$ 48,482,312	$ 13,419,365	$ 16,069

See accompanying notes to the financial statements.

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

	GENERAL FUND	SPECIAL ROAD & BRIDGE FUND	2019 CERTIFICATES OF OBLIGATION	AMERICAN RESCUE PLAN ACT	EMERGENCY RENTAL ASSISTANCE	NON-MAJOR FUNDS	TOTAL
ASSETS							
Cash and cash equivalents	$ 29,528,713	$ 12,246,645	$ 26,334,682	$ 34,687,628	$ 11,265,688	$ 47,896,628	$ 161,959,984
Receivables:							
Accounts receivable	1,496,333	646,958	-	-	-	7,071,296	9,214,587
Taxes receivable - net of allowances	5,689,781	757,366	-	-	-	906,543	7,353,690
Due from other governments	24,188	293,265	-	-	-	1,007,812	1,325,265
Due from other funds	16,605,673	8,984	496,121	2,205	-	4,492,456	21,605,439
Prepaids	1,675,554	108,677	325	78,847	-	115,192	1,978,595
Inventory	139,028	22,476	-	-	-	-	161,504
Other assets	377	1,221	-	-	-	-	1,598
TOTAL ASSETS	55,159,647	14,085,592	26,831,128	34,768,680	11,265,688	61,489,927	203,600,662
LIABILITIES							
Accounts payable	17,033,387	1,501,952	970,411	8,096	353,914	2,577,344	22,445,104
Wages and fringe payable	3,116,633	131,583	439	-	-	117,136	3,365,791
Accrued compensated absences	2,450,970	77,203	131	-	-	2,369	2,530,673
Due to other governments	1,631,744	-	-	-	-	3,335,862	4,967,606
Due to other funds	2,341,475	331,731	-	109,695	-	14,006,109	16,789,010
Unearned revenue	41,222	-	-	34,647,536	10,897,956	5,326,290	50,913,004
Escrows	95,188	-	-	-	-	-	95,188
TOTAL LIABILITIES	26,710,619	2,042,469	970,981	34,765,327	11,251,870	25,365,110	101,106,376
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	5,320,660	674,530	-	-	-	808,636	6,803,826
TOTAL DEFERRED INFLOWS OF RESOURCES	5,320,660	674,530	-	-	-	808,636	6,803,826
FUND BALANCES							
Nonspendable:							
Inventory	139,028	22,476	-	-	-	-	161,504
Prepaids	1,675,554	108,677	325	78,847	-	115,192	1,978,595
Restricted:							
Special revenue/grant programs	-	11,237,440	-	-	13,818	13,977,294	25,228,552
Capital projects	-	-	25,859,822	-	-	17,072,817	42,932,639
Debt service	-	-	-	-	-	4,214,143	4,214,143
Committed:							
Pending litigation	500,000	-	-	-	-	-	500,000
Indigent defense	500,000	-	-	-	-	-	500,000
Equipment	471,957	-	-	-	-	-	471,957
Unassigned	19,841,829	-	-	(75,494)	-	(63,265)	19,703,070
TOTAL FUND BALANCES	23,128,368	11,368,593	25,860,147	3,353	13,818	35,316,181	95,690,460
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 55,159,647	$ 14,085,592	$ 26,831,128	$ 34,768,680	$ 11,265,688	$ 61,489,927	$ 203,600,662

See accompanying notes to the financial statements.

CAMERON COUNTY, TEXAS
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
September 30, 2021

Total fund balances for governmental funds		$ 95,690,460
Total net position reported for governmental activities in the statement of net position is different because:		
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		216,030,228
Other long-term assets are not available to pay for the current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.		6,803,826
Internal service funds are used by management to charge costs of employee benefits. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,528,236
Liabilities, including bonds and accrued interest payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		(196,481,474)
Debt, net of deferred charges	(143,583,250)	
Net OPEB liability	(30,353,441)	
Net pension liability	(22,544,783)	
Deferred inflows of resources from pension are not due and payable in the current period and are not reported in the governmental funds.		(12,967,843)
Deferred inflows of resources from OPEB are not due and payable in the current period and are not reported in the governmental funds.		(4,417,635)
Deferred outflows of resources from pension are not available to pay in the current period and are not reported in the governmental funds.		23,450,119
Deferred outflows of resources from OPEB are not available to pay in the current period and are not reported in the governmental funds.		3,915,485
Net position of governmental activities		$ 133,551,402

See accompanying notes to the financial statements.

CAMERON COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	GENERAL FUND	SPECIAL ROAD & BRIDGE FUND	2019 CERTIFICATES OF OBLIGATION	AMERICAN RESCUE PLAN ACT	EMERGENCY RENTAL ASSISTANCE	NON-MAJOR FUNDS	TOTAL
REVENUES							
Taxes	$ 64,801,806	$ 9,448,412	$ -	$ -	$ -	$ 13,559,681	$ 87,809,899
Licenses and permits	665,573	4,290,361	-	-	-	-	4,955,934
Intergovernmental	5,856,118	526,602	-	6,449,690	1,888,382	26,314,060	41,034,852
Charges for services	6,392,416	-	-	-	-	523,857	6,916,273
Fines and forfeitures	7,675,264	-	-	-	-	38,055	7,713,319
Miscellaneous	5,742,715	229,838	63,440	3,354	13,817	3,257,654	9,310,818
TOTAL REVENUES	91,133,892	14,495,213	63,440	6,453,044	1,902,199	43,693,307	157,741,095
EXPENDITURES							
Current:							
General government	23,753,458	-	153,958	-	-	5,982,100	29,889,516
Law enforcement and public safety	61,522,306	-	259,942	-	-	13,373,969	75,156,217
Highways and streets	-	11,666,602	1,667,716	-	-	437,410	13,771,728
Health	2,731,874	-	-	-	-	6,358,578	9,090,452
Welfare	4,331,381	-	-	6,449,691	1,888,381	3,572,954	16,242,407
Capital outlay	2,244,668	100,950	7,427,956	-	-	6,634,546	16,408,120
Debt Service:							
Principal retirement	-	1,174,200	-	-	-	10,115,558	11,289,758
Interest and fiscal charges	-	98,350	-	-	-	4,929,932	5,028,282
TOTAL EXPENDITURES	94,583,687	13,040,102	9,509,572	6,449,691	1,888,381	51,405,047	176,876,480
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,449,795)	1,455,111	(9,446,132)	3,353	13,818	(7,711,740)	(19,135,385)
OTHER FINANCING SOURCES (USES)							
Gain on sale of capital assets	26,841	23,843	-	-	-	-	50,684
Premium on bonds issued	-	-	-	-	-	2,241,529	2,241,529
Bond issuance	-	-	-	-	-	14,160,000	14,160,000
SECO note payable financing	-	-	-	-	-	1,710,273	1,710,273
Transfers in	5,780,616	196,699	-	-	-	3,304,845	9,282,160
Transfers (out)	(3,611,872)	(304,941)	-	-	-	(1,290,832)	(5,207,645)
TOTAL OTHER FINANCING SOURCES (USES)	2,195,585	(84,399)	-	-	-	20,125,815	22,237,001
NET CHANGE IN FUND BALANCES	(1,254,210)	1,370,712	(9,446,132)	3,353	13,818	12,414,075	3,101,616
Fund balances - beginning	24,382,578	9,997,881	35,306,279	-	-	22,902,106	92,588,844
Fund balances - ending	$ 23,128,368	$ 11,368,593	$ 25,860,147	$ 3,353	$ 13,818	$ 35,316,181	$ 95,690,460

See accompanying notes to the financial statements.

CAMERON COUNTY, TEXAS
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended September 30, 2021

Net change in fund balances for total governmental funds	$	3,101,616
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which $16,408,120 capital outlays exceeded $15,004,084 depreciation in the current period.		1,404,036
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(656,885)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.		29,532
The issuance of long-term debt (e.g., bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the governmental activities net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(6,492,853)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		235,972
OPEB Expense(Income) 1,982,520		
Pension Expense(Income) (2,218,492)		
Internal service fund is used by management to charge the costs of health benefits and workers compensation insurance. The net revenue (loss) of certain activities of the internal service fund is reported with governmental activities.		4,188
Change in net position of governmental activities.	$	(2,374,394)

See accompanying notes to financial statements.

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	Bridge System	Park System	Non-major Enterprise Funds	Total Proprietary Funds	Internal Service Funds
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 10,211,461	$ 8,024,069	$ 1,106,418	$ 19,341,948	$ 3,467,294
Restricted Cash:					
Bond debt reserve	2,963,577	2,477,263	-	5,440,840	-
Bond debt service	1,571,518	-	-	1,571,518	-
Operating reserve	250,000	2,235,000	-	2,485,000	-
Construction fund	-	4,577,055	-	4,577,055	-
Donations	-	54,937	-	54,937	-
Total Restricted Cash	4,785,095	9,344,255	-	14,129,350	-
Receivables	195,469	573,138	182,103	950,710	24,854
Due from other funds	136,696	52,408	-	189,104	858,683
Prepaids	121,243	104,666	7,979	233,888	84,424
Inventory	-	292	-	292	-
Total Current Assets	15,449,964	18,098,828	1,296,500	34,845,292	4,435,255
Depreciable Capital Assets:					
Buildings	3,986,961	10,869,402	1,327,095	16,183,458	-
Improvements other than buildings	38,944,752	12,455,359	11,755,432	63,155,543	-
Equipment	3,526,143	1,430,059	1,162,199	6,118,401	-
Furniture and fixtures	50,990	1,020,173	-	1,071,163	-
Autos and machinery	656,882	3,229,291	-	3,886,173	-
Other structures	-	25,360,036	-	25,360,036	-
Accumulated depreciation	(31,669,345)	(24,142,965)	(11,241,287)	(67,053,597)	-
Net Depreciable Capital Assets	15,496,383	30,221,355	3,003,439	48,721,177	-
Construction in progress	116,061	2,559,991	-	2,676,052	-
Land	9,312,722	1,782,132	308,000	11,402,854	-
Total Capital Assets, net	24,925,166	34,563,478	3,311,439	62,800,083	-
TOTAL ASSETS	40,375,130	52,662,306	4,607,939	97,645,375	4,435,255
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	336,338	169,654	-	505,992	-
Deferred outflows of resources - Pension	1,288,468	1,030,775	-	2,319,243	-
Deferred outflows of resources - OPEB	253,497	155,809	-	409,306	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,878,303	1,356,238	-	3,234,541	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 42,253,433	$54,018,544	$ 4,607,939	$ 100,879,916	$ 4,435,255

See accompanying notes to the financial statements.

(Continued)

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	Bridge System	Park System	Non-major Enterprise Funds	Total Proprietary Funds	Internal Service Funds
LIABILITIES					
Current Liabilities:					
Accounts payable	$ 326,041	$ 409,754	$ 95,182	$ 830,977	$ 1,346,036
Wages and fringe payable	49,855	1,246	-	51,101	3,874
Accrued compensated absences	59,864	52,260	1,939	114,063	-
Due to other funds	5,149,704	714,181	21	5,863,906	311
Due to other governments	364,394	-	-	364,394	1,556,798
Deposits	327,506	1,064,362	-	1,391,868	-
Reserve	75,688	4,499	-	80,187	-
Non-current liabilities due within one year:					
Capital lease payable	98,996	145,889	-	244,885	-
Tax note payable	23,846	55,044	-	78,890	-
Certificates of obligation	1,093,337	1,615,860	-	2,709,197	-
Accrued interest payable	-	123,327	-	123,327	-
Total Current Liabilities	7,569,231	4,186,422	97,142	11,852,795	2,907,019
Non-current liabilities due in more than one year:					
Leasehold deposits	18,750	-	-	18,750	-
Tax note payable	79,335	183,133	-	262,468	-
Certificates of obligation	6,394,802	21,659,220	-	28,054,022	-
Unamortized premium costs	10,157	2,531,993	-	2,542,150	-
Net pension liability	1,238,724	990,980	-	2,229,704	-
Net OPEB liability	1,868,421	1,523,710	-	3,392,131	-
Total Non-Current Liabilities	9,610,189	26,889,036	-	36,499,225	-
TOTAL LIABILITIES	17,179,420	31,075,458	97,142	48,352,020	2,907,019
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources - Pensions	712,519	570,015	-	1,282,534	-
Deferred inflows of resources - OPEB	286,008	175,791	-	461,799	-
TOTAL DEFERRED INFLOWS OF RESOURCES	998,527	745,806	-	1,744,333	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	18,177,947	31,821,264	97,142	50,096,353	2,907,019
NET POSITION					
Net investment in capital assets	17,561,032	9,657,267	3,311,439	30,529,738	-
Restricted:					
Bond debt service	1,571,519	2,477,264	-	4,048,783	-
Bond debt reserve	2,963,577	-	-	2,963,577	-
Restricted for beach maintenance	-	3,167,678	-	3,167,678	-
Restricted donations	-	54,937	-	54,937	-
Unrestricted	1,979,358	6,840,134	1,199,358	10,018,850	1,528,236
TOTAL NET POSITION	24,075,486	22,197,280	4,510,797	50,783,563	1,528,236
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 42,253,433	$54,018,544	$ 4,607,939	$ 100,879,916	$ 4,435,255

See accompanying notes to the financial statements.

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	Bridge System	Park System	Non-major Enterprise Funds	Total Proprietary Funds	Internal Service Funds
OPERATING REVENUES					
Charges for services	$ 15,596,231	$ 5,388,362	$ 667,110	$ 21,651,703	$ 14,697,613
Rental income	263,000	6,452,213	49,247	6,764,460	-
Other	3,287	409,292	-	412,579	13,214
TOTAL OPERATING REVENUES	15,862,518	12,249,867	716,357	28,828,742	14,710,827
OPERATING EXPENSES					
Salaries and wages	2,298,976	3,672,048	184,518	6,155,542	226,688
Uniforms	26,852	26,156	-	53,008	-
Employee benefits	1,063,139	45,965	-	1,109,104	-
Pension expense(income)	12,818	(38,056)	-	(25,238)	-
Supplies	108,654	348,457	35,829	492,940	-
Repairs and maintenance	88,390	241,035	59,367	388,792	-
Professional services	89,486	6,647	-	96,133	45,583
Insurance	113,827	125,131	9,366	248,324	233
Travel and training	893	2,743	1,600	5,236	-
Advertising	35,284	660	-	35,944	-
Taxes	-	21,869	-	21,869	-
Medical claims	-	-	42,896	42,896	15,842,046
Utilities	183,459	1,307,655	20,199	1,511,313	-
Depreciation and amortization	1,431,108	1,830,547	259,359	3,521,014	-
Miscellaneous	82,406	13,703	148,529	244,638	3,193
Equipment and land rental	-	21,579	-	21,579	-
Administration fees	-	-	9,821	9,821	-
Contractual services	436,149	436,615	208,406	1,081,170	1,923,553
TOTAL OPERATING EXPENSES	5,971,441	8,062,754	979,890	15,014,085	18,041,296
OPERATING INCOME (LOSS)	9,891,077	4,187,113	(263,533)	13,814,657	(3,330,469)
NON-OPERATING REVENUES (EXPENSES)					
Interest income	29,452	19,038	2,599	51,089	5,686
Interest and fiscal charges	(333,177)	(844,608)	-	(1,177,785)	-
Gain on sale of capital assets	-	97,017	-	97,017	-
Aid from (to) other governments	(3,120,355)	-	-	(3,120,355)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(3,424,080)	(728,553)	2,599	(4,150,034)	5,686
Income (Loss) before capital contributions and transfers	6,466,997	3,458,560	(260,934)	9,664,623	(3,324,783)
Capital grants and contributions	-	1,426,569	-	1,426,569	-
Transfers in	-	35,002	50,000	85,002	3,328,971
Transfers (out)	(6,930,503)	(557,985)	-	(7,488,488)	-
CHANGE IN NET POSITION	(463,506)	4,362,146	(210,934)	3,687,706	4,188
Net position - beginning	24,538,992	17,835,134	4,721,731	47,095,857	1,524,048
Net position - ending	$ 24,075,486	$ 22,197,280	$ 4,510,797	$ 50,783,563	$ 1,528,236

See accompanying notes to the financial statements.

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

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	BRIDGE SYSTEM	PARK SYSTEM	Non-major Enterprise Funds	Total Proprietary Funds	Internal Service Funds
Cash Flows From Operating Activities:					
Cash received from customers	$ 15,651,735	$ 12,301,448	$ 520,221	$ 28,473,404	$ 14,711,349
Cash received from other operating activities	78,101	-	49,247	127,348	13,214
Cash payments for goods and services	(68,267)	(2,198,268)	(466,475)	(2,733,010)	(17,401,744)
Cash payments to employees	(3,360,977)	(3,758,224)	(183,927)	(7,303,128)	(231,106)
Cash provided (Used) by operating activities	12,300,592	6,344,956	(80,934)	18,564,614	(2,908,287)
Cash Flows From Non-Capital Financing Activities:					
Transfers in	-	35,002	50,000	85,002	3,328,971
Transfers (out)	(5,091,743)	(557,984)	-	(7,488,488)	-
Cash provided (Used) for non-capital financing activities	(5,091,743)	(522,982)	50,000	(7,403,486)	3,328,971
Cash Flows From Capital and Related Financing Activities:					
Payments for capital acquisitions	(24,920)	(1,259,773)	(120,000)	(1,404,693)	-
Financing Proceeds		97,017		97,017	-
Capital grants and contributions	-	1,426,569	-	1,426,569	-
Intergovernmental agreement	(3,011,502)	-	-	(3,011,502)	-
Bond issuance cost		(199,105)		(199,105)	-
Lease payments	-	(226,646)		(226,646)	-
Interest paid	(297,459)	(843,858)	-	(1,141,317)	-
Principal payments	(967,556)	(1,495,458)	-	(2,463,014)	-
Fiscal agent fees	-	(750)	-	(750)	-
Cash provided/(Used) for capital and related financing activities	(4,301,437)	(2,502,004)	(120,000)	(6,923,441)	-
Cash Flows From Investing Activities:					
Receipts of interest	21,496	19,038	2,599	43,133	5,686
Cash provided by investing activities	21,496	19,038	2,599	43,133	5,686
Increase (decrease) in cash and cash equivalents	2,928,908	3,339,008	(148,335)	6,119,581	426,370
Cash and cash equivalents, beginning of year	12,067,648	14,029,316	1,254,753	27,351,717	3,040,924
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 14,996,556	$ 17,368,324	$ 1,106,418	$ 33,471,298	3,467,294
Displayed as:					
Cash and cash equivalents	10,211,461	8,024,069	1,106,418	19,341,948	3,467,294
Restricted assets	4,785,095	9,344,255	-	14,129,350	
	$ 14,996,556	$ 17,368,324	$ 1,106,418	$ 33,471,298	$ 3,467,294
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (Loss)	$ 9,891,077	$ 4,187,113	$ (263,533)	$ 13,814,657	$ (3,330,469)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:					
Depreciation	1,431,108	1,830,547	259,359	3,521,014	-
Decrease (increase) in post employment benefits expense	134,712	59,460	-	194,172	-
Pension expense	(121,894)	(97,516)	-	(219,410)	-
Decrease (increase) in accounts receivable	(185,469)	(572,887)	(146,889)	(905,245)	13,735
Decrease (increase) in prepaids and other assets	(17,712)	(7,576)	302	(24,986)	(53,925)
Decrease (increase) in inventory	-	664	-	664	-
Decrease (increase) in due from other funds	(132,472)	397,503	-	265,031	510,022
Increase (Decrease) in accounts payable	187,884	(296,441)	69,236	(39,321)	(11,878)
Increase (Decrease) in wages and fringe payable	6,870	(42,266)	(1,348)	(36,744)	835
Increase (Decrease) in compensated absences payable	(5,732)	28,212	1,939	24,419	-
Increase (Decrease) in reserve payable	-	1,172	-	1,172	-
Increase (Decrease) in accrued interest payable	-	(14,549)	-	(14,549)	-
Increase (Decrease) in deposit payable	56,357	226,961	-	283,318	-
Increase (Decrease) in leasehold deposits payable	(3,567)			(3,567)	
Increase (Decrease) in due to other funds	1,059,430	644,559	-	1,703,989	-
Increase (Decrease) in due to other governments	-	-	-	-	(36,607)
CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 12,300,592	$ 6,344,956	$ (80,934)	$ 18,564,614	$ (2,908,287)

See accompanying notes to financial statements.

CAMERON COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	PRIVATE PURPOSE TRUST FUNDS	CUSTODIAL FUNDS
ASSETS		
Cash	$ 10,690,915	$ 12,971,245
Investments	10,449,670	-
TOTAL ASSETS	21,140,585	12,971,245
LIABILITIES		
Due to other governments	-	2,124,558
TOTAL LIABILITIES	-	2,124,558
FIDUCIARY NET POSITION - Restated		
Restricted for individuals, organizations, other governments	$ 21,140,585	$ 10,846,687

See accompanying notes to the financial statements.

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

	PRIVATE PURPOSE TRUST FUNDS	CUSTODIAL FUNDS
ADDITIONS		
Contributions:		
Registry	$ 7,120,565	$ -
Fees and deposits	-	163,383,152
TOTAL CONTRIBUTIONS	7,120,565	163,383,152
Investment earnings:		
Investment income	145,569	16,239
TOTAL INVESTMENT EARNINGS	145,569	16,239
TOTAL ADDITIONS	7,266,134	163,399,391
DEDUCTIONS		
Judgments	6,137,295	-
Administrative expenses	46,480	-
Disbursements and refunds	-	157,738,648
TOTAL DEDUCTIONS	6,183,775	157,738,648
CHANGE IN NET POSITION	1,082,359	5,660,743
Net position, September 30, 2020, as restated	20,058,226	5,185,944
Net position, September 30 ,2021	$ 21,140,585	$ 10,846,687

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Cameron County (the "County") 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 County are described in the following notes to the financial statements.

A. Reporting Entity

The County is a public corporation and a political subdivision of the State of Texas. A Commissioners' Court, composed of four (4) elected County Commissioners and (1) elected County Judge, governs the County. The County provides a vast number of services, including public safety, administration of justice, health and human services, culture and recreation, public improvements and general administration.

As required by GAAP, the financial statements of the reporting entity include those of the County (the primary government) and its component units in conformity with GASB Statement 14 "The Financial Reporting Entity", which supersedes all previous pronouncements issued by GASB and the National Council of Governmental Accounting (NCGA) for defining the reporting entity.

In accordance with GASB Statement 39 *Determining Whether Certain Organizations are Component Units* and GASB 61 *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*, a financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the elected officials of the County are financially accountable, or the relationship to the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Blended component units, although legally separate entities are, in substance, part of the County's operations, and data from these units are combined with data of the County. On the other hand, each discretely presented component unit is reported in a separate column in the combined statements to emphasize it is legally separate from the primary government.

Discretely Presented Component Units - The component unit columns in the combined financial statements include the financial data of the County's component units.

Cameron County Regional Mobility Authority (CCRMA) was created by the State of Texas on September 30, 2004. The CCRMA is authorized to construct, maintain, repair and operate turnpike projects at locations authorized by the State Department of Transportation. CCRMA receives its revenues from tolls, vehicle registration fees, federal awards from the U.S. Department of Transportation, and rent from the operation of turnpike projects. CCRMA was formed through the efforts of Cameron County, Texas. Although CCRMA is a legally separate entity, it is included as a discretely presented component unit of the government of Cameron County, Texas, because the Commissioners' Court appoints six of the seven Directors to the CCRMA Board. The Commissioners' Court can influence operations significantly by the appointment of directors. CCRMA also has fiscal dependency on Cameron County.

Separate financial statements may be obtained from:

Cameron County Regional Mobility Authority
3461 Carmen Avenue
Rancho Viejo, Texas 78575

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (continued)

Cameron County Health Care Funding District (CCHCFD) was created by Cameron County Commissioners Court on July 2, 2013 pursuant to V.T.C.A., Health and Safety Code, Section 288.002, per Senate Bill 1623. This District is governed by the five (5) members of commissioner's court. The purpose of this District is to generate revenue from a mandatory payment required by the District to provide the nonfederal share of a Medicaid supplemental payment program; mandatory payments are based on Hospital Net Patient Revenue. Revenue generated in this fund may only be used to: fund intergovernmental transfers to the state to provide the nonfederal share of a Medicaid supplemental payment program, subsidize indigent programs, administrative expenses of the District, refund a mandatory payment collected in error and refund the paying hospitals the proportionate share of money received from Health and Human Services Commission that is not used. The Cameron County Health Care Funding District is a component unit of county government and is not a separate political subdivision of the State. The Commissioners Court serve as the "Directors" of this district and can influence operations of the CCHCFD.

Cameron County Spaceport Development Corporation (CCSDC) was created by the Cameron County Commissioners Court on 2013, a separate domestic tax exempt nonprofit corporation, as authorized by Chapter 507 of the Texas Local Government Code. This corporation was created in support and to benefit the promotion and development of a spaceport project in Cameron County. This corporation is managed by seven board members who serve as appointed by Cameron County Commissioners. Criteria used to determine inclusion as a component unit of Cameron County is that all board members are appointed by the County governing body and the County may influence operations significantly by the appointment of board members.

Condensed Financial Statements. The following are condensed financial statements of each discretely presented component unit disclosed above. The fiscal year end for each of the discretely presented component units is September 30, 2021.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (continued)

Condensed Statement of Net Position:	Cameron County Regional Mobility Authority	Cameron County Health Care Funding	Cameron County Spaceport Development Corporation	Total Component Units
ASSETS				
Current assets	$ 23,488,891	$ 18,983,157	$ 16,069	$ 42,488,117
Capital assets	120,389,178	-	-	120,389,178
Total assets	143,878,069	18,983,157	16,069	162,877,295
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	97,585	-	-	97,585
Deferred outflows related to pension	192,320	-	-	192,320
Total deferred outflows of resources	289,905			289,905
Total assets and deferred outflows of resources	144,167,974	18,983,157	16,069	163,167,200
LIABILITIES				
Current liabilities	20,085,389	5,543,792	-	25,629,181
Due to other governments	-	20,000	-	20,000
Noncurrent liabilities	75,432,246	-	-	75,432,246
Total liabilities	95,517,635	5,563,792	-	101,081,427
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to pension	168,027	-	-	168,027
Total deferred inflows of resources	168,027	-	-	168,027
Total liabilities and deferred inflows of resources	95,685,662	5,563,792	-	101,249,454
NET POSITION				
Net investment in capital assets	26,777,488	-	-	26,777,488
Restricted	18,001,712	13,419,365	16,069	31,437,146
Unrestricted	3,703,112	-	-	3,703,112
Total net position	48,482,312	13,419,365	16,069	61,917,746
Total liabilities and deferred inflows of resources and net position	$ 144,167,974	$ 18,983,157	$ 16,069	$ 163,167,200

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (continued)

Condensed Statement of Revenues, Expenditures, and Changes in Net Position:	**Cameron County Regional Mobility Authority**	**Cameron County Health Care Funding**	**Cameron County Spaceport Development Corp.**	**Total Component Units**
REVENUES				
User fees and other	$ 7,846,611	$ 46,005,217	$ -	$ 53,851,828
Transportation reinvestment zone	2,208,261	-		2,208,261
Intergovernmental	281,151	-	10,366,671	10,647,822
Investment earnings	70,241	6,950	317	77,508
Total Revenues	10,406,264	46,012,167	10,366,988	66,785,419
EXPENSES				
Charges for services	8,944,448	40,139,341	10,366,698	59,450,487
Excess/(deficit) of revenues over expenses	1,461,816	5,872,826	290	7,334,932
Interest (expense)	(2,239,981)	-	-	(2,239,981)
Capital grants and contributions	3,465,235	-	-	3,465,235
Change in net position	2,687,070	5,872,876	290	8,560,186
Total net position – beginning	45,795,242	7,456,539	15,779	53,357,560
Total net position - ending	$ 48,482,312	$ 13,419,365	$ 16,069	$ 61,917,746

B. Government-wide and Fund financial statements

The **Government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report non-fiduciary activity of the primary government. The effect of interfund transfers has been removed from the Government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes, licenses and permits, charges for services, and intergovernmental revenues. The primary government is reported separately from the component units within the Government-wide statements. The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **Fund financial statements** are provided for governmental funds, proprietary fund and fiduciary funds even though the latter are excluded from the Government-wide financial statements. The General Fund, Special Road & Bridge Fund, 2019 Certificates of Obligation Fund, American Rescue Plan Act Fund, and the Emergency Rental Assistance Fund meet the criteria as **major governmental funds.** Each major fund is reported in separate columns in the fund financial statements. Non-major funds include other Special Revenue, Capital Project and Debt Service Funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for non-major funds are presented within Combining and Individual Fund Statements and Schedules on the Supplementary Information section.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Government-wide and Proprietary Funds financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Major revenue types, which have been accrued, are district clerk and county clerk fees, justice of the peace court costs and fine revenue, and intergovernmental revenue. Governmental activities supported by taxes and intergovernmental revenues is reported separately from business-type activities which are funded on fees and charges for services. Grants and similar items are recognized as revenue when all applicable eligibility requirements imposed by the provider is met.

The Government-wide Statement of Activities reflects the economic resource measurement focus and the accrual basis of accounting. Revenues are classified as program revenues and general revenues when earned and expenditures when incurred. Program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) grants and contributions restricted to operational or capital requirements of a particular program. Program revenues include those generated from the justice system, parks, health and human services, and roads and bridges. Taxes and items that are not program revenues are reported as general revenues.

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues means they are collectible within 60 days after the fiscal year ends. Property taxes levied on October 1, 2020, and which became past due on January 31, 2021, and other revenues which have been assessed are considered as available at fiscal year-end. Reserve for Delinquent taxes are classified as Deferred Inflows of Resources as they are not available revenues.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

The government reports the following major governmental funds:

The General Fund is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment earnings of idle funds. Primary expenditures are for general administration, law enforcement and public safety, health, welfare, and capital acquisition.

The Special Road & Bridge Fund is used to account for the revenues restricted for the funding of road repairs and improvements and all related expenditures related to County roads. Revenues are supported by the property tax rate as adopted by Commissioner's Court during the budget process in addition to fees from licenses and permits and intergovernmental revenue.

The 2019 Certificates of Obligation Capital Projects Fund is used to account for bond proceeds from the August 2019 $40,085,000 debt issuance that will be used to account for the planning, acquisition, construction, equipping, repairs, and or renovation of property throughout Cameron County.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The American Rescue Plan Act Fund is used to account for revenues and expenditures pertaining to the $41,097,226 first installment of a total $82,194,452 grant awarded from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), as part of the American Rescue Plan Act under the U.S. Department of Treasury. These funds are to support state, local, and Tribal governments in their response and recovery form the COVID-19 public health emergency.

The Emergency Rental Assistance Fund is used to account for revenues and expenditures pertaining to the $12,786,338 federal grant awarded for Emergency Rental Assistance 1 Program, as part of the Consolidated Appropriations Act, 2021, under the U.S. Department of Treasury. These funds are to provide assistance to eligible households that are unable to pay rent or utilities.

Other governmental fund types include special revenue funds, capital projects funds and debt service funds which are considered non-major funds.

Proprietary fund level financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The County's Proprietary funds include the Sheriff's Commissary, the Bridge System, the Park System and the Airport System enterprise funds. The Proprietary funds are accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned and expenses are recognized when the liabilities are incurred.
2. Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Major proprietary funds are the Bridge and Parks Systems. The Bridge System is used to account for three international crossings at points of entry. Usage of this fund accounts for the operation and maintenance of the international bridges and is financed primarily through user charges. The Park System accounts for the operation and maintenance of county managed beaches and is financed by user fees.

Fiduciary fund level financial statements include fiduciary funds held in a trustee or custodial capacity for parties outside the government and cannot be used to support the government's own purposes. Private purpose trust funds are trust funds restricted for external recipients and may never be used to support governmental programs as they provide specific benefits to specific beneficiaries. Custodial funds do not involve a formal trust agreement. These funds serve custodial purposes for the Tax Office and Law Enforcement Judicial Offices. The County had some custodial funds that were determined to no longer qualify as fiduciary funds (Payroll, District Clerk Fee Account, County Clerk Fee Account, and Justice of the Peace Collections Account) due to the GASB 84 implementation. The restated net position of Custodial Funds is as follows:

	Custodial Funds
Net Position, September 30, 2020, as previously reported	$ -
Changes in accounting principles	5,185,944
Net Position, September 30, 2020, as restated	$ 5,185,944

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Internal Service Fund financial statements include the administration of workers' compensation insurance, and the health and life benefits program provided to active and retired employees and their dependents. Premiums are paid into this fund from all county programs; contributions are used to pay claims, administrative costs and claims reserves

D. Assets, Deferred Outflows/Inflows, Liabilities and Net Position

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with an original maturity of 3 months or less. State statutes and the County's official Investment Policy authorize the County to invest in obligations of the U. S. Treasury, commercial paper, repurchase agreements, Bankers' acceptances, money market mutual funds and direct obligations of the State of Texas.

The County records investments at fair value in accordance with provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools as superseded by* GASB Statement No. 72, *Fair Value Measurement and Application, which took effect for reporting periods after June 15, 2015.* All investment income is recognized as revenue in the appropriate fund's statements of activity and/or statement of revenues, expenditures and changes in fund balance. Participation in First Public Lone Star Investment Pool maintains a net asset value of one dollar and its dollar-weighted average maturity is 60 days or less.

2. Receivables

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

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the Government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Receivables are shown net of allowance for uncollectible.

Property taxes are based on taxable value at January 1 prior to September 30, levied on October 1 and past due after January 31. Accordingly, receivables and revenues for property taxes are reflected on the Government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

Lending or borrowing between funds is reflected as "due to or from." Interfund activity reflected in "due to or from" is eliminated on the Government-wide statements.

3. Inventories and Prepaid items

Inventory is valued at average cost. Inventory in the General and Special Revenue Funds consists of expendable supplies held for consumption. In the General Fund, the cost is recorded as expenditure at the time the inventory items are used. In the Special Revenue Funds, inventory items expected to be used within a short period of time are recorded as expenditures at the time of purchase; other inventory items are expensed when used. Reported inventories are offset by a reservation of fund balance which indicates they do not represent "available spendable resources."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows/Inflows, Liabilities and Net Position (continued)

4. Capital Assets – Primary Government

Capital assets, which include land, buildings and improvements, equipment and infrastructure assets (e.g., roads and bridges) are reported in the Government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of $5,000 or more and useful life greater than a reporting period. Infrastructure assets include County-owned roads and bridges. Capital assets constructed or acquired by purchase are stated at historical cost. Donated capital assets are stated at their acquisition value on the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Capital assets received in a service concession arrangement are reported at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight line method over the following estimated useful lives:

ASSETS	Years
Building	40
Furniture and fixtures	5
General equipment	5
Trucks	6
Cars	6
Computer hardware	5
Infrastructure	30

5. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then.

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, 2021, deferred outflow of resources due to refunding debt was recognized under Government-wide statements of $804,306 for the primary government.

The County 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 aggregated OPEB expense for all plans totaled $1,982,520 for the fiscal year ended September 30, 2021.

The County reports deferred outflows/inflows of resources related to its pension. For the fiscal year ended September 30, 2021 pension income totaled $2,218,492 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows/Inflows, Liabilities and Net Position (continued)

6. Compensated Absences

A liability for unused vacation, holiday and compensatory time for all full time employees is calculated and reported in the Government-wide 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 Government-wide statements.

Primary Government – The County's permanent, full-time employees accrue 3.08 hours of vacation per biweekly pay period from date of employment to five years of service, 4.62 hours per pay period from 5 years to 15 years of service and 6.15 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 County employment, an employee shall be entitled to payment for total accrued but unused hours of vacation.

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

7. Unemployment and Workers' Compensation Benefits

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

8. Long-term Obligations

In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities and/or business-type activities statement of net position. Bond premiums and discounts, as well as prepaid insurance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows/Inflows, Liabilities and Net Position (continued)

9. Fund Balance and Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the Government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. For the classification of fund balances in the governmental funds, the County considers expenditures to be funded from the most restrictive category first when more than one classification is available.

In the proprietary fund financial statements and in the Government-wide financial statements, restricted net position is reported for amounts that are externally restricted by 1) creditors (e.g. bond covenants), grantors, contributors, or laws and regulations of other governments or 2) law through constitutional provision or enabling legislation.

GASB Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions* sets a hierarchy that intends to determine to what extent a government is bound to observe spending constraints governing how it spends fund balance. The fund balances of governmental funds are defined as follows:

Nonspendable – these are funds that cannot be spent because they are not in spendable form, such as inventory or prepaid items or because they must be maintained intact.

Restricted – these are funds that can be spent only for specific purposes and are subject to externally enforceable legal restrictions. Typically these restrictions are imposed by parties outside of the local government such as creditors through bond covenants, grantors and other governments through laws and regulations. All grants received by county government are classified as Special Revenue Funds with restricted usage. Capital Projects funded through debt issuance are classified as restricted through bond covenants.

Committed – these are funds that can only be used for specific purposes pursuant to constraints imposed by formal action (court order) of the government's highest level of decision-making authority. Commissioners Court adopted a policy mandating that committed amounts remain binding unless removed or rescinded by an order adopted by Commissioners Court, the governing body of the County.

Assigned – these funds are intended to be used for specific purposes as established by governing body.

Unassigned – these funds are available for any purpose.

Usage of fund balance that is available for spending is reserved to formal action approval of the government's highest level of decision making authority. Through the budget process, fund balance usage is allowed only after the Commissioners Court official approval.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows/Inflows, Liabilities and Net Position (continued)

9. Fund Balance and Flow Assumptions (continued)

	General Fund	Special Road & Bridge	2019 Certificates of Obligation	American Rescue Plan Act	Emergency Rental Assistance	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable:							
Inventory	$ 139,028	$ 22,476	$ -	$ -	$ -	$ -	$ 161,504
Prepaids	1,675,554	108,677	325	78,847	-	115,192	1,978,595
Restricted:							
Special Revenue/Grant Programs	-	11,237,440	-	-	13,818	13,977,294	25,228,552
Capital Projects	-	-	25,859,822	-	-	17,072,817	42,932,639
Reserve for Debt Service	-	-	-	-	-	4,214,143	4,214,143
Committed:	-	-	-	-	-	-	-
Pending Litigation	500,000	-	-	-	-	-	500,000
Indigent Defense	500,000	-	-	-	-	-	500,000
Equipment	471,957	-	-	-	-	-	471,957
Unassigned:	19,841,829	-	-	(75,494)	-	(63,265)	19,703,070
Total Fund Balances	$ 23,128,368	$ 11,368,593	$ 25,860,147	$ 3,353	$ 13,818	$ 35,316,181	$ 95,690,460

Fund balance flow assumptions - For the classification of fund balances in governmental funds, the County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Within unrestricted fund balance, committed amounts are allocated first followed by assigned, then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balances classifications could be used.

E. Subsequent Events

Management has evaluated subsequent events through March 30, 2022, which is the date the financial statements were available to be issued.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Recently Issued and Implement Accounting Pronouncements

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* – In May 2020, GASB issued Statement No. 95 to provide temporary relief to governments and other stakeholders, in light of the COVID-19 pandemic, by postponing the effective dates of certain provisions in the following Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements were postponed by one year:

Statement No. 83, Certain Asset Retirement Obligations
Statement No. 84, Fiduciary Activities
Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
Statement No. 90, Majority Equity Interests
Statement No. 91, Conduit Debt Obligations
Statement No. 92, Omnibus 2020
Statement No. 93, Replacement of Interbank Offered Rates
Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
Implementation Guide No. 2018-1, Implementation Guidance Update—2018
Implementation Guide No. 2019-1, Implementation Guidance Update—2019
Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements were postponed by 18 months:

Statement No. 87, Leases
Implementation Guide No. 2019-3, Leases.

The County implemented Statements No(s). 83, 88 and 90 in prior years. GASB 95 was implemented during fiscal year ended September 30, 2020 and is presented for reference purposes on the postponed pronouncements.

GASB Statement No. 84, *Fiduciary Activities* - The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The County implemented GASB 84 for the fiscal year ended September 30, 2021.

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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021. The County will implement GASB 87 in fiscal year 2022 and the impact has not yet been determined.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Recently Issued and Implemented Accounting Pronouncements (continued)

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* - The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The County implemented GASB 89 for the fiscal year ended September 30, 2021.

GASB Statement No. 91, *Conduit Debt Obligations* - The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The County will implement GASB 91 in fiscal year 2022 and the impact has not yet been determined.

GASB Statement No. 92, *Omnibus 2020* - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements The requirements of this Statement are effective for fiscal years beginning after June 15, 2021. The County will implement GASB 92 in fiscal year 2022 and the impact has not yet been determined.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* - Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021, and all reporting periods thereafter. The County will implement GASB 93 in fiscal year 2022 and the impact has not yet been determined.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* - The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The County will implement GASB 94 in fiscal year 2023 and the impact has not yet been determined.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Recently Issued and Implemented Accounting Pronouncements (continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* - provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The County will implement GASB 96 in fiscal year 2023 and the impact has not yet been determined.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* - primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The County will implement GASB 97 in fiscal year 2022 and the impact has not yet been determined.

GASB Statement No. 98, *The Annual Comprehensive Financial Report* - establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement is effective for fiscal years ending after December 15, 2021. Earlier application is encouraged. The County implemented GASB 98 for the fiscal year ended September 30, 2021.

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2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the Government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance for total governmental funds and net position as reported in the Government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the governmental funds." The details of this difference are:

Bonds payable	$	(124,126,781)
Tax note payable		(4,223,642)
Accrued interest payable		(620,501)
Capital leases payable		(1,141,572)
Deferred charges on refundings		298,314
Unamortized premium – bonds		(11,164,485)
Unamortized premium – tax note		(415,769)
SECO note payable		(2,228,141)
Deferred charge related to prepaid bond insurance cost		39,328
Net adjustment to reduce fund balance - total Government Funds to arrive at net position -Governmental activities	$	(143,583,249)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the Government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the Government-wide statement of activities. One element of that reconciliation indicates that "governmental funds report capital outlays as expenditures for County owned assets only; however, in the statement of activities, the cost of capital assets is allocated over their estimate useful lives and reported as depreciation expense." Some capital outlays are for roads not owned by the County. The details of this difference are:

Capital outlay	$	16,408,120
Depreciation expense		(15,004,084)
Net adjustment to increase net changes in fund balance - total Governmental funds to arrive at net position –Governmental activities	$	1,404,036

The issuance of long-term debt (e.g., bonds, tax notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on governmental activities net position. Also, governmental funds report the effect of insurance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. The details of this difference are:

Issuance of 2021 CO(s)	$	14,160,000
Issuance of SECO note payable		2,228,141
Principal Retirement		(11,289,758)
Premium on bonds issued		2,241,529
Amortization of bond insurance, deferred refunding and premium cost		(847,059)
Net adjustment to decrease net changes in fund balances-total Governmental funds to arrive at changes in net position of Governmental activities	$	(6,492,853)

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONT.)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the Government-wide statement of activities (cont.)

Another element of the reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this difference are:

Pension expense (income)	$	(2,218,492)
OPEB expense (income)		1,982,520
Net adjustment to increase net change in fund balances-total Governmental funds to arrive at changes in net position of Governmental activities	$	235,972

3. DEPOSITS AND INVESTMENTS

A. Deposits, Including Certificates of Deposit

The County considers account balances in demand deposit accounts and certificates of deposit with a maturity of less than three months to be cash equivalents. It is the County's policy for cash to be 105% secured by collateral valued at market or par, whichever is lower, less the amount insured by the Federal Deposit Insurance Corporation (FDIC). At September 30, 2021, the County's interest-bearing demand deposits totaled $195,435,052 and were insured by the County's depository institution at $250,000 through FDIC and collateralized for amounts above the FDIC limits by pledged securities in the County's name. Collateral amounts include coverage for demand deposits held in the County's depository for the Cameron County Health Care Funding District of $10,649,757 and Cameron County Spaceport Development Corporation of $16,069, reported in the Discretely Presented Component Units. Collateral that is pledged to the County complies with the depository contract requirements, County Investment Policy and Procedures Section 9.01 and Government Code Title 10, Chapters 2256 and 2257.

GASB72, *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 Cameron County have a determining fair value for financial reporting purposes. All investments of Cameron County have a determined net asset value per share of $1.00 per share and a dollar weighted average maturity of 60 days or less.

GASB79, *Certain External Investment Pools and Pool Participation* requires certain disclosures for an external investment pool to measure investments at amortized cost for financial reporting purposes. Cameron County's participation in investment pools does not meet the reporting criteria of this statement.

B. Investments

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

3. DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (continued)

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

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

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

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

County and District Clerks' trust funds are invested on behalf of the beneficiaries of funds held in trust in Certificates of Deposit. These investments are issued by a state or national bank domiciled in this state or a savings and loan association domiciled in this state and are guaranteed or insured by the FDIC or secured by authorized investments that have a market value of not less than the principal amount of the certificates.

Concentration of Credit Risk – In accordance with the Investment Policy, the County manages 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. Investment pools are limited to 60% of the total outstanding investment portfolio with the stipulation that no more than 35% can be held in any registered pool.

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

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3. DEPOSITS AND INVESTMENTS (CONTINUED)

C. Cash and Investments of Discretely Presented Component Units

Cash and cash equivalents

The Discretely Presented Component Units consider account balances in demand deposit accounts and certificates of deposit with a maturity of less than three months to be cash.

As of September 30, 2021, the carrying amount of CCRMA's cash, cash equivalents, and restricted cash was $17,301,773 of this total, $15,693,918 was restricted and held in various bond trustee accounts in the BNY Mellon and interest checking accounts in accordance with bond indenture agreements. The remainder $1,607,855 was held in business interest checking accounts. There is no limit on the amount CCRMA may deposit in any one institution. However, the Federal Deposit Insurance Corporation only insures up to $250,000 per institution. CCRMA is fully collateralized with pledged securities for amounts in excess of the FDIC limit for the year ended September 30, 2021.

Investments

The Discretely Presented Component Units classify certificates of deposits purchased or renewed for periods in excess of three months and money market mutual funds as investments designed to achieve a certain rate of return.

No investments meeting these criteria are reported by CCRMA; however, CCRMA does have an investment policy. CCRMA recognizes that effective cash management is good fiscal management. CCRMA's investment policy considers safety and risk of investment, while seeking to optimizing investment earnings. The purpose of the CCRMA's investment Policy is to comply with Chapter 2256 of the Government Code ("Public Funds Investment Act"), which requires the Authority to adopt a written investment policy regarding the investment of its funds and funds under its control. CCRMA's Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the Authority's funds.

Investments are under the custody of the financial officer of each component unit. Investing is performed in accordance with investment policies complying with the State Statues (Texas Government Code, Title 10, Chapter 2256 V.T.C.A. Govt. Sec. 2256 as amended by Act 1996, 74th Legislature, Chapter 402 Section 1, effective September 01, 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 cash needs.

4. RECEIVABLES

Receivables consisted of the following at September 30, 2021:

	Governmental Activities	Business-Type Activities	Total Primary Government
Accounts or trade	$ 9,239,441	$ 950,710	$ 10,190,151
Tax Receivables	7,584,570	-	7,584,570
Due from governments	1,325,265	-	1,325,265
Total gross receivables	19,214,393	950,710	20,165,103
Less: allowance for uncollectible taxes	(230,880)	-	(230,880)
Net Receivables	$ 18,983,513	$ 950,710	$ 19,934,223

As September 30, 2021, property tax receivables were reported in the Government-wide statement of net position, net of $230,880 allowance for uncollectible taxes.

5. PROPERTY TAXES

For the fiscal year ended September 30, 2021, the County adopted the 2020 tax rate of $0.436893 per $100 of taxable value as follows:

	Maintenance and Operation
General Fund	$ 0.337143
Special Road & Bridge Funds	0.046465
Total	$ 0.383608
	Interest and Sinking
Limited Tax Bonds	$ 0.047057
Capital Equipment Financing	0.006228
Total	$ 0.053285
TOTAL TAX RATE	$ 0.436893

The County is permitted by law to levy taxes for general fund, jury fund, road and bridge fund and permanent improvement fund purposes up to $0.80 per $100 of taxable value. The County collects its taxes through the Cameron County Tax Assessor-Collector's Office.

The County also collects property taxes for the City of Brownsville, Brownsville Navigation District, Cameron County Emergency Services District #1, South Texas Independent School District, Santa Rosa Independent School District, Brownsville Independent School District, La Feria Independent School District, San Benito Independent School District, Texas Southmost College, City of Combes, City of San Benito, Town of Indian Lake, City of Los Fresnos, City of Rio Hondo, City of Santa Rosa, City of Primera, City of La Feria, City of Port Isabel, City of South Padre Island, City of Laguna Vista, City of Los Indios, Town of Bayview, Point Isabel School District, Laguna Madre Water District, Santa Maria Independent School District, the Town of Palm Valley, Town of Rancho Viejo, Paseo de la Resaca 1, 2 and 3, Paseo de la Resaca District, Valley Mud District #2, Port of Harlingen and Cameron County Drainage Districts No. 1, 3 ,4 and 5. On September 21, 2021, the Cameron County Tax Assessor's Office began collections for the City of Harlingen and Harlingen Consolidated Independent School District.

Collections of the property taxes, and subsequent remittances to the proper entities, are accounted for in the Tax Assessor-Collector's Ad Valorem Tax Fund. Tax collections deposited for the County are distributed periodically to the General Fund, Debt Service Fund and Special Road and Bridge Fund. This distribution is based upon the tax rate established for each fund by order of the Commissioners' Court for the tax year for which collections are made.

Property taxes for the County are levied each October 1st, on the assessed value of the preceding January 1st, for all taxable real and personal property. Taxes are due and payable when levied. On January 1st, at the time of assessment, an enforceable lien is attached to the property for property taxes. All tax payments not received by February 1st, after the taxes are levied, are considered delinquent. All tax payments not received by July 1st, become subject to attorney collection fees, unless a payment arrangement has been made with the Tax Assessor-Collector. Property, for which taxes are delinquent, is subject to foreclosure proceedings. As required by the State Property Tax Code, appraisal values are determined by the Cameron County Appraisal District at 100% of the appraised market value.

5. PROPERTY TAXES (CONTINUED)

The Delinquent Taxes Receivable Account represents uncollected tax levies for the past twenty (20) years. The allowance for estimated uncollectible is 3.04% of the total delinquent taxes receivable at September 30, 2021. State Property Tax Code, appraisal values are determined by the Cameron County Appraisal District at 100% of the appraised market value.

The County qualifies as an Enterprise Zone under Chapter 2303 of Texas Local Government Code thus permitting County to enter into tax abatement agreements with businesses for economic development purposes subject to applicable codes, including Chapter 312 of the Texas Tax Code. County encourages business, commercial, manufacturing and industrial to locate, remain and expand in the County and offers property tax abatements to qualifying entities. The base value of real property and personal property is not eligible for abatement, only the increase in value is considered for abatement. The duration of the abatement is based on the expected economic impact of performance and proposed by the business but will not exceed ten (10) years. The agreement includes provisions for performance monitoring and recapture of property tax revenue lost if the business enterprise fails to perform as expected. Abatement requests are considered on a case-by-case basis and are based on job creation impact, revenues generation to County and importance to the community.

The County is participating in five (5) tax abatement agreements with wind farm energy project companies spanning through year ending 2031. All of the wind farm abatement agreements contain a provision for payment in lieu of taxes of $575,000 for the 10 years of the tax abatement. Other abatements approved in October 2017 were liquefied natural gas (LNG) export facilities that are under development at the Port of Brownsville. In March 2021, one of the LNG(s), Annova LNG announced that it will not proceed its plans to develop an LNG facility at the Port of Brownsville.

The LNG abatement requirement is the creation of 175 jobs with 35% hiring from within a 100 mile area. Construction duration is estimated at 52 months and payment in lieu of taxes is $400,000 per annum for 10 years. The LNG agreements provide for 100% abatement for ten (10) years and include provisions for payment in lieu of taxes and participation in community benefits agreements. Cameron County also participates in a space exploration technology abatement. Participating entities received tax abatements of $676,809 less the $590,000 payment in lieu of taxes.

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6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2021 was as follows:

Governmental Activities:	**Beginning Balance 9/30/2020**	**Additions**	**Deletions**	**Ending Balance 9/30/2021**
Non-Depreciable Capital Assets:				
Land	$ 10,956,632	$ -	$ -	$ 10,956,632
Construction in progress	14,283,903	12,755,415	(8,492,870)	18,546,448
Total Non-Depreciable Capital Assets	25,240,535	12,755,415	(8,492,870)	29,503,080
Depreciable Capital Assets:				
Buildings	142,263,038	8,099,866	-	150,362,904
Improvements other than buildings	6,195,282	133,928	-	6,329,210
Other structures	12,015,317	-	-	12,015,317
Equipment	53,744,643	3,243,296	(933,321)	56,054,618
Infrastructure	313,045,174	698,017	-	313,743,191
Total Depreciable Capital Assets	527,263,454	12,175,107	(933,321)	538,505,240
Less Accumulated Depreciation	(337,907,329)	(15,004,084)	933,321	(351,978,092)
Total Depreciable Capital Assets, net	189,356,125	(2,828,977)	-	186,527,148
Governmental Activities-Capital Assets, net	$ 214,596,660	$ 9,926,438	$ (8,492,870)	$ 216,030,228

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6. CAPITAL ASSETS (CONTINUED):

Business-type Activities: Non-Depreciable Capital Assets:	**Beginning Balance FY 2020**	**Additions**	**Deletions**	**Ending Balance FY 2021**
Land	$ 11,402,854	$ -	$ -	$ 11,402,854
Construction in progress	1,679,178	996,874	-	2,676,052
Total Non-Depreciable Capital Assets	13,082,032	996,874	-	14,078,906
Depreciable Capital Assets:				
Buildings	16,183,458	-	-	16,183,458
Improvements other than buildings	63,155,543	-	-	63,155,543
Other structures	25,325,033	35,003	-	25,360,036
Equipment	10,702,920	372,817	-	11,075,737
Total Depreciable Capital Assets	115,366,954	407,820	-	115,774,774
Less Accumulated Depreciation	(63,532,583)	(3,521,014)		(67,053,597)
Total Depreciable Capital Assets, net	51,834,371	(3,113,194)	-	48,721,177
Business-Type Activities-Capital Assets, net	$ 64,916,403	$ (2,116,320)	$ -	$ 62,800,083

For the fiscal year ended September 30, 2021, depreciation expense was charged to the functions of the primary government as follows:

Governmental activities:	
General government	$ 2,405,875
Law enforcement and public safety	3,880,026
Highways and streets	8,443,820
Health	263,374
Welfare	10,989
Total depreciation expense - governmental activities	$15,004,084
Business-type activities:	
Bridge system	$ 1,431,108
Parks system	1,830,547
Airport system & Jail commissary	259,359
Total depreciation expense - business-type activities	$ 3,521,014

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7. INTERFUND TRANSFERS, RECEIVABLES AND PAYABLES

Interfund receivables/payables consisted of the following as of September 30, 2021:

Receivable Fund	Payable Fund		Amount
General Fund	Special Road and Bridge Fund	$	27,796
	Non-major Governmental Funds		12,103,812
	Internal Service Funds		311
	Enterprise Funds		4,473,756
Special Road and Bridge Fund	General Fund		5,404
	Non-major Governmental Funds		3,580
2019 CO(s) Fund	Non-major Governmental Funds		496,121
American Rescue Plan Act Fund	General Fund		750
	Non-major Governmental Funds		1,455
Non-major Governmental Funds	General Fund		554,201
	American Rescue Plan Act Fund		109,695
	Non-major Governmental Funds		2,768,642
	Enterprise Funds		1,059,917
	Total Governmental Funds - Due from other funds		**21,605,440**
Internal Service Funds	General Fund		224,514
	Special Road and Bridge Fund		303,935
	Enterprise Funds		330,234
	Total Internal Service Funds – Due form other funds		858,683
Enterprise Funds	Non-major Governmental Funds		189,104
	Total Due from other funds		22,653,227
	Internal Service Funds (Due to other funds)		(311)
	Enterprise Funds (Due to other funds)		(5,863,906)
	Total Governmental Activities – Due to other funds	**$**	**16,789,010**

Interfund transfers for the fiscal year ended September 30, 2021 are as follows:

Transfers Out:	**General Fund**	**Special Road & Bridge Fund**	**Other Govt. Funds**	**Internal Service Funds**	**Enterprise Funds**	**Total**
General Fund	$ -	$ 100,950	$ 766,120	$ 2,694,802	$ 50,000	$ 3,611,782
Special Road and Bridge	-	-	1,006	303,935	-	304,941
Non-major Governmental Funds	7,754	-	1,283,077	-	-	1,290,831
Enterprise Funds	5,772,862	95,749	1,254,641	330,234	35,002	7,488,488
Total	$5,780,616	$ 196,699	$ 3,304,844	$ 3,328,971	$ 85,002	$12,696,132

a. The purpose of interfunds is to provide working capital on a temporary basis to non-major governmental funds while waiting to be reimbursed from the funding source of individual projects.

b. Interfund balances are all expected to be repaid within one year from the date of the financial statements.

8. COMPENSATED ABSENCES

Compensated absences are made up of time earned by employees for vacation, unused holiday and compensatory time that would be paid off if the employee leaves the County. County policy requires employees to use their vacation time in the year earned with the exception of being able to carry over a balance to the first quarter of the following year. County policy only allows compensatory time to be accrued up to 24 hours. The following shows the change in compensated absences and the balance due as of September 30, 2021.

	Governmental Activities	Business-Type Activities	Total Primary Government
Beginning balance at October 1, 2020	$ 2,888,295	$ 89,645	$ 2,977,940
Increases	2,722,337	343,039	3,065,376
Decreases	(3,079,959)	(318,621)	(3,398,580)
Ending balance at September 30, 2021	$ 2,530,673	$ 114,063	$ 2,644,736

The General Fund has typically been used to liquidate the liability for Governmental compensated absences. Business-Type Activities are compensated through each respective Enterprise Fund.

9. ENCUMBRANCES

The County uses encumbrances to control expenditure commitments throughout the year. Encumbrances represent commitments related to contracts not yet performed or purchase orders not yet filled. Encumbrances as of September 30, 2021 are as follow:

Major Governmental Funds:		
General	$	1,805,335
Special Road and Bridge	$	606,509
2019 Certificates of Obligation	$	8,305,099
American Rescue Plan Act	$	743,832
Emergency Rental Assistance	$	183,873
Internal Service Funds	$	5,839
Non-major Governmental Funds	$	8,548,340
Enterprise Funds	$	638,799

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10. CAPITAL LEASES AND INSTALLMENT PURCHASES

Cameron County entered into several capital lease agreements for the purchase of computers, software, surveillance systems, security scanners, vehicles, and heavy equipment all which are classified as equipment. At September 30, 2021 maturities, including interest at an average rate of 2.79%, are as follows:

Fiscal Year Ending September 30,	General Fund	Special Road and Bridge Fund	Enterprise Funds	Total
2022	$ 533,215	$ 471,086	$ 251,260	$ 1,255,561
2023	170,190	-	-	170,190
Total future lease payments	703,405	471,086	251,260	1,425,751
Less: interest	(21,076)	(11,843)	(6,375)	(39,294)
Net present value of future minimum lease payments	682,329	459,243	244,885	1,386,457
Less current portion of lease principal payments	(516,085)	(459,243)	(244,885)	(1,220,213)
Long-term lease payments	$ 166,244	$ -	$ -	$ 166,244

The annual general non-bonded debt principal payments for the fiscal year ended September 30, 2021 are as follows:

Changes in Capital Leases Debt	Governmental Activities	Business-Type Activities	Total Primary Government
Capital leases payable at October 1, 2020	$ 3,305,042	$ 613,506	$ 3,918,548
Debt retired	(2,163,470)	(368,621)	(2,532,091)
Capital leases payable at September 30, 2021	$ 1,141,572	$ 244,885	$ 1,386,457

No additional capital lease debt was issued for the fiscal year ended September 30, 2021.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $371,103 in financing for eight (8) vehicles and computer based equipment through the County's master lease agreement with Bank of America, N.A., at a rate of 2.4%, with three payments of $120,779, $123,678 and $126,646 payable on November, 2020 through November, 2022. Interest to be paid during the term of the lease totals $17,954.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $116,154 in financing for computer based equipment for law enforcement vehicles through the County's master lease agreement with Bank of America, N.A. at a rate of 2.29%, with three payments of $37,845, $38,711 and $39,598 payable on December, 2020 through December, 2022. Interest to be paid during the term of the lease totals $5,360.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $294,090 in financing for computer based equipment through the County's master lease agreement with Bank of America, N.A., at a rate of 3.0%, with three payments of $95,147, $98,001 and $100,942 payable on May, 2020 through April, 2022. Interest to be paid during the term of the lease totals $17,819.

10. CAPITAL LEASES AND INSTALLMENT PURCHASES (CONTINUED)

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $254,497 in financing for two (2) vehicles, law enforcement protection and computer based equipment through the County's master lease agreement with Bank of America, N.A., at a rate of 2.59%, with three payments of $82,673, $84,814 and $87,010 payable on July, 2020 through April, 2022. Interest to be paid during the term of the lease totals $13,295.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $244,784 in financing for five (5) vehicles, law enforcement protection and computer based equipment through the County's master lease agreement with Bank of America, N.A., at a rate of 2.54%, with three payments of $79,557, $81,578 and $83,649 payable on August, 2020 through April, 2022. Interest to be paid during the term of the lease totals $12,539.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $140,191 in financing for two (2) vehicles and computer based equipment through the County's master lease agreement with Bank of America, N.A., at a rate of 2.25%, with three payments of $45,694, $46,723 and $47,774 payable on September, 2020 through April, 2022. Interest to be paid during the term of the lease totals $13,959.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $100,498 in financing for two (2) vehicles and computer based equipment through the County's master lease agreement with Bank of America, N.A., at a rate of 2.47%, with three payments of $32,685, $33,493 and $34,320 payable on September, 2020 through April, 2022. Interest to be paid during the term of the lease totals $5,005.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $135,013 in financing for 3 vehicles, 1 Polaris and office and computer based equipment through the County's master lease agreement with Bank of America, N.A., at a rate of 2.59%, with three payments of $43,858, $44,995 and $46,160 payable on April, 2019 through April, 2021. Interest to be paid during the term of the lease totals $7,053. The agreement was paid in full as of September 30, 2021.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $262,103 in financing for 1 vehicle, water pumps and computer based equipment through the County's master lease agreement with Bank of America, N.A., at a rate of 2.63%, with three payments of $85,110, $87,348 and $89,645 payable on June, 2019 through June, 2021. Interest to be paid during the term of the lease totals $13,906. The agreement was paid in full as of September 30, 2021.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $664,592 in financing for 18 vehicle and software upgrade equipment through the County's master lease agreement with Bank of America, N.A., at a rate of 2.75%, with three payments of $215,549, $221,476 and $227,567 payable on August, 2019 through August, 2021. Interest to be paid during the term of the lease totals $36,883. The agreement was paid in full as of September 30, 2021.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $278,045 in financing for 5 vehicle and computer equipment through the County's master lease agreement with Bank of America, N.A., at a rate of 2.82%, with three payments of $90,116, $92,658 and $95,271 payable on September, 2019 through September, 2021. Interest to be paid during the term of the lease totals $15,827. The agreement was paid in full as of September 30, 2021.

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10. CAPITAL LEASES AND INSTALLMENT PURCHASES (CONTINUED)

Special Road & Bridge Fund Leases:

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $371,141 in financing for road and bridge heavy equipment and computer electronic equipment through the County's master lease agreement with Bank of America, N.A. at a rate of 3.0%, with three payments of $120,075, $123,678 and $127,388 payable on May, 2020 through May, 2022. Interest to be paid during the term of the lease totals $22,488.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $310,329 in financing for road and bridge heavy equipment and six (6) vehicles through the County's master lease agreement with Bank of America, N.A. at a rate of 2.49%, with three payments of $100,909, $103,422 and $105,998 payable on July, 2020 through July, 2022. Interest to be paid during the term of the lease totals $15,581.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $303,827 in financing for road and bridge heavy equipment dump truck, one (1) sandbagger and three (3) vehicles through the County's master lease agreement with Bank of America, N.A. at a rate of 2.28%, with three payments of $99,001, $101,259 and $103,567 payable on September, 2020 through September, 2022. Interest to be paid during the term of the lease totals $13,959.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $358,100 in financing for road and bridge heavy equipment Freightliner and two (2) backhoe loaders through the County's master lease agreement with Bank of America, N.A. at a rate of 2.47%, with three payments of $116,466, $119,343 and $122,291 payable on September, 2020 through September, 2022. Interest to be paid during the term of the lease totals $17,834.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $627,719 in financing for road and bridge heavy equipment 4 tractors and one (1) vehicle through the County's master lease agreement with Bank of America, N.A. at a rate of 2.70%, with three payments of $203,691, $209,190 and $214,838 payable on May, 2019 through May, 2021. Interest to be paid during the term of the lease totals $34,198. The agreement was paid in full as of September 30, 2021.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $304,900 in financing for road and bridge heavy equipment, one (1) vehicle and computer related equipment through the County's master lease agreement with Bank of America, N.A. at a rate of 2.75%, with three payments of $98,889, $101,608 and $104,403 payable on August, 2019 through August, 2021. Interest to be paid during the term of the lease totals $16,921. The agreement was paid in full as of September 30, 2021.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $474,202 in financing for road and bridge heavy equipment through the County's master lease agreement with Bank of America, N.A. at a rate of 2.82%, with three payments of $153,692, $158,027 and $162,483 payable on September, 2019 through September, 2021. Interest to be paid during the term of the lease totals $26,993. The agreement was paid in full as of September 30, 2021.

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10. CAPITAL LEASES AND INSTALLMENT PURCHASES (CONTINUED)

Enterprise Fund Leases:

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $237,773 in financing for County Parks equipment, one (1) dump truck, one (1) tractor and electronic toll equipment through the County's master lease agreement with Bank of America, N.A. at a rate of 2.87% with three payments of $77,026, $79,237 and $81,510 payable on May, 2020 through May, 2022. Interest to be paid during the term of the lease totals $13,777.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $188,517 in financing for County Parks equipment, three (3) dump truck, one (1) tractor and computer related equipment through the County's master lease agreement with Bank of America, N.A. at a rate of 2.47% with three payments of $61,312, $62,827 and $64,378 payable on September, 2020 through September, 2022. Interest to be paid during the term of the lease totals $9,389.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $289,888 in financing for County International Toll Bridge equipment, two (2) vehicles and generator equipment through the County's master lease agreement with Bank of America, N.A. at a rate of 2.47% with three payments of $94,281, $96,610 and $98,997 payable on September, 2020 through September, 2022. Interest to be paid during the term of the lease totals $14,437.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $112,408 in financing for County Parks equipment, two (2) vehicles and computer related equipment through the County's master lease agreement with Bank of America, N.A. at a rate of 2.82% with three payments of $36,432, $37,460 and $38,516 payable on September, 2019 through September, 2021. Interest to be paid during the term of the lease totals $6,399. The agreement was paid in full as of September 30, 2021.

Cameron County entered into an agreement with Bank of America, N.A. dated October 1, 2016 to provide $139,192 in financing for County Bridge System equipment, one (1) vehicle and computer related equipment through the County's master lease agreement with Bank of America, N.A. at a rate of 2.82% with three payments of $45,113, $46,385 and $47,694 payable on September, 2019 through September, 2021. Interest to be paid during the term of the lease totals $7,923. The agreement was paid in full as of September 30, 2021.

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11. NOTE PAYABLE – STATE ENERGY CONSERVATION OFFICE (SECO) LOAN

On October 15, 2019, Cameron County entered into an agreement with the Texas Comptroller of Public Accounts, through its State Energy Conservation Office (SECO) to provide financing for: 1) Lighting retrofit and controls, 2) HVAC/Controls for the Mary Lucio building, 3) HVAC/Controls for the Darrell Hester building, 4) HVAC and Controls for the San Benito building, 5) HVAC and Controls for the Browne Clinic, and a Utility Assessment Report. The amount financed totaled $2,228,141 to be paid in quarterly payments of $75,521.79 from November 2021 through August 2029 at rate of 2% per annum. The total outstanding principal and interest payable as of September 30, 2021 are as follows:

Year Ending September 30,	Principal	Interest	Total
2022	$ 259,462	$ 42,625	$ 302,087
2023	264,691	37,397	302,088
2024	270,024	32,063	302,087
2025	275,465	26,622	302,087
2026	281,016	21,071	302,087
2027-2029	877,483	28,779	906,262
Subtotal	2,228,141	188,557	2,416,698
Less current maturities	(259,462)	(42,625)	(302,087)
Long-term	$ 1,968,679	$ 145,932	$ 2,144,611

12. LONG-TERM DEBT

The following represents the activity of the long-term debt for FY2021:

	September 30, 2020 Balance	Additions	Reductions	September 30, 2021 Balance
Governmental Activities:				
Bonds and tax notes, net of unamortized premium	$ 133,588,757	$ 14,160,000	$ (7,818,080)	$ 139,930,677
Capital leases	3,305,042	-	(2,163,470)	1,141,572
SECO note payable	-	2,228,141	-	2,228,141
Compensated absences	2,888,295	2,722,337	(3,079,959)	2,530,673
Total	$ 139,782,094	$ 19,110,478	$ (13,061,509)	$ 145,831,063
Business-Type Activities:				
Bonds and tax notes, net of unamortized premium	$ 36,172,503	$ -	$ (2,525,776)	$ 33,646,727
Capital leases	613,506	-	(368,621)	244,885
Compensated absences	89,645	343,039	(318,621)	114,063
Total	$ 36,875,654	$ 343,039	$ (3,213,018)	$ 34,005,675

12. LONG-TERM DEBT

A. Tax Notes

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 and Cameron County Park System received proceeds of $318,075 from this issuance.

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.

Tax notes payable as of September 30, 2021 are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 976,110	$ 186,779	$ 78,890	$ 15,096	$ 1,055,000	$ 201,875
2023	1,026,997	136,702	83,003	11,048	1,110,000	147,750
2024	1,082,511	83,964	87,489	6,786	1,170,000	90,750
2025	1,138,024	28,451	91,976	2,299	1,230,000	30,750
	4,223,642	435,896	341,358	35,229	4,565,000	471,125
Unamortized Premium	415,769	-	-	-	415,769	-
Net Total	$ 4,639,411	$ 435,896	$ 341,358	$ 35,229	$ 4,980,769	$ 471,125

Enterprise Fund Tax Notes:

Tax notes issued by Cameron County which will be paid by the International **Toll Bridge System** including interest payments are as follows:

Year Ending September 30,	Principal	Interest	Total
2022	$ 23,846	$ 4,563	$ 28,409
2023	25,089	3,340	28,429
2024	26,445	2,051	28,496
2025	27,801	695	28,496
Total	$ 103,181	$ 10,649	$ 113,830

12. LONG-TERM DEBT (CONTINUED)

A. Tax Notes (continued)

Tax notes issued by Cameron County which will be paid by the **Cameron County Parks System** including interest payments are as follows:

Year Ending September 30,		Principal		Interest		Total
2022	$	55,044	$	10,533	$	65,577
2023		57,914		7,708		65,622
2024		61,044		4,735		65,779
2025		64,175		1,604		65,779
Total	$	238,177	$	24,580	$	262,757

B. General Obligation and Certificate of Obligation Bonds

Bonded debt of the County consists of various issues of General Obligation Bonds, Certificates of Obligation and Revenue Bonds issued for both governmental and business type activities. General Obligation Bonds and Certificates of Obligation are direct obligations of the County with the County's full faith and credit pledged towards the payment of these obligations. General Obligation Bonds and Limited Refundings are issued upon approval by the public at open elections. Certificates of Obligation are issued by the order of Commissioners' Court as pursuant to the general laws of the State of Texas, particularly the Certificates of Obligation Act, Subchapter C of Chapter 271, Texas Local Government Code.

Debt service is paid from ad valorem taxes. Revenue bonds are generally payable from the pledged revenue generated by the respective activity for which the bonds are issued.

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12. LONG-TERM DEBT (CONTINUED)

B. General and Certificates of Obligation Bonds (continued)

The debt service requirements for the government's bonds outstanding as of September 30, 2021 are as follows:

Year Ending	Governmental Activities Bonds		Business-Type Activities Bonds		Total Primary Government Bonds	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 8,520,803	$ 4,736,759	$ 2,709,198	$1,212,822	$ 11,230,001	$ 5,949,581
2023	7,479,211	4,450,508	2,435,788	1,119,302	9,915,999	5,569,810
2024	7,454,735	4,171,064	2,535,265	1,015,238	9,990,000	5,186,302
2025	7,764,340	3,865,909	2,645,660	906,138	10,410,000	4,772,047
2026	7,173,437	3,561,037	2,701,563	793,134	9,875,000	4,354,171
2027-2031	35,349,255	13,400,400	10,320,745	2,625,218	45,670,000	16,025,618
2032-2036	30,555,000	6,466,131	7,415,000	833,775	37,970,000	7,299,906
2037-2041	16,720,000	1,923,525	-	-	16,720,000	1,923,525
2042-2046	2,525,000	537,500	-	-	2,525,000	537,500
2047	585,000	29,250	-	-	585,000	29,250
	124,126,781	43,142,083	30,763,219	8,505,627	154,890,000	51,647,710
Unamortized Premium	11,164,485	-	2,542,150	-	13,706,635	-
Net Total	$ 135,291,266	$ 43,142,083	$ 33,305,369	$ 8,505,627	$ 168,596,635	$ 51,647,710

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12. LONG-TERM DEBT (CONTINUED)

B. General Obligation and Certificate of Obligation Bonds (continued)

Bonds and certificates of obligation payable were comprised of the following individual issues at September 30, 2021:

	Outstanding Balance September 30, 2021	Less Current Maturities (to be paid in FY 2021-2022)	Long-Term Maturities September 30, 2022
$9,610,000 Limited Tax Refunding Bonds, Series 2012 Due in annual principal installments of $120,000 to $1,080,000 through February 15, 2025, plus interest at rates ranging from 2.0% to 3.5%., for debt service savings and to pay cost of issuance of the bond.	$ 3,785,000	$ 1,045,000	$ 2,740,000
$16,500,000 Certificates of Obligation, Series 2014 due in annual principal installments of $410,000 to $1,175,000 through February 2034, plus interest at rates ranging from 2.0% to 4.5%, for capital projects and Improvements to County Facilities.	12,070,000	735,000	11,335,000
$18,100,000 Limited Tax Refunding, Series 2015 due in annual principal installments of $415,000 to $2,065,000 through February 2028, plus interest at rates ranging from 3.0% to 5.0%, for debt service savings and to pay issuance costs.	12,820,000	1,700,000	11,120,000
$16,260,000 Certificates of Obligation, Series 2016A due in annual principal installments of $350,000 to $1,220,000 through February 2036, plus interest at rates ranging from 2.0% to 5.0%, for debt service savings and to pay issuance costs.	13,690,000	670,000	13,020,000
$21,160,000 Certificates of Obligation, Series 2016B due in annual principal installments of $400,000 to $1,615,000 through February 2036, plus interest at rates ranging from 2.0% to 5.0%, for debt service savings and to pay issuance cost.	17,970,000	870,000	17,100,000
$11,415,000 Certificates of Obligation, Series 2017 due in annual principal installments of $455,000 to $870,000 through February 2038, plus interest at rates ranging from 2.0% to 4.0%, for debt service savings and to pay issuance costs.	10,960,000	465,000	10,495,000
$5,510,000 Limited Tax Refunding Bonds, Series 2017 due in annual principal installments of $610,000 to $785,000 through February 2028, plus interest at rates ranging from 2.0% to 4.0%, for debt service savings and to pay issuance costs.	4,900,000	625,000	4,275,000

12. LONG-TERM DEBT (CONTINUED)

B. General Obligation and Certificate of Obligation Bonds (continued)

Bonds and certificates of obligation payable were comprised of the following individual issues at September 30, 2021:

	Outstanding Balance September 30, 2021	Less Current Maturities (to be paid in FY 2021-2022)	Long-Term Maturities September 30, 2022
$10,000,000 Venue Tax Revenue Bonds, Series 2017 due in annual principal installments of $195,000 to 360,000 through August 2047, plus interest at rates ranging from 2.0% to 4.0%, for debt service savings and to pay issuance costs.	9,120,000	205,000	8,915,000
$40,085,000 Certificates of Obligation, Series 2019 due in annual principal installments of $ 500,000 to 2,915,000 through February 2039, plus interest at rates ranging from 2.0% to 5.0%, for capital improvements and to pay issuance costs.	38,235,000	1,400,000	36,835,000
$17,865,000 Limited Tax Refunding Bonds, Series 2019 due in annual principal installments of $235,000 to 3,075,000 through Feb. 2031, plus interest at rates ranging from 1.831% to 2.893%, for debt service savings and to pay issuance costs.	17,180,000	3,075,000	14,105,000
$14,160,000 Certificates of Obligation, Series 2021 due in annual principal installments of $440,000 to $975,000 through Feb. 2031, plus interest at rates ranging from 3.00% to 5.00%, for debt service savings and to pay issuance costs.	14,160,000	440,000	13,720,000
Total Debt	154,890,000	11,230,000	143,660,000
Unamortized premium	13,706,635		
Net Total Debt	$168,596,635	$ 11,230,000	$143,660,000

Cameron County issued $14,160,000 Certificates of Obligation, Series 2021 dated August 11, 2021 to pay for contractual obligations to be incurred in connection with the design, planning, acquisition, construction, equipping, expansion, repair and/or renovation public property, specifically being improvements to County parks including improvements at 1) Laguna Heights Park, 2) Laureles Park, and 3) Isla Blanca Park, and related parks department administration facility; improvements to County Tax offices including the 4) County Southmost Tax Office and the 5) San Benito Tax Office; the 6) County Airport entrance and hangar improvements, and 7) County Roads; and to pay issuance costs of Certificates. This issuance had a premium of $2,241,529 and an underwriter's discount of $79,465. The annual interest rates range from 3% to 5%. Interest accrues semiannually and the bonds mature in fiscal year 2041.

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12. LONG-TERM DEBT (CONTINUED)

B. General Obligation and Certificate of Obligation Bonds (continued)

Cameron County issued $40,085,000 Certificates of Obligation, Series 2019 dated August 15, 2019 to pay for contractual obligations to be incurred in connection with the design, planning, acquisition, construction, equipping, expansion, repair and/or renovation of 1) Dancy Courthouse; 2) County adult and juvenile probation offices; 3) Sheriff's Office; 4) County Father O'Brien Clinic; 5) County Satellite building; 6) Repairs and improvements to County Toll Bridges including the future Flor de Mayo; 7) Construction and repair of county roads including equipment and right of way needed; 8) County parks and related improvements; and to pay costs of issuance costs of Certificates. This issuance had a premium of $5,888,376. The annual interest rates range from 2.0% to 5.0%. Interest accrues semiannually and the bonds mature in fiscal year 2039.

Cameron County issued $11,415,000 Certificates of Obligation, Series 2017 dated October 3, 2017 to pay for contractual obligations to be incurred in connection with the 1) planning, acquisition, construction, equipping, expansion, repair and/or renovation of County public works precinct warehouses and County public works department facilities, including equipment, 2) repairs and improvements to Probation/Detention facilities; 3) land on South Padre Island for park purposes, 4) acquisition of property for County warehouse and administration facilities and parking, and 5) payment of costs of issuance of the Certificates. This issuance had a premium of $793,035. The annual interest rates range from 2.0% to 4.0%. Interest accrues semiannually and the bonds mature in fiscal year 2038.

Cameron County issued $5,510,000 Limited Tax Refunding, Series 2017 dated October 3, 2017 to pay for the purpose of providing for the payment of a settlement agreement related to and in complete satisfaction of certain litigation of the County and the payment of costs of issuance of the Bonds. This issuance had a premium of $565,283. The annual interest rates range from 2.0% to 4.0%. Interest accrues semiannually and the bonds mature in fiscal year 2028.

Cameron County issued $10,000,000 Venue Tax Revenue Bonds, Series 2017 dated October 17, 2017 to pay for the purpose of providing for the payment the renovation, planning, acquisition, development, construction, equipment and expansion of the Sea and Space Amphitheater, the South Texas Eco-Tourism Center and any related infrastructure and the payment of costs of issuance of the Bonds. The voters of Cameron County approved these two Venue propositions and authorized the County to levy Venue taxes to secure payment of these Bonds. Taxes approved for tax levy consist of a) 2.0% hotel occupancy tax (except in the City of South Padre Island where a .5% tax exists) and b) 5.0% tax on the rental of short term vehicles. This issuance had a premium of $910,680. The annual interest rates range from 2.0% to 4.0%. Interest accrues semiannually and the bonds mature in fiscal year 2047.

Cameron County issued $16,260,000 Certificates of Obligation, Series 2016A dated September 1, 2016 to pay for contractual obligations to be incurred in connection with the design, planning, acquisition, construction, equipping, expansion, repair and/or renovation of 1) Dancy Courthouse, including Terra Cotta; 2) Wells Fargo Building for County offices; 3) County IT Center relocation; 4) Vehicle Maintenance Building; 5) Precinct offices and warehouses; 6) Judicial and Administrative facilities renovation; 7) County Jail; 8) Darrell Hester Facility; 9) County buildings roof repair/replacement; 10) Rural street lights and to pay costs of issuance costs of Certificates. This issuance had a premium of $2,403,962. The annual interest rates range from 2.0% to 5.0%. Interest accrues semiannually and the bonds mature in fiscal year 2036.

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12. LONG-TERM DEBT (CONTINUED)

B. General Obligation and Certificate of Obligation Bonds (continued)

Cameron County issued $21,160,000 Certificates of Obligation, Series 2016B dated September 1, 2016 for the purpose of providing for the payment of contractual obligations to be incurred in connection with the design, planning, acquisition, construction, equipping, expansion, repair, and/or renovation of County Parks, including Isla Blanca Park, Andy Bowie Park, EK Atwood Park, Olmito Community Park and to pay costs of issuance of the Certificates. This is a debt obligation issued by Cameron County utilizing county long term borrowing power that will be paid by Cameron County Parks System, a business-type activity fund. This Obligation was issued by Cameron County and is listed as County debt and in the Enterprise Fund Debt Obligation as County Park's activity will fulfill this obligation. This issuance had a premium of $3,390,116. The annual interest rates range from 2.0% to 5.0%. Interest accrues semiannually and the bonds mature in fiscal year 2036.

Cameron County issued $16,500,000 Certificates of Obligation, Series 2014 dated March 13, 2014 to pay for contractual obligations to be incurred in connection with the design, planning, acquisition, construction, equipping, expansion, repair and/or renovation of certain public property specifically improvements/rehabilitation to the judicial courthouse, the Sheriff's building, Dancy Courthouse, Carrizales Rucker Detention Center, BISD acquired buildings, Joe G Rivera and Aurora de la Garza building and replacement of Old County Jail cell doors. Construction projects included courtrooms at the Detention Center and improvements or construction of a new animal shelter and rehabilitation/improvements to County roads. Interest accrues semiannually and the bond mature in fiscal year 2034.

Cameron County issued $23,570,000 Certificates of Obligation, Series 2011 dated June 9, 2011 to pay for contractual obligations to be incurred in connection with the design, planning, acquisition, construction, equipping, expansion, and/or renovation of certain public property, specifically being the roof renovations/replacements at Detention Center 1 and 2 and other County buildings, as well as terra cotta improvements at the Dancy Courthouse; air condition units or a chiller system for the Carrizales Rucker Detention Center, County Jail shower replacements; County Sheriff's Office chiller system; improvements to the old County Jail, Lucio Clinic renovation; Judicial Courthouse improvements and County Judicial computer system software; expansion costs for the Veteran's Trade Bridge; planning, traffic and revenue studies, schematic and environmental studies for the future Flor de Mayo Bridge; sidewalk and canopy improvements at the Gateway International Bridge; toll collection system upgrade for the international bridge system; acquisition of land and construction of a County Annex Building in Los Fresnos; acquisition of land and construction of a Community Center in Olmito; street light infrastructure improvements; improvements at the Pedro "Pete" Benavides County Park and Browne Road Social Service Center; constructing road improvements including improvements to Primera Road, San Jose Ranch Road, Old Alice Road, Vermillion Road, the U.S. 77 Parallel Corridor Project; acquisition of the Pacheco Building across the Dancy Courthouse and renovations to said building; improvements to the Laiseca Store Building and the payment of contractual obligations for professional services in connection with such projects (including, but not limited to, architectural and engineering); and to pay costs of issuance of the Certificates. Capital improvement costs for the International Toll Bridge System are $4,494,000 and this business activity debt is recognized in the Enterprise Fund Debt Obligation. Cameron County utilized long term borrowing for debt financed capital improvements for proprietary funds for the International Toll Bridge and Parks System. This issuance had a premium of $531,156. The annual interest rates range from 2.0% to 5.0%. Interest accrues semiannually and the bonds mature in fiscal year 2031. This issuance was refunded with the issuance of the Cameron County Limited Tax Refunding Series 2019 in the amount of $17,865,000. The remaining balance of $1,165,000 of Series 2011 was paid off in FY2021 and the debt was extinguished.

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12. LONG-TERM DEBT (CONTINUED)

B. General Obligation and Certificate of Obligation Bonds (continued)

Enterprise Fund Debt Obligation:

Certificates of Obligations issued by Cameron County for capital improvements of **International Toll Bridge** which will be paid by this Enterprise Fund including interest payments as follows:

YEAR ENDING SEPTEMBER 30,	PRINCIPAL	INTEREST	TOTAL
2022	$ 1,093,337	$ 242,574	$ 1,335,911
2023	866,494	212,020	1,078,514
2024	901,250	175,553	1,076,803
2025	939,579	131,142	1,070,721
2026	949,585	97,420	1,047,005
2027-2031	2,737,894	143,183	2,881,077
TOTAL	$ 7,488,139	$ 1,001,892	$ 8,490,031

Certificates of Obligations issued by Cameron County for capital improvements of **Cameron County Parks System** which will be paid by this Enterprise Fund including interest payments as follows:

YEAR ENDING SEPTEMBER 30,	PRINCIPAL	INTEREST	TOTAL
2022	$ 1,615,860	$ 970,247	$ 2,586,107
2023	1,569,294	970,281	2,476,575
2024	1,634,015	839,686	2,473,701
2025	1,706,082	768,996	2,475,078
2026	1,751,979	695,714	2,447,693
2027-2031	14,997,850	3,315,810	18,313,660
TOTAL	$ 23,275,080	$ 7,497,734	$ 30,772,814

C. Advanced Refunding and Defesed Debt

Cameron County issued $17,865,000 Limited Tax Refunding bonds, Taxable Series 2019 dated October 1, 2019 for the purpose of refunding currently outstanding obligations of the County, to achieve debt service savings and to pay costs related to the issuance of the Bonds. This Refunding consists of Series 2011 $23,570,000 Certificates of Obligation and Series 2011 $5,560,000 Refunding. The amount of the Refunded Bonds were Certificates of Obligation Series 2011 $15,115,000 and Limited Tax Refunding Bonds, Series 2011 $1,660,000. Net proceeds received were $17,597,860, issuance costs of $168,417, underwriter's discount of $95,873 and net present value savings of $1,135,126 were realized through this issuance. Remaining Series 2011 Certificates and Series 2011 Refunding Obligations will be fulfilled in FY21. The net proceeds from the issuance of the Limited Tax Refunding Bonds, Series 2019 have been deposited with the Bank of New York Mellon Trust Company, N.A., the "Escrow Agent", pursuant to the Escrow Agreement between the Issuer and Escrow Agent. Investments are authorized for purchase of obligations of the United States and obligations of agencies or instrumentalities of the United States. By the deposit of the Federal Securities and cash with Escrow Agent pursuant to Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and

12. LONG-TERM DEBT (CONTINUED)

C. Advanced Refunding and Defesed Debt (continued)

interest on the Refunded Obligations. The Refunded Obligations are deemed as no longer being outstanding except for the purpose of being paid from the funds held in the Escrow Fund with the Escrow Agent.

On March 3, 2015 Cameron County issued $18,100,000 Limited Tax Refunding Bonds, Series 2015 for the purpose of refunding certain obligations of the county. Obligations refunded were Unlimited Tax Road Bonds, Series 2005 $525,000, Certificates of Obligation, Series 2007 $5,645,000, Certificates of Obligations, Series 2008 $10,490,000 and Unlimited Tax Road Bonds, Series 2008 $1,675,000 with interest rates ranging from 3.00% to 5.00%. The Bonds were sold for a purchase price of $20,339,119 representing the principal amount of the Bonds of $18,100,000 (which is less than the principal refunded bonds of $18,345,000), plus a premium of $2,338,519, less an Underwriters' discount of $99,399. County's contribution of $177,529 and issuance costs, paying and escrow agent fees accounted for a total of $20,332,410 being deposited with Escrow Agent into the Escrow Fund in accordance with Escrow Agreement. This refunding resulted in a net present value savings of $1,587,781 and a gross savings of $1,903,134.

The net proceeds of $20,332,410 have been verified and deposited pursuant to Escrow Agreement. Accuracy and sufficiency of such amounts as deposited has been confirmed by Financial Advisor and investments are to be made only in U.S. Treasury Securities and obligations of agencies or instrumentalities of the United States. Pursuant to the Escrow Agreement these refunded obligations are no longer outstanding or unpaid.

On June 07, 2012, the County Issued Limited Tax Refunding Bonds Series 2012 in the amount of $9,610,000 with interest rates ranging from 2.0% to 3.5%. The proceeds were used to refund $6,635,000 of outstanding Certificates of Obligation, Series 2005 and $2,420,000 outstanding Certificates of Obligation, Series 2004, with interest rates ranging from 2.0% - 4.5%. The 2012 refunding bonds carried an initial principal amount of $9,610,000 but were sold at a net premium of $437,592. After the County contributed $59,498 and after paying issuance cost, insurance premium, and underwriting fees of $241,518 the net proceeds were $9,865,572.

The net proceeds from the issuance of the Limited Tax Refunding Bonds, Series 2012 have been deposited in the Escrow Fund to refund the Refunded 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 September 1, 2012 between the Issuer and the Escrow Agent. All investments are to be made only in U.S. Treasury Securities and all such receipts will be applied to the payment of principal of and interest on the Refunded Obligations or will be held uninvested as cash in the Escrow Fund until the next date for payment of interest on the Refunded Obligations. The advance refunding has met the requirements of an in-substance debt defeasance and the Refunded Obligations are deemed to have been fully paid and no longer outstanding, except for the purpose of receiving payments from the deposited bond proceeds and any cash held for such purpose by the Escrow Agent for the Refunded Obligations and such Refunded Obligations will not be deemed as being outstanding obligations of the County payable from taxes nor for the purpose of applying any limitation on the issuance of debt.

The purpose of this Refunding was to restructure debt service payments, to obtain net present value savings of $576,928 and for the payment of related Refunding Bond issuance costs.

On June 1, 2011 the County issued Limited Tax Refunding Bonds, Series 2011 in the amount of $5,560,000 to refund the Certificates of Obligation, Series 2002, Unlimited Tax Road Bonds, Series 2002 and the Certificates of Obligation, Series 2004, in the amounts of $4,910,000, $675,000 and $50,000, respectively. The 2011 refunding bonds carried an initial principal amount of $5,560,000 but were sold at a net premium of $398,122 with accrued interest of $17,849. After the County contributed $99,707 and after paying issuance cost of $157,137 and $17,849 of accrued interest, the net proceeds were $5,918,541. This issuance was refunded through the Cameron County Limited Tax Refunding Series 2019 which were issued dated October 1, 2019.

12. LONG-TERM DEBT (CONTINUED)

C. Advanced Refunding and Defesed Debt (continued)

The net proceeds from the issuance of the Limited Tax Refunding Bonds, Series 2011 have been deposited in the Escrow Fund to refund the Refunded 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 June 1, 2011 between the Issuer and the Escrow Agent. All investments are to be made only in U.S. Treasury Securities and all such receipts will be applied to the payment of principal of and interest on the Refunded Obligations or will be held uninvested as cash in the Escrow Fund until the next date for payment of interest on the Refunded Obligations. The advance refunding has met the requirements of an in-substance debt defeasance and the Refunded Obligations are deemed to have been fully paid and no longer outstanding, except for the purpose of receiving payments from the deposited bond proceeds and any cash held for such purpose by the Escrow Agent for the Refunded Obligations and such Refunded Obligations will not be deemed as being outstanding obligations of the County payable from taxes nor for the purpose of applying any limitation on the issuance of debt. The purpose of this Refunding was to restructure debt service payments, net present value savings of $140,086 and for the payment of related Refunding Bond issuance costs. The remaining balance of $1,600,000 of Refunding Series 2011 was fully paid in FY 2021 and the debt was extinguished.

13. OPERATING LEASES/RENTALS

Cameron County is committed under various leases for office space, vehicles, land and equipment. These leases are considered operating leases. Lease expenditures for real estate space were $372,887 and equipment rental paid was $459,308 for the year ended September 30, 2021. All operating leases contain cancellation clauses, making the leases subject to cancellation upon non-appropriation of public funds.

Cameron County Commissioners' Court entered into an agreement with Time Warner Cable Enterprises LLC to provide multi-channel video services for the tenants renting in the Isla Blanca Park. The initial term of the agreement is for five years commencing April 9, 2015. The term was automatically renewed after April 8, 2020. As of September 30, 2021 the monthly fee is equivalent to $8.11 (plus tax) per unit costing $4,557 per month. TWC may not increase the monthly fee during the first two years; thereafter monthly rates may increase at any time upon 30 day notice to Cameron County. Rate increases shall not exceed 3% during any calendar year.

14. RISK MANAGEMENT

The County is exposed to various risks of loss relating to general liability, the accidental risk of loss of real and personal property, damage to County assets, errors and omissions, and personal risks which relate to workers' compensation. The County implements a number of risk strategies such as participating in risk pools, purchasing commercial insurance, self-insurance with specific and aggregate stop-loss insurance, and full self-insurance to manage those listed risks. Amounts of coverage for these types of risk have not been subject to a significant reduction in the current year. The County purchases $500,000 in coverage for public employee theft, forgery or alteration, fraud and dishonesty blanket bond through Massachusetts Bay Insurance Company.

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14. RISK MANAGEMENT (CONTINUED)

A. Workers' Compensation Insurance

The County is self-insured for Workers Compensation Insurance administered by the Deep East Texas Self Insurance Fund. Deep East's Workers Compensation Insurance Program provides medical and indemnity payments, as required by law, for job related injuries up to the State's statutory limits. The annual premium for workers' compensation is determined by position class codes, times an experience modification factor of 1.30, and set a 3-year contracted annual fixed price of $550,957, not subject to a yearly audit. The County is also a member of the TAC risk pool for automobile and general liability.

The following is a schedule of premiums paid and claims incurred:

Calendar Year	Workers' Compensation Insurance Premium Paid	Workers' Compensation Insurance Claims Paid	Claims (Over) Under Premium Paid
2017	$ 328,194	$ 280,450	$ 47,744
2018	$ 312,250	$ 283,438	$ 28,812
2019	$ 291,156	$ 357,885	$ (66,729)
2020	$ 550,957	$ 279,369	$ 271,588

B. Other Insurance

The County is also a member of a risk pool for automobile, general liability, and property and casualty insurance. As a member of the pool, the County would incur a liability only if the pool's operations become insolvent. General liability policy and automobile liability policy have a plan anniversary date of July 1st. The following are the coverage limits of the policies:

C. Automobile Liability Coverage

Bodily Injury	Property Damage	Personal Injury Protection
$100,000 per person	$100,000 per occurrence	$5,000 per person
$300,000 per occurrence		
-Coverage for County-owned vehicles		-Coverage for non-owned and hired vehicles
-Personal injury protection for specified vehicles		-Limited Mexico coverage
		-The deductible is $1,000 per occurrence.

The annual premium is $202,342 for automobile liability and $80,880 for automobile physical damage for the period July 1, 2021 through July 1, 2022. Insurance premium provides coverage for 728 vehicles including utility trailers and enclosed trailers. No settlements exceeded insurance coverage during the past three years.

D. Comprehensive General Liability Coverage

Bodily Injury	Property Damage	Employee Benefits	Personal and Adv. Injury Liability
$100,000 per person	$100,000 per occurrence	$500,000 per occurrence	$500,000 per person
$300,000 per occurrence			$500,000 per offense aggregate

The deductible is $5,000 per occurrence. The annual premium is $62,559 for the period July 1, 2021 through July 1, 2022. No settlements exceeded insurance coverage during the past three years.

14. RISK MANAGEMENT (CONTINUED)

E. Property and Casualty Coverage

The property and casualty insurance covers buildings, structures, and personal property, including coverage extensions for earth movement, flood, account receivables, valuable records, demolition, increased costs of construction, transit, business interruption, mobile equipment, builder's risk, and loss of income. Specifically excluded is coverage for fine arts, physical damage to owned automobiles and leasehold interests. Each type of asset covered has specific liability limits and deductibles.

F. Employee Health and Life Benefits

On May 1, 1989, Cameron County established a limited risk management program for health and life benefits provided to active and retired employees and their dependents. Premiums are paid into the Internal Service Fund (Health and Life Benefits Fund) by all funds through payroll contributions and are available to pay claims, administrative costs, and claims reserves. Administrative costs include the cost of individual stop loss insurance ($200,000 per insured) and aggregate stop loss insurance (determined by the monthly number of insured lives, at a specified dollar value times twelve), as well as fees charged by a Third Party Administrator (TPA).

Premiums are based upon coverage for the defined fixed administrative fees and the per capita costs of anticipated aggregate health care spending for the upcoming year. Medical costs increased by 0.14% when compared to FY2020 levels and premium contributions decreased by 9.86%. Historically the most significant increases have been in pharmaceutical expenses. The majority of the County's employee population is predominately male and the dependent coverage is predominately female with an average of between 25 to 41 years of age.

Cameron County continues to promote Wellness Plans and Preventative Care by annual screenings, physical exams and health fairs. Currently, the Fund's board is examining program saving measures, greater participation of the plan users, and alternate plans for provision of service to insure the financial well-being of the program as well as maintaining the ability to provide the level of care desired by the County and increasing the county contribution for all employees. In FY 2021 a transfer of $3,328,971 was needed from General Fund, Special Road & Bridge and Enterprise Funds to meet medical obligations. This was an increase from FY 2020 when a transfer of $1,868,860 was needed to meet medical obligations. County contributions to the self-funded Health Insurance Fund was increased in FY 2021 to $7,800 per employee in efforts to reach a better funding level based on medical trends.

During fiscal year 2021, a total of $15,497,139 was paid in benefits and $1,697,351 was paid in administrative costs. Estimated claims payable, based upon claims filed and estimated unfiled claims at year end, totaled $1,016,576 as of September 30, 2021. Changes in the balances of claims liabilities during the past three years follow:

	Fiscal Year 2021-2020	Fiscal Year 2020-2019	Fiscal Year 2019-2018
Unpaid claims, beginning of fiscal year	$ 1,217,666	$ 903,284	$ 301,843
Incurred claims (including incurred but not reported)	15,296,049	15,790,516	14,381,007
Payments of claims	(15,497,139)	(15,476,134)	(13,779,566)
Unpaid claims, end of fiscal year	$ 1,016,576	$ 1,217,666	$ 903,284

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14. RISK MANAGEMENT (CONTINUED)

G. Public Officials and Law Enforcement Liability

The County self-insures its activities that are normally covered with public officials (errors and omissions) insurance and law enforcement liability insurance. Lawsuits involving wrongful termination, sexual harassment, and breach of' contract are typically covered through Public Officials Insurance; whereas, civil rights violations, illegal search and wrongful incarceration are covered by Law Enforcement Liability Insurance. Since the County is self-insured in these areas of liability, there are no exclusions. Insurance policies purchased from private insurance companies could exclude certain coverages that would leave the County uninsured. Therefore, the lawsuits listed below may or may not have been specifically covered by an acquired insurance policy. Because the County is self-insured with regards to law enforcement liability and public officials liability, all settlements exceed insurance coverage amounts. The County is currently defending against various lawsuits concerning Public Officials and Law Enforcement Liability. While the final outcome of these lawsuits cannot be certain, the County has reserved $500,000 to provide for a contingency in cases in which the County may be adversely ruled upon.

H. Enterprise Activity Coverage

The Bridge System maintains insurance coverage for fire, extended coverage, loss of revenue, accounts receivable, earthquake, flood, named storm and malicious mischief, and toll equipment coverage. Vehicles are self-insured as to comprehensive collision coverage; however, auto liability coverage is provided through the Texas Association of Counties in amounts above the legal requirements. The County insures the bridge spans for property damage in amounts less than the historical cost of each bridge. Insurance coverage period is from July 1, 2021 – July 1, 2022.

The Gateway International Bridge has $15,000,000 in coverage for the bridge span property damage and $7,119,740 for use and occupancy coverage protecting from loss of revenues. The Free Trade Bridge at Los Indios has $15,000,000 to cover property damage to the bridge spans and $2,444,246 for use and occupancy coverage protecting from loss of revenues. The Veteran's International Toll Bridge also has $15,000,000 to cover property damage to the bridge spans and $9,581,765 for use and occupancy coverage protecting from loss of revenues. The maximum coverage for loss or damage per occurrence or in the aggregate by the peril of earthquake, flood or named storm is $64,145,751. A significant portion of the amounts capitalized in toll bridges and approaches constitute non-construction costs such as environmental assessments, presidential permits, U.S. Coast Guard Permits, legal, engineering, geotechnical surveying, archeological examination, as well as land and site preparation.

15. COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is presently a defendant in various lawsuits. While the County plans to vigorously defend itself, legal counsel for the County cannot assess the loss, if any, that may result from unfavorable judgments against the County.

The County is a defendant in cases involving law enforcement operations. These cases deal with allegations of civil rights violations and prisoner civil rights violations. State court cases allege failure to follow due process, misappropriation of funds in civil case, negligence, abuse of power, inverse condemnation and constructive fraud. The County does not anticipate these to be "cases of liability." Resolution of these matters are pending and financial impact to the County, while not known, is not expected to be of significance.

Cameron County is a defendant in several cases involving employment related litigation, civil rights, wrongful termination, constitutional violations and due process. The outcome of these lawsuits are not known and financial impact to the County, while undeterminable, is not expected to be material in any event.

15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

A. Litigation (continued)

In the unlikely event of adverse finding to the County, cases would be appealed to the 13th Court of Appeals. The County has Committed Fund Balance of $500,000 for any pending litigation claims.

Cameron County is a defendant where plaintiffs seek compensatory damages alleging defendant used excessive force, deliberate indifference and bystander liability where defendant is deceased. The applicable liability standard of deliberate indifference to the medical needs of an inmate is an exceedingly high standard for a plaintiff to prevail upon and the County has vigorously defended itself. Any potential liability to County is low at this time.

B. Interlocal Agreements

Harlingen, Texas and San Benito, Texas

On June 3, 1991, Cameron County entered into an agreement with the Cities of San Benito, Texas and Harlingen, Texas, whereby the County would finance, construct and operate an international toll bridge located at Los Indios, Texas approximately eight miles south of both communities. The revenue bonds issued are payable from the revenues of the County's Toll Bridge System. Each of the cities has agreed to pay the lesser of $200,000 annually, or 25% of any deficiency in annual debt service requirements, net operating losses not including depreciation, and any capital equipment not paid for with bond proceeds.

Any surplus remaining after payment of operations, debt service, or capital equipment purchases, in excess of 140% of the average annual debt service requirements of outstanding Los Indios Toll Bridge Bonds, will be distributed 25% to each city and 50% to the County. The Free Trade Bridge at Los Indios opened November 1, 1992. The results of operations for the Free Trade Bridge at Los Indios for the fiscal year ended September 30, 2021 produced a $629,810 surplus as defined by the interlocal agreement between the entities and the County. The County's share of the interlocal agreement proceeds is $314,905. Each participating entity is entitled to a combined total of $314,905 for their share of the year's operations as defined under the interlocal agreement.

Brownsville, Texas

On January 12, 1990, the County entered into an 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. Revenue bonds issued are payable from the revenues of the County's Toll Bridge System. The City of Brownsville, Texas agreed to pay the lesser of $400,000 annually, or 50% of any deficiency in annual debt service requirements, net operating losses not including depreciation, and any capital equipment not paid for with bond proceeds. Any surplus remaining after payment of operations, debt service, or capital equipment purchases, in excess of 140% of the average annual debt service requirements of outstanding Toll Bridge Bonds, will be distributed equally between the City and County. The bridge opened in April 1999. During the period of bridge construction, the City and County paid the net annual debt service and such payments were recorded as contributed capital. The results of operations for the Veterans Bridge at Los Tomates for the fiscal year ended September 30, 2021 produced a $5,610,900 surplus as defined by the interlocal agreement between the entities and the County. In accordance with the interlocal agreement between Cameron County and the City of Brownsville, each entity was allocated $2,805,450.

15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

B. Interlocal Agreements (continued)

The following is a summary of the interlocal transactions between the City of Brownsville, Texas and the County for the past ten (10) years:

Year Ended September 30,	Cameron County	City of Brownsville	Total Surplus (Deficiency)
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
2014	1,825,714	1,825,714	3,651,428
2013	1,288,520	1,288,520	2,577,040
2012	1,554,861	1,554,861	3,109,722

Cameron County Regional Mobility Authority (CCRMA)

On April 11, 2006 the County entered into an agreement with the Cameron County Regional Mobility Authority (CCRMA) whereby the County would provide a loan of $250,000 for the purpose of assisting the CCRMA in its organizational efforts. The receivable balance as of FY 2021 is $167,500. No payments were received during fiscal year 2021. Up through year ending September 30, 2013, the Cameron County Auditor's office oversaw all financial transactions for CCRMA. As of October 1, 2013, CCRMA, although a component unit of Cameron County, has dedicated financial staff for all their operations. On May 23, 2006, the County and the CCRMA entered into another agreement to prepare route analysis, schematic design and environmental assessment to include a finding of no significant impact for the North Rail Relocation Project and the FM 509 extension between its current termination point and Expressway 77. The funds for the work were provided by Cameron County through Project Road Map. CCRMA aggressively continues to work with Texas Department of Transportation and local entities on a number of transportation projects: East Loop SH32, 2nd Access to South Padre Island area, SH550 and I-69/US77.

On June 6, 2012 and June 7, 2012 the County and CCRMA approved and entered into the SSH 550 Funding and Development Agreement (the "550 Agreement"). The 550 Agreement designates CCRMA as the owner of the Project and as the operator and the party responsible for maintenance of the Project. On August 8, 2012, Cameron County issued $40,000,000 Revenue and Tax Bonds, Series 2012, providing funding for the Project and as a condition for such funding, the CCRMA is obligated to repay the funding together with interest on the unpaid principal balance. The debt will be reported on the CCRMA financial statements. The CCRMA has pledged to the County Pledged revenues in accordance with the "SH550 Project Agreement." CCRMA is responsible for providing annual operating, maintenance, and capital budgets to the County and for funding various reserves as established in the Trust agreement. In FY 2016 Series 2012 was included in a Refunded Issuance for $14,340,000 of this Obligation. Series 2012 Revenue and Tax Bonds were refunded on February 15, 2020 with issuance Series 2020 Revenue and Tax Refunding $26,925,000. As of September 30, 2021, $665,000 remains outstanding.

15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

B. Interlocal Agreements (continued)

Cameron County Regional Mobility Authority (CCRMA) (continued)

On March 1, 2014, Cameron County issued $5,000,000 Revenue and Tax Bonds, Series 2014 (State Highway 550 Project) on behalf of CCRMA. The $5,000,000 Revenue and Tax Bonds, Series are issued as Completion Obligations for the purpose of providing payment for final costs incurred with the design, planning, construction and equipping of the SH550 Direct Connector Project. These bonds are parity obligations with the County's $40,000,000 "Revenue and Tax Bonds, Series 2012." Through this issuance, the County will provide the necessary funding for completion of the "SH550 Direct Connector Project" and as a condition of this funding, CCRMA is obligated to repay the funding together with interest on the unpaid principal balance of the Project funding at the same stated rates of interest the County will pay on the Bonds. As part of this SH550 Direct Connector Project, CCRMA has pledged to the County the pledged revenues. The County has assigned its right to such Pledged Revenues to the Trustee pursuant to the Order and the Trust Agreement. In December 2016, $695,000 of the bonds were advance refunded. As of September 2021, $4.3 million remain outstanding.

On February 26, 2015, Cameron County Commissioners Court adopted a "CERTIFICATE FOR ORDER" authorizing the issuance of "Cameron County, Texas Revenue and Tax Bonds, Series 2015 (State Highway 550 Project)", levying an annual ad valorem tax; entering into a second amendment to Trust Agreement, second amendment to SH550 Funding and Development Agreement, and Bond Purchase Agreement; delegating authority to approve terms; and other matters related thereto. On April 1, 2015, Cameron County issued $4,500,000 Cameron County, Texas Revenue and Tax Bonds, Series 2015 (State Highway 550 Project) as completion obligations for the payment of obligations to be incurred in connection with the final design, planning, construction, and equipping of the SH550 Direct Connector Transportation Project and to pay costs of issuance. These Bonds are parity obligations with the County's outstanding $40,000,000 "Revenue and Tax Bonds, Series 2012 (State Highway 550 Project) and the County's $5,000,000 outstanding "Revenue and Tax Bonds, Series 2014 (State Highway 550 Project) together with the 2012 Bonds (the "Prior Bonds"). This project will be designed, constructed, operated and maintained by CCRMA. CCRMA has pledged and assigned to the County certain toll revenues to be derived from the Project, pass through payments and a subordinated pledge of Vehicle Fee Revenues for the payment of the bonds. In December 2016, $245,000 of the bonds were advance refunded. As of September 30, 2021, $4.2 million remain outstanding.

On November 2016, Cameron County Commissioners Court adopted a "CERTIFICATE FOR ORDER" authorizing the issuance of "Cameron County, Texas $15,805,000 Revenue and Tax Refunding Bonds, Series 2016 (State Highway 550 Project)", for the purpose of refunding and restructuring certain outstanding obligations of the CCRMA for debt service and cash flow savings and to pay costs of issuance of the Bonds. The County entered into a funding and development Agreement, dated August 1, 2012, amended on February 1, 2014, March 15, 2015 and November 1, 2016 (the 550 Agreement) in which the authority pledged and assigned to County certain toll revenues to be derived from Project, Pass-through Payments and a subordinated pledge of Vehicle Fee Revenues. The County has assigned its right to the Pledged Revenues to the Trustee pursuant to the Order and Trust Agreement. As of September 30, 2021, $15.8 million remain outstanding.

On December 5, 2017, Cameron County Regional Mobility Authority issued Vehicle Registration Fee Revenue Refunding Bonds, Series 2017 for the purpose to advance refund $4.4 million of the Authority's vehicle registration fee revenue bonds for debt service savings and to pay costs of issuance of the Bonds. The Bonds do not constitute obligations of Cameron County, Texas nor the credit or taxing authority of Cameron County, Texas. As of September 30, 2021, $4.4 million remain outstanding.

On February 15, 2020, Cameron County Regional Mobility Authority issued Revenue and Tax Refunding Bonds, Taxable Series 2020 for the purpose to advance refund Series 2012 $25,005,000 of the Authority's Revenue and Tax Bonds for the purpose to refunding certain obligations, achieve debt service savings and to pay costs of issuance of the Bonds. As of September 30, 2021, $26.1 million remain outstanding.

15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

B. Interlocal Agreements (continued)

Tax Increment Reinvestment Zone (TIRZ)

Cameron County is a participant in a number of reinvestment zones with local municipalities: City of La Feria Reinvestment Zone #1, City of Brownsville Reinvestment Zone #1; City of San Benito, City of Harlingen TRZ #1, #2, #3, City of Port Isabel, City of Los Fresnos, and Town of South Padre Island Cameron County Commissioners Court appoints one representative to each zone board; the county representative is usually the county commissioner in whose precinct the zone is located. Since November, 2011, Cameron County and Cameron County Regional Mobility Authority (CCRMA – component unit) entered into interlocal agreements to participate in "Transportation Reinvestment Zones" throughout specific regions throughout the County.

On December, 2015, Cameron County entered into an interlocal agreement with Cameron County Regional Mobility Authority (CCRMA) to participate in Transportation Reinvestment Zone #6. This zone establishes a "County-Wide Transportation Reinvestment Zone" projected to support $1.6 billion in transportation projects that will promote safety, support development and facilitate the movement of traffic throughout Cameron County. TRZ #6 supersedes all previous Cameron County/CCRMA TRZs. The Tax Increment Base year of TRZ#6 is all real property in the County as of January 1, 2015 and the maximum transfer amount is the cumulative total of $1,625,954,462. Cameron County's participation will be 25% of the Tax Increment excluding amounts levied and collected for Interest and Sinking Funds and commitments of existing TIRZ agreements. The termination date of the Zone is whichever of the following events occurs first: A) date upon which all outstanding Project Obligations have been satisfied and no additional Project Obligations are anticipated; B) the Maximum Transfer Amount has been paid ($1,625,954,462); C) December 29, 2055, unless such date is extended by agreement of parties.

As of September 30, 2021 funds of $3,992,982 are reserved for entities that have not submitted financial reports or billings.

16. RETIREMENT PLAN

A. Texas County and District Retirement System

Plan Description

Cameron County provides retirement, disability and death benefits, for all of its full-time employees through a non-traditional 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 800counties and districts pension plans. TCDRS issues an aggregate annual comprehensive financial report on a calendar year basis. The CAFR 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.

16. RETIREMENT PLAN (CONTINUED)

A. Texas County and District Retirement System (continued)

Plan Description (Continued)

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

Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer's contribution is determined using an actuarially determined rate of 10.56% for the months of the calendar year in 2020 and 10.49% for the months of the calendar year in 2021. As of December 31, 2020, the Summary Valuation for the County's TCDRS plan recognized an investment gain. Previous years' deferred actuarial investment losses are first used to reduce that year's actuarial investment gain. A portion of the remaining gain was recognized in this year's valuation, with the remainder deferred until future valuations.

The contribution rate payable by the employee members for the calendar years 2020 and 2021 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 County's fiscal year ended September 30, 2021, the actual employer contributions were $8,289,101, 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 service
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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16. RETIREMENT PLAN (CONTINUED)

A. Texas County and District Retirement System (continued)

Net Pension Liability

Governmental Accounting Standards Board issued Statement No. 68 which are reporting standards for public pension plans and participating employers which address specifics of the reporting public pension plan obligations for employers. Employers are required to recognize liabilities as Net Pension Liability (NPL) on the balance sheets, changes in NPL are recognized as Pension Expense on the income statement or reported as deferred inflows/outflows of resources over a period of time. Changes in Net pension liability (NPL) for Cameron County was determined as of December 31, 2020, and total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Events that occurred subsequent to 12/31/2020, are not reflected in this report.

Net Pension Liability/(Asset)	December 31, 2019		December 31, 2020	
Total pension liability	$	340,482,803	$	384,336,925
Fiduciary net position		328,535,038		359,562,439
Net pension liability/(asset)		11,947,765		24,774,486
Fiduciary net position as a % of total pension liability		96.49%		93.55%
Pensionable covered payroll(1)	$	71,611,950	$	74,784,046
Net pension liability as a % of covered payroll		16.68%		33.13%

1) Payroll is calculated on actual contributions reported to TCDRS.

Actuarial assumptions used to determine the total pension liability as of the valuation date, December 31, 2020 are as follows:

Discount Rate*	7.60%
Long term rate of return, net of investment expense*	7.60%

**This rate reflects the long-term rate of return funding valuation assumption of 7.50%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB68.*

Actuarial assumptions used in this analysis for reporting requirements as of December 31, 2020 were based on the results of an actuarial valuation analysis for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB68. System-wide economic assumptions used by the TCDRS actuary were a 5.00% real rate of return, 2.50% inflation and a 7.50% long-term investment return. The 7.50% long-term rate of return is net of investment expenses. It is expected that returns will equal the nominal annual rate of 7.50% used in the calculation of the actuarial accrued liability and the normal cost contribution rate for the retirement of each participating employer. The assumption is that salary increases will vary based on length of service and by entry-age group. Annual salary increase rates consist of a general wage inflation component of 3.00% and a merit, promotion and longevity component that on average approximates 1.60% per year for a career employee. Employer specific economic assumption reflects 0.00% growth in membership and payroll growth of 3.00%.

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16. RETIREMENT PLAN (CONTINUED)

A. Texas County and District Retirement System (continued)

Key Actuarial Assumptions

	Beginning Date	Ending Date
Valuation Date	December 31, 2019	December 31, 2020
Measurement Date	December 31, 2019	December 31, 2020
Employer's fiscal year	October 1, 2020	September 30, 2021

Cost of living adjustments (COLA) are not considered to be substantively automatic under GASB 68. Therefore no assumption is made for future COLAs is included in the GASB calculations nor in the funding valuation.

Employer –specific economic assumptions:

Growth in membership	0.00%
Payroll Growth for funding calculations	3.00%

Payroll growth assumption is for the aggregate covered payroll of the employer.

Key methods and assumptions used during for this measurement period are as follow:

Valuation Timing	December 31, 2020
Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll closed
Remaining Amortization Period	20.0 yrs. (based on contribution rate calculated as of 12/31/20)
Asset Valuation Method:	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service, 4.6% average over career, including inflation
Investment Rate of Return	7.5% net of administrative and investment, including inflation
Retirement Age	Members who are eligible for service retirements are assumed to commence receiving benefit payments based on age.
Mortality	130% of RP-2014 Healthy Annuitant Mortality Table (HAMT) for Males
	110% of RP-2014 Healthy Annuitant Mortality Table (HAMT) for Females
	Projection of 110% of MP-2014 Ultimate scale applied for both
Changes in Assumptions	2015: New inflation, mortality and other assumptions
	2017: New mortality assumptions reflected
	2019: New inflation, mortality and other assumptions were reflected
Changes in Plan Provisions	2015: No changes in plan provisions reflected
	2016: No changes in plan provisions reflected
	2017: Annuity purchase rates reflected post 2017 benefits earned
	2018: No changes in plan provisions reflected
	2019: No changes in plan provisions reflected
	2020: No changes in plan provisions reflected

16. RETIREMENT PLAN (CONTINUED)

A. Texas County and District Retirement System (continued)

Membership Data

	December 31, 2019	December 31, 2020
Number of inactive members entitled to but not yet receiving benefits	1,401	1,493
Number of active employees	1,844	1,813
Average monthly salary*	$ 3,154	$ 3,299
Average age	42.09	42.12
Average length of service in years*	10.04	10.04
Number of benefit recipients	720	754
Average monthly benefit	$ 1,465	$ 1,507

Demographic assumption considerations were that new employees would replace terminated employees and with similar entry ages. Members who become disabled are eligible to commence benefit payments regardless of their age. Rates of disability are based on TCDRS experience.

Mortality rates for depositing members were based on a 90% of the RP-2014 Active employee Mortality table for males and females with a projection of 110& of the MO-2014 Ultimate scale after 2014. Service retirees, beneficiaries, non-depositing members and disabled retirees were based on 130% of the RP-2014 Health Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Family composition for calculating Survivor Benefit for depositing and non-depositing members were that male members have a female beneficiary three years younger and female members are assumed to have a male beneficiary who is three years older. Annual rates of retirement were based on members reaching the age of sixty or the earliest eligibility. For those reaching the age of seventy five, retirement was considered to occur immediately.

Employees with six years or less have a higher probability of termination for reasons other than death, disability or retirement. Rates of termination vary by years of service, entry-age group and sex. Termination rate of 0% was assumed for members two years prior to retirement eligibility. Members who terminate may either leave their account with TCDRS or withdraw their funds. Members withdrawing their account vary based on length of service and vesting schedule. For those terminating members who are non-vested 100% withdrawal was assumed.

To determine the long-term expected rate of return on TCDRS assets, expected inflation is added to expected long-term real returns and reflect expected volatility and correlation. Capital market assumptions and information are provided by TCDRS based on January 2021 information for a 10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a long-term horizon; the most recent analysis was performed in 2017.

16. RETIREMENT PLAN (CONTINUED)

A. Texas County and District Retirement System (continued)

The target asset allocation and geometric real rates of return are shown below:

Asset Class	Benchmark	Target Allocation *(1)*	Geometric Real Rate of Return (Expected minus inflation) *(2)*
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
Int'l Equities – Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.25%
Int'l Equities – Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	(0.85)%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LTSA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index *(3)*	4.00%	5.70%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index *(4)*	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index *(5)*	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	(0.70)%

(1) Target asset allocation adopted at the March 2021 TCDRS Board meeting.
(2) Geometric real rates of return equal the expected return minus the issued inflation rate of 2.0% per Cliffwater's 2021 capital market assumptions.
(3) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.
(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.
(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

An alternative method to determine the sufficiency of the fiduciary net position for all future years has been used for discount rate determination. The alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act. Under the TCDRS funding policy, the Unfunded Actuarial Accrued Liability shall be amortized as a level percent of pay over 20-year closed layered periods. Employers are legally required to make the contribution specified in the funding policy.

16. RETIREMENT PLAN (CONTINUED)

A. Texas County and District Retirement System (continued)

Asset Allocation (continued)

Employer's assets are projected to exceed accrued liabilities in 20 years or less. When this level is reached, the employer is still required to contribute at least the normal cost. Increased costs due to adoption of COLA is required to be funded over a period of 15 years, if applicable. Based on these requirements, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. In projecting the expected levels of cash flows and investments returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years. Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB68 purposes. The discount rate of 7.60% reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of expenses, increased by 0.10% to be gross of administrative expenses.

Changes in Net pension Liability

	Total Pension Liability (a)	Increase(Decrease) Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance as of December 31, 2019	$ 340,482,803	$ 328,535,038	$ 11,947,765
Changes for the year:			
Service Cost	9,188,763	-	9,188,763
Interest on total pension liability[1]	27,698,650	-	27,698,650
Effect of plan changes[2]	-	-	-
Effect of economic/demographic gains/ losses	(1,249,456)	-	(1,249,456)
Effect of assumptions changes or inputs	23,948,296	-	23,948,296
Refund of contributions	(1,500,227)	(1,500,227)	-
Benefit payments	(14,231,904)	(14,231,904)	-
Administrative expenses	-	(263,098)	263,098
Member contributions	-	5,234,883	(5,234,883)
Net investment income	-	33,934,562	(33,934,562)
Employer contributions	-	7,897,304	(7,897,304)
Other [3]	-	(44,118)	44,118
Balance as of December 31, 2020	$ 384,336,925	$ 359,562,440	$ 24,774,485

(1) Reflects the change in liability due to time value of money. TCDRS does not charge fees or interest.
(2) No plan changes valued.
(3) Relates to allocation of system-wide items.

16. RETIREMENT PLAN (CONTINUED)

A. Texas County and District Retirement System (continued)

Sensitivity Analysis

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

	1 % Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	$ 441,525,323	$ 384,336,925	$ 337,161,368
Fiduciary net position	359,562,439	359,562,439	359,562,439
Net pension liability (asset)	$ 81,962,884	$ 24,774,486	$ (22,401,071)

Pension Expense/ (Income)	**January 1, 2020 to December 31, 2020**
Service Cost	$ 9,188,763
Interest on total pension liability(1)	27,698,650
Effect of plan changes	-
Administrative expenses	263,098
Member contributions	(5,234,883)
Expected inv. return net of investment expenses	(26,495,890)
Recognition of deferred inflows/outflows or resources	
Recognition of economic/demographic gains/losses	(1,620,614)
Recognition of assumption changes or inputs	5,465,326
Recognition of investment gains or losses	(3,457,859)
Other(2)	44,118
Pension expense/(income)	$ 5,850,709

(1) *Reflects to the change in the liability due to the time value of money. TCDRS does not charge fees or interest.*
(2) *Relates to the allocation of system-wide items.*
Rounding errors may exist in the above listed schedule.

For the measurement period ending December 31, 2020, the County recognized $5,850,709.

As of December 31, 2020, the deferred inflows and outflows of resources are as follow:

Deferred Inflows/Outflows of Resources	**Deferred Inflows Of Resources**	**Deferred Outflows Of Resources**
Differences between expected and actual experience	$ 2,292,959	$ -
Changes of assumptions	-	19,633,765
Net difference between projected and actual earnings	11,957,418	-
Contributions made subsequent to measurement date(3)	-	6,135,597
	$ 14,250,377	$ 25,769,362

(3) *Employee contributions through fiscal year end subsequent to measurement date.*

16. RETIREMENT PLAN (CONTINUED)

A. Texas County and District Retirement System (continued)

Deferred Inflows/Outflows (continued)

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31,	
2021	$ 210,077
2022	3,924,493
2023	(1,803,215)
2024	3,052,033

Total remaining balance to be recognized in future years, if any. Note that additional future deferred inflows and outflows of resources may impact these numbers.

17. OTHER POST-EMPLOYMENT BENEFITS

Post-Retirement Medical Benefits:

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

A. The Plan: Health Insurance Benefit

Cameron County administers a single-employer defined health benefit plan that covers employees, retirees and their spouses. Benefits provided by 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.

17. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

A. The Plan: Health Insurance Benefit (continued)

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

	Retiree	Retiree & Spouse	Retiree & 1 Child	Retiree & Children	Family including spouse
Medical/TX	$250.78	$575.98	$500.98	$532.23	$657.23

Membership in the plan at 10/01/2019 the date of the latest actuarial valuation, consists of the following:

Active Members	1,564
Retirees and beneficiaries receiving benefits	44
Spouses of Retirees	13
Total	1,621

The valuation date of GASB75 for Cameron County is October 1, 2019, the date as of which the actuarial valuation was performed. Measurement date is September 30, 2021, the date as of which the OPEB Liability is determined. The reporting period is fiscal year ending September 30, 2021. There have been no significant changes between the valuation date and the fiscal year end.

Valuation Date	October 1, 2019
Measurement Date	September 30, 2021
Actuarial Cost Method	Entry Age Normal

Results for FYE19 were based on results for FYE18. No assumption updates were made for FYE18 and FYE19

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

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17. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

A. The Plan: Health Insurance Benefit (continued)

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

Discount Rate	September 30, 2020: 2.21% September 30, 2021: 2.26%

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:	2.75% per annum

Price inflation from December 31, 2020 actuarial report from TCDRS.

Salary merit increases used in this valuation are based on years of service provided. Employees are projected to receive a higher percentage rate increase (5.0% to 1.8%) in the beginning years of employment and at 20 years of service this drops to 1.05%. It is assumed to 50% of active employees will elect coverage at retirement. For active employees, husbands are presumed to be three years older than their spouse and 50% of active participants that retire are assumed to elect spousal coverage. Entry level employees are presumed to have a higher termination rate than those vested employees. It is presumed that a majority of employees will retire at the age of 65. Rates used in determining termination, retirement and disability were updated using the prescribed rates in the 2017 TCDRS Report. Medical trend assumptions for this valuation were based on Society of Actuaries' published deport on long-term medical trend. It is assumed that out of pocket and deductible medical costs will increase periodically as trends increase.

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

Changes in Net OPEB Liability

	Increase/(Decrease) Total OPEB Liability
Balance as of September 30, 2020	$ 26,740,249
Changes for the year:	
Service Cost	2,247,840
Interest in total OPEB Liability	633,181
Effect of assumptions changes or inputs	713,239
Expected benefit payments	(678,441)
Balance as of September 30, 2021	$ 29,656,068

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17. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

A. The Plan: Health Insurance Benefit (continued)

Medical OPEB Liability:	September 30, 2020	September 30, 2021
Cameron County OPEB Liability	$ 24,147,554	$ 26,787,415
Covered Payroll	$ 54,595,784	$ 54,595,784
Cameron County liability as a % of covered payroll	44.23%	49.06%
Cameron County OPEB Liability as a % of Total payroll	90.30%	90.33%

Sensitivity Analysis:

The following presents the total OPEB liability of the County, calculated using the discount rate of 2.26%, as well as what County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.26%) or 1 percentage point higher (3.26%) than the current rate.

	1% Decrease 1.26%	Current Discount Rate 2.26%	1% Increase 3.26%
Total OPEB Liability	$ 32,411,652	$ 29,656,068	$ 27,076,190

The following presents the total OPEB liability of the 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 percentage point lower or 1 percentage higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 25,225,996	$ 29,656,068	$ 35,081,623

For fiscal year end September 30, 2021, the County's annual OPEB cost (expense) was $2,576,024 for the post-employment healthcare plan. Cameron County's annual OPEB cost, percentage of annual OPEB cost contribution to the plan and net OPEB obligation information is summarized below.

OPEB Expense:	October 1, 2019 to September 30, 2020	October 1, 2020 to September 30, 2021
Service Cost	$ 1,579,672	$ 2,247,840
Interest on total OPEB Liability	1,163,188	633,181
Effect of plan changes		
Recognition of Deferred Inflows/Outflows of Resources	(681,827)	(681,827)
Recognition of assumptions changes or inputs	273,462	376,830
OPEB Expense	$ 2,334,495	$ 2,576,024

17. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

A. The Plan: Health Insurance Benefit (continued)

Deferred Inflows/Outflows of Resources:

As of September 30, 2021, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources		Deferred Outflows of Resources	
Differences between expected and actual experience	$	(4,022,780)	$	-
Changes of Assumptions		(621,711)		3,188,583
Total	$	(4,644,491)	$	3,188,583

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year Ended September 30:	
2022	($ 304,997)
2023	(304,997)
2024	(304,997)
2025	(272,276)
2026	(141,389)
Thereafter*	(127,252)
Total	($1,455,908)

**Future deferred inflows/outflows of resources may impact this information.*

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17. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

A. The Plan: Health Insurance Benefit (continued)

Other Key Actuarial Assumptions:

Valuation timing	The valuation is performed at October 1, 2019 with measurements at September 30, 2020 and September 30, 2021.
Actuarial Cost Method	Entry Age Normal
Discount Rate	September 30, 2021: 2.26% 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	2.75% per year (price inflation from the December 31, 2019 actuarial report TCDRS)
Salary Increase	Merit Salary increases for entry ages 30-39; increases range from 1.05% to 5.00% for years of service.
Per Capital Medical Cost	Retiree Female Age Range 45-64 cost range \$15,442 - \$16,026 Retiree Male Age Range 45-64 cost range \$10,662 - \$17,528 Spouse Female Age Range 45-64 cost range \$8,424 - \$15,407 Spouse Male Age Range 45-64 cost range \$9,955 - \$14,626
Medical Inflation	2019 - 6.30% , 2020 - 5.70%, 2021 - 5.10%, 2022- 5.00% 2023 - 2074 Medical Inflation Rate decrease from 4.90% - 4.20%
Coverage Assumptions	50% of active employees are assumed to elect coverage at retirement.
Marriage Assumption	For actives; it is assumed that husbands are 3 years older than their wives. 50% of active participants making it to retirement are assumed to be married and elected spouse coverage.
Decrement Timing	Decrements are assumed to occur at the beginning of the year.
Mortality	Pub-2010 General Employee/Healthy Retiree Mortality Tables (headcount weighted) for M/F projected forward (fully generational) with MP-2020.
Retirement Rates	Retirement Rates ranges from 4.5% for younger retirees to 22% older retirees (70-74). Age Range 40-44 Male/Female : 4.5%; Age Range 70-74 Male/Female : 22%, Age 75+ Male/Female : 100%
Termination Rate	Rates range from 28% Male / 30% Female with less than 1 year of service to 2.90% Male / 3.10% Females with 15 years of service.
Disability	Termination rates from the Dec 31, 2019 actuarial report for TCDRS Range from 0.001% at age 35 to 0.018% at age 60.
Changes in actuarial assumptions	Rates used in determining termination, retirement and disability were updated from using the prescribed rates in the December 31, 2019 actuarial report for TCDRS.

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17. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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

	December 31, 2019	December 31, 2020
Total OPEB Liability	$ 3,493,253	$ 4,089,504

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

Discount Rate:

Discount rate[1]	2.74%	2.12%
Long-term expected rate of return, net of investment expenses	Does not apply	Does not apply
Municipal bond rate	2.74%	2.12%

[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, 2020 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 by GASB75.

	Beginning Date	Ending Date
Valuation date	December 31, 2019	December 31, 2020
Measurement date	December 31, 2019	December 31, 2020
Employer's fiscal year	October 1, 2020	September 30, 2021

All actuarial assumptions that determined the total OPEB liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be difference by GASB75.

17. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

Changes in Net OPEB Liability- GTL:

	Increase(Decrease) Total OPEB Liability
Balance as of December 31, 2019	$ 3,493,253
Changes for the year:	
Service Cost	123,381
Interest on total OPEB Liability[1]	97,976
Effect of economic/demographic experience	(32,071)
Effect of assumptions changes or inputs [2]	489,227
Benefit payments	(82,262)
Balance as of December 31, 2020	$ 4,089,504

[1] *Reflects change in liability due to time value of money*
[2] *Reflects discount rate change and assumptions.*
No plan changes valued.

Sensitivity Analysis:

The GTL program covers both active and retirees and is treated as an unfunded OPEB plan. Under GASB75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore a discount rate of 2.12% is used in this actuarial based on 20 Year Bond GO Index published as of the measurement date of December 31, 2020. The following tables show the Total OPEB GTL Liability of the employer, calculated using the discount rate of 2.12%, as well as what the County's Total OPEB Liability would be if it were calculated using a discount rate that is a percentage point lower (1.12%) or 1 percentage point higher (3.12%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease	Current Discount Rate	1% Increase
	1.12%	2.12%	3.12%
Total OPEB Liability	$ 5,090,764	$ 4,089,504	$ 3,340,119

17. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

B. OPEB - Multiple Employer Defined Benefit Group Term Plan Group Term Life Fund (cont'd)

OPEB Expense/Income:

		January 1, 2020 to December 31, 2020
OPEB Expense		
Service Cost	$	123,381
Interest on total OPEB Liability[1]		97,976
Effect of plan changes		
Recognition of deferred inflows/outflows of resources		(5,525)
Recognition of assumptions changes or inputs		153,227
OPEB Expense (income)	$	369,059

[1] Reflects the change in liability due to time value of money.

Deferred Inflows/Outflows of Resources:
As of December 31, 2020, the deferred inflows and outflows of resources are as follow:

		Deferred Inflows of Resources		Deferred Outflows of Resources
Differences between expected and actual experience	$	46,203	$	18,132
Changes of assumptions		188,738		1,053,708
Contributions subsequent to measurement date		-		64,368
Total	$	234,941	$	1,136,208

Amounts currently reported as deferred outflows/inflows of resources related to OPEB benefits, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follow:

Year ended December 31:		
2021	$	147,702
2022		147,702
2023		147,702
2024		147,702
2025		180,783
Thereafter[1]		65,308

Additional deferred inflows/outflows of resources may impact these numbers.

17. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

B. OPEB - Multiple Employer Defined Benefit Group Term Plan Group Term Life Fund (cont'd)

Employer OPEB Contributions to the Plan:

Employers make a combined contribution for both active and retiree coverage; however, only the retiree coverage is considered an OPEB plan and therefore only the contributions associated with retiree coverage are included under GASB75. For GASB purposes, the employer's benefit payments for the year are treated as being equal to its annual retiree GTL contributions. The following table shows a breakdown of the employer's contributions to the GTL program for the calendar year 2020.

Coverage Type	2020 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.14%	$ 104,698	No change from prior year
Retiree GTL Benefit	0.11%	$ 82,262	GASB 75

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17. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

B. OPEB - Multiple Employer Defined Benefit Group Term Plan Group Term Life Fund (cont'd)

Key Actuarial Assumptions:

Valuation timing	Actuarially determined contribution rates ae calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method:	
Recognition of economic/demographic Gains or losses	Straight-line amortization over expected working life
Recognition or assumptions changes Or inputs	Straight- line amortization over expected working life
Asset Valuation Method	Does not apply
Inflation	Does not apply
Salary Increases	Does not apply
Investment Rate of Return	2.12% 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2020
Cost of Living Adjustment	Does not apply
Disability	Members who become disabled are eligible to commence benefit payments regardless of age. Probability of Disability is applicable for members who are vested but not eligible for service retirement. Prior to vesting, work related disability provisions are applicable.
Mortality	Depositing Members: 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014. Service Retirees, beneficiaries and non-depositing members: 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. Disabled Retirees: 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

The GTLF is a separate trust administered by the TCDRS board of trustees. TCDRS issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information for the GTLF. This report is available at www.tcdrs.org. TCDRS' CAFR may also be obtained by writing to the Texas County & District Retirement System, P.O. Box 2034, Austin, TX 78768- 2034 or by calling 1-800-823-7782.

The coverage provided to retired employees is a postemployment benefit other than pension benefits (OPEB). Retired employees are insured for $5,000. Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. Cameron County contributions to the GTLF for the years ended 9/30/20 and 9/30/21 were $182,440 and $197,296, respectively, which equaled the contractually required contributions each year.

18. SUBSEQUENT EVENTS

On January 18, 2022, Cameron County passed and adopted a Resolution for a Sports and Community Venue Project pursuant to LGC Ch. 334. As a result, the County Judge or his designee was authorized and directed to send a copy of the Resolution to the Comptroller for a determination regarding the potential of significant negative fiscal impact on state revenue. Cameron County subsequently received written notice from the Comptroller that implementation of this resolution will not have a significant negative fiscal impact on state revenue. On February 15, 2022, Cameron County passed an order that a special election be held on May 7, 2022, for the purpose of submitting the proposed Sports and Community Venue Project to the qualified voters of the County.

On February 1, 2022, Cameron County approved an Order authorizing the issuance of Cameron County, Texas Tax Notes, Series 2022 and Texas Limited Tax Refunding Bonds, Series 2022, and to enter into a Bond Purchase Agreement, an Escrow Agreement and a Paying Agent/Registrar Agreement; as well as delegating certain County administrative staff and officials the authority to approve all final terms of the bonds. The expected closing date is early May 2022.

On February 15, 2022, Cameron County submitted payment of $1,629,153 to the U.S. Department of the Treasury as part of an Emergency Rental Assistance 1 program funds recapture. Funds were de-obligated.

On March 30, 2022, Cameron County approved an Order authorizing the issuance of Cameron County, Texas Certificates of Obligation, Series 2022, and to enter into a Bond Purchase Agreement, an Escrow Agreement and a Paying Agent/Registrar Agreement; as well as delegating certain County administrative staff and officials the authority to approve all final terms of the bonds. The expected closing date is early May 2022.

19. RELATED PARTY TRANSACTIONS

In the normal course of business, for the year ended September 30, 2021, Cameron County contracted services with GDJ Engineering, LLC for consulting and engineering services in the amount of $1,006,712 for which an immediate family member of a member of the board of commissioners has an interest in. Amounts due to the company totaled $93,976 at September 30, 2021.

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APPENDIX C

FORM OF BOND COUNSEL'S OPINIONS

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WINSTEAD

Austin | Charlotte | Dallas | Fort Worth | Houston | New York | San Antonio | The Woodlands

310 S. Saint Mary's Street
Suite 920
San Antonio, Texas 78205

210.277.6800 OFFICE
210.277.6810 FAX
winstead.com

May 5, 2022

CAMERON COUNTY, TEXAS
CERTIFICATES OF OBLIGATION, SERIES 2022
IN THE ORIGINAL PRINCIPAL AMOUNT OF $18,725,000

We have acted as "Bond Counsel" to Cameron County, Texas (the "County") in connection with the issuance of the certificates of obligation described above (the "Certificates") for the purpose of rendering an opinion with respect to the legality and validity of the Certificates under the Constitution and laws of the State of Texas and with respect to the exclusion of interest on the Certificates from gross income for federal income tax purposes. We have not investigated or verified original proceedings, records, data, or other material, but we have relied solely upon the transcript of certified proceedings, certifications, and other documents described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the County or the disclosure thereof in connection with the sale of the Certificates. We have relied solely on information and certifications furnished to us by the County with respect to the current outstanding indebtedness of, and assessed valuation of taxable property within, the County.

In our capacity as Bond Counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Certificates that contains certified copies of certain proceedings of the Commissioners Court of the County (the "Court"); an order of the Court authorizing the Certificates adopted on March 29, 2022 (the "Certificate Order") together with a "Pricing Certificate" providing for the final sale terms of the Certificates executed pursuant thereto on April 5, 2022 (together with the Certificate Order, the "Order"); the "Purchase Agreement," dated April 5, 2022, between the underwriters named therein and the County; the approving opinion of the Attorney General of the State of Texas; customary certificates of officers, agents, and representatives of the County (including a "Federal Tax Certificate") and other public officials; and other documents relating to the issuance of the Certificates. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the truth and accuracy of the statements contained in such certificates. We have also examined applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), court decisions, Treasury Regulations, and published rulings of the Internal Revenue Service (the "Service") as we have deemed relevant. We have also examined executed Certificate No. I-1.

Based on said examination and in accordance with customary legal opinion practice, it is our opinion that:

1. The County is a validly existing political subdivision of the State of Texas and the Court has the power to adopt the Order, perform its agreements therein, and issue the Certificates.

2. The Certificates have been authorized, sold, and delivered in accordance with law.

3. The Certificates constitute valid and legally binding obligations of the County enforceable in accordance with their terms except as the enforceability thereof may be limited by principles of sovereign

immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation, and other similar laws now or hereafter enacted relating to creditors' rights generally.

4. Ad valorem taxes, within legal limitations, upon all taxable property within the County, necessary to pay the interest on and principal of the Certificates, have been pledged irrevocably for such purpose. Additionally, by a limited pledge of $1,000 of the net revenues of the County's Parks System have been pledged to the payment of the Certificates solely to permit the sale of the Certificates for cash, as required by applicable Texas law.

5. Interest on the Certificates will be excludable from gross income for federal income tax purposes under section 103 of the Code, and the Certificates will not be treated as "private activity bonds" within the meaning of section 141 of the Code. Interest on the Certificates will not be included as an alternative minimum tax preference item.

In rendering these opinions, we have relied upon representations and certifications of the County, the County's financial advisor, and the underwriters of the Certificates with respect to matters solely within the knowledge of such parties, respectively, which we have not independently verified, and we assume continuing compliance by the County with covenants pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Certificates for federal income tax purposes. If such representations and certifications are determined to be inaccurate or incomplete, or the County fails to comply with the foregoing covenants, interest on the Certificates could become includable in gross income retroactively to the date of issuance of the Certificates, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any other federal, state, or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on or the acquisition, ownership, or disposition of the Certificates.

We call your attention to the fact that the ownership of obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, certain S corporations with Subchapter C earnings and profits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred expenses allocable to, tax-exempt obligations.

The Service has an ongoing audit program to determine compliance with rules relating to whether interest on state or local obligations is excludable from gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Certificates. If such an audit is commenced, under current procedures, the Service would treat the County as the taxpayer, and owners of the Certificates would have no right to participate in the audit process. We observe that the County has covenanted not to take any action, or omit to take any action within its control, that, if taken or omitted, respectively, may result in the treatment of interest on the Certificates as includable in gross income for federal income tax purposes.

The opinions set forth above are based on existing laws of the United States and the State of Texas, which are subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not binding on the Service; rather, such opinions represent our legal judgment based on our review of existing law, and are made in reliance on the representations and covenants referenced above that we deem relevant to such opinions.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement relating to the Certificates or the marketability of the Certificates.

This legal opinion expresses the professional judgment of this firm as to the legal issues explicitly addressed therein and is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. In rendering a legal opinion, we do not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of our opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Respectfully submitted,

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WINSTEAD

Austin | Charlotte | Dallas | Fort Worth | Houston | New York | San Antonio | The Woodlands

310 S. Saint Mary's Street
Suite 920
San Antonio, Texas 78205

210.277.6800 OFFICE
210.277.6810 FAX
winstead.com

May 5, 2022

CAMERON COUNTY, TEXAS
TAX NOTES, SERIES 2022
IN THE ORIGINAL PRINCIPAL AMOUNT OF $6,280,000

We have acted as Bond Counsel to Cameron County, Texas (the "County") in connection with the issuance of the notes described above (the "Notes") for the sole purpose of providing legal advice and traditional legal services to the County including rendering an opinion with respect to the legality and validity of the Notes under the Constitution and laws of the State of Texas and with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes. We have not investigated or verified original proceedings, records, data, or other material, but we have relied solely upon the transcript of certified proceedings, certifications, and other documents described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the County or the disclosure thereof in connection with the sale of the Notes. We have relied solely on information and certifications furnished to us by the County with respect to the current outstanding indebtedness of, and assessed valuation of taxable property within, the County.

In our capacity as Bond Counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Notes that contains certified copies of certain proceedings of the Commissioners Court (the "Court"); an order of the Court authorizing the Notes adopted on April 12, 2022 (the "Note Order") including a "Pricing Certificate" executed pursuant thereto on April 13, 2022 (the "Pricing Certificate", together with the Note Order, the "Order"); the Purchase Contract, dated April 13, 2022, between the Underwriters named therein and the District; the approving opinion of the Attorney General of the State of Texas; customary certificates of officers, agents, and representatives of the County (including a "Federal Tax Certificate"), and other public officials; and other documents relating to the issuance of the Notes. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the truth and accuracy of the statements contained in such certificates. We have also examined applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), court decisions, Treasury Regulations, and published rulings of the Internal Revenue Service (the "Service") as we have deemed relevant. We have examined executed Note No. I-1.

Based on said examination and in accordance with customary legal opinion practice, it is our opinion that:

1. The County is a validly existing political subdivision of the State of Texas with power to adopt the Order, perform its agreements therein, and issue the Notes.

2. The Notes have been authorized, sold, and delivered in accordance with law.

3. The Notes constitute valid and legally binding obligations of the County enforceable in accordance with their terms except as the enforceability thereof may be limited by principles of sovereign immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation, and other similar laws now or hereafter enacted relating to creditors' rights generally.

4. Ad valorem taxes, within legal limitations, upon all taxable property within the County, necessary to pay the interest on and principal of the Notes, have been pledged irrevocably for such purpose.

5. Interest on the Notes will be excludable from gross income for federal income tax purposes under section 103 of the Code, and the Notes will not be treated as "private activity bonds" within the meaning of section 141 of the Code. Interest on the Notes will not be included as an alternative minimum tax preference item.

In rendering these opinions, we have relied upon representations and certifications of the County, the County's financial advisor, and the underwriters of the Notes with respect to matters solely within the knowledge of such parties, respectively, which we have not independently verified, and we assume continuing compliance by the County with covenants pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Notes for federal income tax purposes. If such representations and certifications are determined to be inaccurate or incomplete, or the County fails to comply with the foregoing covenants, interest on the Notes could become includable in gross income retroactively to the date of issuance of the Notes, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any other federal, state, or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on or the acquisition, ownership, or disposition of the Notes.

We call your attention to the fact that the ownership of obligations such as the Notes may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, taxpayers qualifying for the health insurance premium assistance credit, owners of an interest in a financial asset securitization investment trust, certain S corporations with Subchapter C earnings and profits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred expenses allocable to, tax-exempt obligations.

The Service has an ongoing audit program to determine compliance with rules relating to whether interest on state or local obligations is excludable from gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Notes. If such an audit is commenced, under current procedures, the Service would treat the County as the taxpayer, and owners of the Notes would have no right to participate in the audit process. We observe that the County has covenanted not to take any action, or omit to take any action within its control, that, if taken or omitted, respectively, may result in the treatment of interest on the Notes as includable in gross income for federal income tax purposes.

The opinions set forth above are based on existing laws of the United States and the State of Texas. Such opinions are further based on our knowledge of facts as of the date hereof. The statutes, regulations, published rulings, and court decisions on which such opinions are based are subject to change. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention, or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the

Service; rather, such opinions represent our legal judgment based on our review of existing law, and are made in reliance on the representations and covenants referenced above that we deem relevant to such opinions.

We express no opinion herein regarding the sufficiency of the security for the Notes or the marketability of the Notes.

This legal opinion expresses the professional judgment of this firm as to the legal issues explicitly addressed therein and is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. In rendering a legal opinion, we do not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of our opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Respectfully submitted,

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