

**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY**  
**(A Component Unit of Cameron County, Texas)**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Prepared by:**

**Victor J. Barron, Chief Financial Officer**

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended September 30, 2023

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# **INTRODUCTORY SECTION**



## IMPROVING MORE THAN JUST ROADS

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
3461 Carmen Avenue  
Rancho Viejo, Texas 78575  
(956) 621-5571

**Pete Sepulveda, Jr.**  
**Executive Director**

**Victor J. Barron**  
**Chief Financial Officer**

Date: March 21, 2024

Board of Directors & Citizens of Cameron County:

We are pleased to present the Annual Comprehensive Financial Report (“ACFR”) for Cameron County Regional Mobility Authority (“CCRMA”) for the fiscal year ended September 30, 2023. The purpose of the report is to provide the Board of Directors, creditors, and other interested parties with transparent financial information about the CCRMA.

This report was prepared by the CCRMA’s Finance Department. The ACFR includes all the disclosures necessary to enable the reader to gain an understanding of the CCRMA’s financial activities. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. We believe the information and data contained herein are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the CCRMA.

The accompanying financial statements have been prepared in conformity with Generally Accepted Accounting Principles (“GAAP”) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted primary standard setting body for establishing governmental and accounting reporting standards.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (“MD&A”). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found in the financial section of this report.

In developing and evaluating the accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the reliability of financial reporting (2) the effectiveness and efficiency of operations and (3) the compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that (1) cost of a control should not exceed the benefits likely derived and (2) the evaluation of costs and benefits requires estimates and judgement by management.

All internal controls evaluations occur within the framework. We believe the CCRMA’s internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The CCRMA's financial statements were audited by Burton McCumber & Longoria, LLP, an independent audit firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the CCRMA, for fiscal year ended September 30, 2023, are free of material misstatements. The audit was conducted in accordance with Generally Accepted Auditing Standards ("GAAS").

The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the CCRMA's financial statements as of and for the fiscal year ended September 30, 2023 are presented in conformity with GAAP. The auditors' report is presented as the first part of the financial section of this report.

## **PROFILE OF THE CCRMA**

The CCRMA was authorized for creation on September 30, 2004, by the Texas Transportation Commission to promote and improve regional mobility within Cameron County. Since its creation, the CCRMA has committed itself to an ambitious series of economically sustainable projects to improve the quality of life for area residents and enable quality economic development.

The CCRMA receives funds from Vehicle Registration Fees in Cameron County as well as interlocal revenues, toll revenues and grant funds for projects. The CCRMA is governed by a board of directors consisting of seven members with operations overseen by an Executive Director. The CCRMA operates with a small group of local staff and contracts many of its services with local area professionals.

The CCRMA relies on charges from users of the toll road system to fund operations, debt service, and future projects. The CCRMA is organized into multiple operating units, all of which report directly to the Executive Director, as follows: (i) Administration, and (ii) Tolling Operation Processing. As of September 30, 2023, the CCRMA currently has 19 employees of which 18 are full-time employees.

## **BUDGETARY CONTROLS**

The annual budget serves as the foundation for the CCRMA's financial planning and control. This budget is presented to the Board of Directors for their review. The CCRMA is required to adopt a final budget by the first day of the new fiscal year. The adopted budget is appropriated by fund and line item. The CCRMA's fiscal year begins October 1st and ends September 30th. Oversight authority and responsibility for the CCRMA rests with the Board of Directors.

## **ECONOMIC OVERVIEW AND OUTLOOK**

Cameron County and neighboring Hidalgo County are two of the fastest growing Metropolitan Statistical Area (MSA) in the nation, at around 40% increases per 10-year cycle. Across the border, the metro areas of Mexico are increasing by 80% per 10-year cycle. Cameron County doesn't just have more people in cars; there's a continued increase in the travel of goods. Critical commerce access is provided through the County by means of the Gulf Intracoastal Canal (GICC) connecting the deep-water port in Brownsville, and the ports in Harlingen and Port Isabel. Access also is provided to deep-water ports north and south of the Rio Grande Valley (RGV), including Corpus Christi and Tampico, Mexico, respectively. Major freight rail access to Mexico for the Union Pacific Railroad (UPRR) is through Cameron County and can be expanded through various parts of the Rio Grande Valley for additional rail cargo access.

The CCRMA has embarked on an exciting and ambitious program, focusing on several capacity projects and highway network improvements. The adoption of a long-range Strategic Plan in the early stages of formulation of the CCRMA's proposed System projects was critical to the success of its program. The Plan not only outlines the basic elements of the System of projects, but also serves to focus the efforts of public information and involvement and serves to guide the sequencing, development, and implementation of all the anticipated projects within the region in the future. The new Strategic Plan for 2022-2026 contains intended to be broad and flexible with the understanding that transportation planning is always confronted with new and unforeseen challenges.

The CCRMA is poised for these changes and is ready to work with the new Federal Highway Administration (FHWA) as well as any changes resulting from the next Texas Legislative Session.

### **MAJOR INITIATIVES & SIGNIFICANT EVENTS**

The passing of House Bill (HB) 3588 by the Texas Legislature in 2003 brought about major innovative reform in how essential transportation projects can be funded. The traditional methods of financing to develop local transportation systems, particularly the gas tax and local tax base can no longer be relied upon to keep pace with rising transportation costs. The Texas Legislature approved the establishment of Regional Mobility Authorities (CCRMA) as an innovative transportation tool to accelerate projects and create new revenue streams for local transportation system projects. The Texas Transportation Commission (TTC) approved the creation of the Cameron County Regional Mobility Authority (CCRMA) on September 30, 2004, to promote and improve regional mobility within Cameron County, South Texas and internationally with the northern Tamaulipas region of Mexico.

In 2013 and 2015 the Texas Legislature again carried major reform with new transportation funding later to be known as Proposition 1, and Proposition 7, respectively. This new funding was not a result of increase in taxes, rather a redistribution of oil and gas revenues, sales tax, and rental and vehicle sales tax. Voters overwhelmingly approved both propositions again making a bold statement of the importance and need for transportation improvements in the State. In November 2021 the Proposition 2 amended Texas Constitution Art. 8, sec. 1-g(b) to authorize counties to issue bonds or notes to raise funds for transportation infrastructure in underdeveloped areas. Already, cities and towns have the authority to fund projects with this financing method. Counties would repay these bonds by pledging increased property tax revenues, but these funds cannot be used for construction, maintenance, or acquisition of toll roads. This Proposition 2 allows counties to use a vital financing tool to develop more transportation projects.

### **Capital Projects**

The following list of projects are ones in which the CCRMA is planning to possibly utilize financial resources in fiscal year 2023. These projects are all in different phases of development and CCRMA will continue development and using various teams and resources.

Transportation Reinvestment Zone ("TRZ") revenues are restricted for the development of transportation projects identified within the establishment of the zone as per the interlocal agreement with Cameron County. The existing TRZ has established over 50 eligible projects that can receive funds from the TRZ for development.

## SPI 2<sup>nd</sup> Access

On September 15, 2001, the Queen Isabella Causeway was struck by a marine vessel and collapsed rendering the sole 2.5 mile bridge access to South Padre Island inoperable for many months. The collapse had a significant adverse economic impact to the area since the causeway is the only road connecting South Padre Island to the mainland. To date the causeway remains the only access to and from South Padre Island.

This is the most critical safety Project in Texas. South Padre Island has been recognized as the cleanest beach in Texas. As a result, South Padre Island needs a dependable, safe evacuation facility during Hurricane Season and other emergency situations. With the current Queen Isabella Memorial Causeway, it is estimated that it could take most of the day to evacuate the Island to high ground during Hurricane Season.

This Project consists of three major components: the mainland roadway, the bridge over the Laguna Madre and the island roadway. The route under consideration includes a mainland roadway consisting of a four-lane road, crossing the Laguna Madre with about 8 miles of tolled bridge lanes. The total length of the SPI 2<sup>nd</sup> Access Project is approximately 17.6 miles.

This Project remains in the environmental phase in accordance with the National Environment Policy Act (NEPA) and Cameron County, the City of South Padre Island and the CCRMA are funding the environmental phase. The CCRMA has advanced the following critical environmental processes:

- Management and coordination with weekly teleconferences, district, TxDOT Environmental Division, General Engineering Consultant.
- Executive Committee meeting coordination (FHWA, ENV, District, and CCRMA)
- Final Environment Impact Statement – U.S. Coast Guard 50% Review Complete
- Biological Assessment/Terrestrial – 95% Complete
- Completion of Sea Grass Pilot Study – Completed June 2019
- SPI Dune Delineation aerial and LIDAR data plan – 90% complete
- Re-evaluation of overall mitigation plan and alternatives

Preliminary engineering and project finance activities also made significant progress these past years.

- Preliminary Schematic design – 100% complete
- LIDAR survey and Aerial imaging – preliminary 100% complete
- Preliminary Right of Way Mapping – 100% complete
- Preliminary Utility identification and location mapping – 100% complete
- Subsurface Geotechnical Investigation and Report – 100% complete
- Preliminary Drainage and Hydrology Report updated – 100% complete
- Draft financial planning – 75% complete
- T&R and Project Feasibility reports – 75% complete
- Draft Procurement Timelines developed – 100% complete
- Industry review and one-on-one meetings – 100% complete
- Value Engineering Study and final recommendations– 100% complete

In December 2023, the Texas Transportation Commission placed the SPI 2<sup>nd</sup> Causeway as an On-System Project. It is now SH 104, and the Texas Department of Transportation will fund the development and construction of the 2<sup>nd</sup> Causeway. Anticipated environmental clearance is Summer 2026.

### Outer Parkway

The Outer Parkway would provide a new east-west travel route in northeastern Cameron County. It would extend from I-69E to FM 106 in the vicinity of FM 1847. Although construction may be phased, the ultimate facility would consist of two lanes in each direction, separated by a wide center median reserved for future transportation use. Similar to the SPI 2<sup>nd</sup> Access project when TxDOT changed their policy on toll roads, this project was placed on hold. Local funds are being used to complete the environmental phase. This project now lies inside the boundaries of the RGVMPPO and thus, additional funding opportunities will be available in the future. This is one of three components that will tie Edinburg, Texas to South Padre Island, Texas. Two components, the I-69 Connector from Edinburg to Harlingen, Texas and SH 104 (2<sup>nd</sup> Causeway) are funded.

### I-69 Connector

This is a Joint Project in which the CCRMA, HCRMA, and TxDOT have agreed to develop the environmental document and preliminary engineering together. A needs assessment for this Project was completed by TxDOT in March 2015 resulting with it being a desirable project initiating as a Super 2 Highway by the year 2025 with future expansion to a four-lane freeway by 2035. Traffic demand will ultimately dictate future expansion. TxDOT has had two workshops in relation to development of the project schematics and environmental document. TxDot has funded project in the 2024 UTP.

### SH 550 GAP II

The SH 550, I-169 is a controlled access facility that connects SH 48 and the Port of Brownsville to I-69E in Brownsville, TX. The ultimate configuration of the Project consists of five segments. Four segments have been completed. The first segment over FM 1847 was completed in 2011, the second segment connecting the Port of Brownsville was completed in 2013, and the third connecting to I-69E was completed in July 2015 and the fourth connecting I-69E to Paredes Line was completed August 2018. The only segment left to complete is known as the GAP II segment. SH550 is also known as Interstate 169 and segments 1,3 and 4 have already been signed as I-169. The CCRMA has begun revising the design plans in and preparing construction plans for a letting in 2025. Project is funded through local and Category 7 (CAT 7) funds at the RGVMPPO. CAT 7 funds are transportation needs within the boundaries of designated metropolitan planning areas of metropolitan planning organizations located in a transportation management area. This will provide an Interstate corridor, I-169 to the Port of Brownsville.

### East Loop

East Loop Corridor provides a direct corridor to the Port of Brownville from the Veterans International Bridge. The Port of Brownsville exports and imports over 6 million metric tons of steel, petroleum, machinery, ores and other international trade exports to our Mexico partners. The existing truck route and over-weight corridor on International Boulevard passes through 5 school zones. The East Loop Corridor will eliminate a total of 23 conflicts existing between the Veterans bridge and the Port of Brownsville including these school zones.

Eliminating 18 stops and 5 school zone crossings will significantly improve air quality and the quality of life in the Southmost area of Brownsville. Creating the East Loop Corridor for trucks from Mexico/Veterans International Bridge at Los Tomates to the Port of Brownsville will reduce congestion on I69E/SH 48 as well as reduce the time of travel on all roadways within the Corridor.

Progress on the environmental phase continued steady as we had been coordinating the various phases and stakeholders of the Environmental Assessment. This project was included in the 2022 Unified Transportation Program (“UTP”). The UTP, which is TxDOT’s ten-year plan that guides the development of transportation work throughout the state. A land swap with the U.S.F.W.S. is underway and we expect a final exchange this fiscal year. This project is progressing rapidly through the environmental phase. The environmental phase is at 85% complete and PS&E is 95% complete. There is approximately \$30 million available in funding, and we are working with TxDOT to close the funding gap with the 2025 UTP.

#### FM 509

FM 509 is a new road location project located in the Harlingen area that would extend the existing FM 509 between FM 508 and FM 1599. The CCRMA will begin the environmental and preliminary engineering phase of this project in FY2023. The new segment would eventually connect with the Outer Parkway route. The project is fully funded for construction in the 2022 UTP.

The CCRMA is authorized to complete the final environmental document and schematics for the FM 509 Project, from FM 508 to FM 1599, as well as negotiations with U.S. Army Corps of Engineers, Coast Guard, USFWS, TPWD and other state and federal agencies including coordination with TxDOT as well as any other coordination required by TxDOT.

### **Interlocal Agreement Projects**

#### ***Cameron County***

##### Veterans POV Expansion Project

The CCRMA has completed the Plans, Specifications, and Estimates for the expansion of the Customs and Border Protection (CBP) primary passenger lanes of the Veterans International Bridge. CCRMA has also secured CAT 7 funding towards the construction of this project. CCRMA provides direct resources of staff through in-kind services to the management and project oversight. All consultant costs are funded through an interlocal agreement with Cameron County. Project is under construction and 90% complete.

##### Old Alice Road

The Old Alice Road project is the construction of a road from Highway 100 in Los Fresnos to Sports Park Boulevard in Brownsville. The CCRMA provides direct resources of staff through in-kind services to the environmental document preparation and project oversight. The CCRMA is providing the Plans, Specifications, and Estimates for the development of the project through a partnership with Cameron County and City of Brownsville. This project is fully funded through CAT 7 funds from the RGVMPPO. Project has held a public meeting and should be letting in 2025.

### West Blvd. (Road)

The West Blvd. Project is the road component project that will develop in a portion of the former Union Pacific rail right of way. The CCRMA has begun the environmental documentation process, along with the preliminary engineering completed in fiscal year 2020. 100 % schematics are complete, and PS&E is 95% complete. Some funding will become available through CAT 12 funding from TxDOT. FHWA is doing a functional classification on the road. Project should let in 2026.

### Flor de Mayo

The Flor de Mayo International Bridge is a project in the early development phase and CCRMA will be providing in-kind services to prepare project for planning and coordination, and funding. A feasibility study was completed for the project in March of 2019. This project would help the growing demand of international travel and reduce future vehicle congestion as well as promote investments in the industrial sector of the border area. The project is pending a Presidential Permit.

### Dana Road

On March 3, 2020, the CCRMA, City of Brownsville and the Cameron County entered in an agreement to allow the CCRMA, as Project Sponsor to develop Preliminary Engineering and Environmental documents as well as Plans, Specifications and Estimates, and complete any project development activities to develop the project to a Ready-to-Let Status for construction. This project has Category 7 funds for Construction at the Rio Grande Valley Metropolitan Planning in addition to local funds listed in this agreement being used to expedite project development. In addition to serving as Project Sponsor, the CCRMA will be responsible for the preparation of the Environmental document, Traffic studies and Cultural Resource studies. Project letting is September 2025.

### North Williams Road

The CCRMA, as the Project Sponsor will develop Preliminary Engineering and Environmental documents as well as completing any project development activities to develop the project to an approved schematic and environmental clearance for final design and construction by TxDOT. To advance FM 1846 (Williams Road) Project to Ready-to-Let Status with TxDOT. This is an expansion from a two-lane road to a four-lane road from Business 77 to San Jose Ranch Road, approximately 1.6 miles. This will be a TxDot funded project.

### South Williams Road

The CCRMA, as the Project Sponsor will develop Preliminary Engineering and Environmental documents, Right of Way acquisition, coordinate utility adjustments, and develop PS&E as well as completing any project development activities to develop the project to a shovel ready status for local let constructions with Tx Dot oversight. To advance Williams Road Project to Ready-to-Let Status with Tx Dot. This will be a new alignment from I-69 E South Parallel Corridor, approximately 1.5 miles. This will open development in an area South of I-69E.

### US 281 Connector Project

CCRMA is authorized to complete the final environmental document and schematics for the 281 Connector Project as well as negotiations with U.S. Army Corps of Engineers, Coast Guard, USFWS, TPWD and other state and federal agencies including coordination with TxDOT as well as any other coordination required by TxDOT.

### County Park System

The CCRMA and the Cameron County entered into an agreement to provide the Parks System design, engineering, architectural and construction management services for the following projects at Isla Blanca Park:

- Administration Building - Complete
- Maintenance Warehouse – Under Contract Negotiations
- Registration Office – Pending
- Toll Gantry/Toll Booth - Complete

### South Parallel Corridor

CCRMA is authorized to complete the final PS&E for the South Parallel Corridor Phase 3 Project and any coordination required by TxDOT. CCRMA to complete the final PS&E for the South Parallel Corridor Phase 3 Project and coordinate approval of final design with TxDOT. Project letting is September 2025.

### Gateway Bridge

CCRMA will provide assistance through the Project Development Study that the General Services Administration (GSA) is conducting at the Gateway Bridge in anticipation of the Re-Modernization of the Gateway Bridge. Project is fully funded by GSA.

## **City of Brownsville**

### Morrison Road

This is a new roadway from 1847 to FM 511 in Brownsville. Project requires the preliminary engineering tasks in order to complete an environmental document. The CCRMA provides direct resources of staff through in-kind services to the completion of the environmental document. All consultant costs are funded through CAT 7 funds from the RGVMPPO. An interlocal agreement with the City of Brownsville requires the City to fund the local match required by the CAT 7 funds. FHWA is doing a Functional Classification on the project.

## **City of Los Fresnos**

### Whipple Road

This project involves the expansion of the existing road in Los Fresnos. The CCRMA provides direct resources of staff through in-kind services to the completion of the environmental document. All consultant costs are funded through CAT 7 funds from the RGVMPPO and an interlocal agreement with the City of Los Fresnos requires the City to fund the local match required by the CAT 7 funds. 90% of the schematics are complete, and the environmental document is at 90%.

### FM 1847 Sidewalk Project

The CCRMA is to develop Preliminary Engineering and Environmental documents as well as Plans, Specifications, and Estimates, and complete any project development activities required to develop the project to a Ready-to-Let Status for construction. This project has Texas Alternative Set-Aside (TASA) funds for Construction at the Rio Grande Valley Metropolitan Planning Organization in addition to the local funds listed in this agreement being used to expedite project development. This project is environmentally cleared, 100% design and ready to let. The project consist of construction of sidewalk and ramp upgrade to American With Disability Act (“ADA”) standards on west side of FM 1847 where there are no existing sidewalks connecting large residential areas to the Los Fresnos High School and Park. Project will include survey, design, environmental.

### Los Fresnos Hike and Bike Trail

The CCRMA is to develop Preliminary Engineering and Environmental documents as well as Plans, Specifications, and Estimates, and complete any project development activities required to develop the project to a Ready-to-Let Status for construction. This project has Category 7 for construction at the Rio Grande Valley Metropolitan Planning Organization in addition to the local funds listed in this agreement being used to expedite project development.

## **City of San Benito**

### Stenger Road

The CCRMA is to develop Preliminary Engineering and Environmental documents as well as completing any project development activities to develop the project to an approved schematic and environmental clearance for final design and construction by the CCRMA under the purview of TxDOT. To advance the Stenger Road Transportation Alternatives Set Aside Project to a Ready-to Let Status with TxDOT. Project limits are from West Business 77 to Fannin Street approximately 1.1 miles. Project is fully funded.

## **City of Primera**

### Primera Road

The CCRMA, as Project Sponsor is to develop Preliminary Engineering and Environmental documents as well as completing any project development activities required to develop the project to and approved schematic and environmental clearance for final design and construction by the CCRMA under the purview of TxDOT.

To advance the Primera Road Transportation Alternatives Project to a Ready-to-Let Status with TxDOT. The project is located in Primera, Texas and consist of installing a sidewalk along the north Right of Way of Primera Road. The project will begin at Alonzo Road and end at the east city limit near the intersection of Primera Road and US 77 Frontage Road. The concrete sidewalk will be eight feet wide, approximately 2.75 miles.

## City of Pharr

### Toll System Implementation Services, Support and Maintenance, and Toll Collection Processing

On June 5, 2017, the CCRMA and the City of Pharr entered into an agreement for the CCRMA to provide services for a toll system implementation, maintenance support and toll collection processing for the Pharr International Bridge. The City of Pharr will acquire the services of the CCRMA and its vendors for the design, testing, implementation, and maintenance of the toll collection system including a full-service back office system. The City of Pharr will also allow for the interoperability of the toll collection system of the Pharr International Bridge and that of the SH 550 toll road to improve the electronic toll collection of commercial traffic traveling into Mexico through the Pharr International Bridge.

### Acknowledgements

The preparation of this report could not have been accomplished without the contribution of the Finance Department and our independent auditors' Burton McCumber and Longoria, LLP. We would also like to particularly thank the Board of Directors for their continued dedication to supporting the highest level of prudent fiscal management.

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cameron County Regional Mobility Authority for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the first year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Respectfully submitted:



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Pete Sepulveda, Jr.  
Executive Director



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Victor J. Barron  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

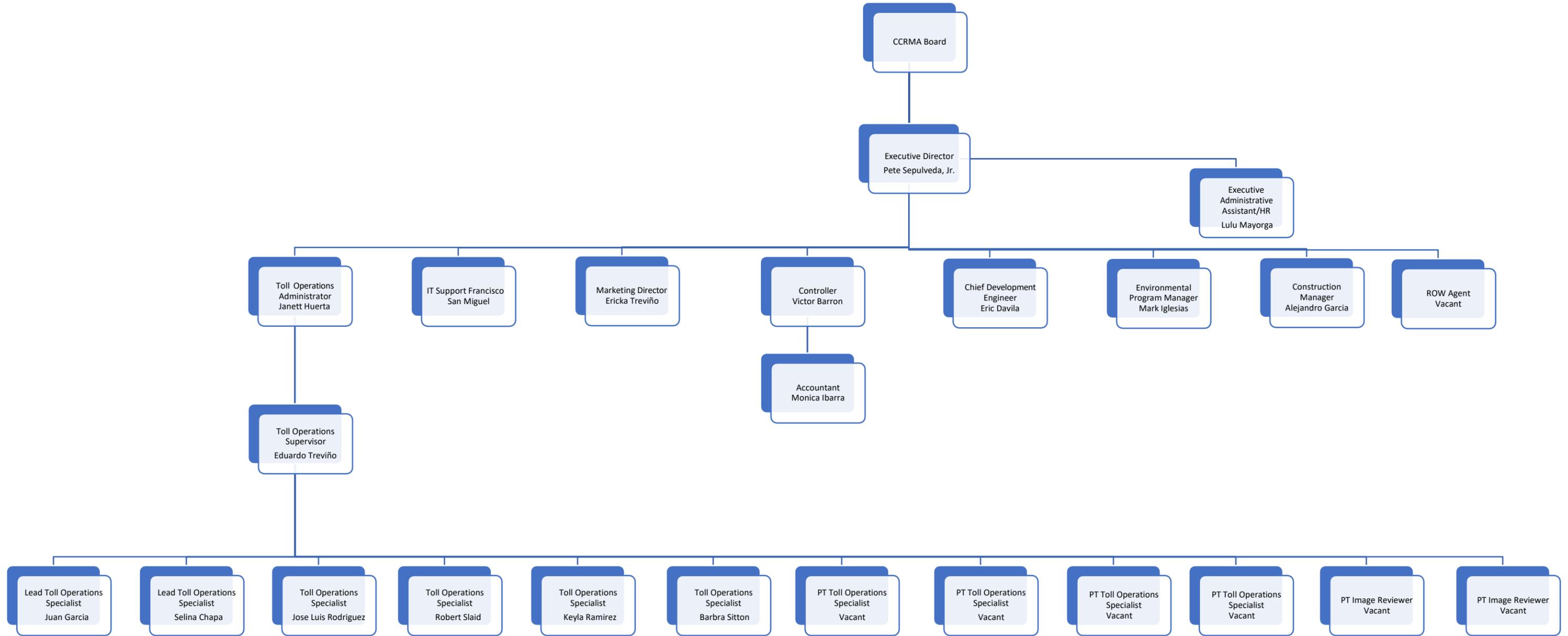
**Cameron County Regional Mobility Authority  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO



**CAMERON COUNTY REGIONAL MOBILITY AUTHORITY**

**List of Principal Officials**

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**Appointed**

Frank Parker Jr.	Chairman
Michael Scaief	Vice-Chairman
Al Villarreal	Treasurer
Arturo Nelson	Secretary
Mark Esparza	Director
Leo Garza	Director
Julie Guerra-Ramirez	Director

## **FINANCIAL SECTION**

## ***INDEPENDENT AUDITORS' REPORT***

To the Board of Directors  
Cameron County Regional Mobility Authority

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities of the Cameron County Regional Mobility Authority (the "CCRMA"), a component unit of Cameron County, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CCRMA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the CCRMA, as of September 30, 2023, 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.

#### ***Basis for Opinions***

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

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

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

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

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

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 16 and the Pension Plan information on pages 60 through 62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CCRMA's basic financial statements. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of Texas Single Audit Circular are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and

reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2024, on our consideration of the CCRMA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CCRMA'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 CCRMA's internal control over financial reporting and compliance.

*Burton, McCumber, & Longoria LLP*

Brownsville, Texas  
March 21, 2024

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Management's Discussion and Analysis**  
For the Fiscal Year Ended September 30, 2023

The following is a narrative overview and analysis of the financial performance and activity of the Cameron County Regional Mobility Authority (the CCRMA) for the fiscal year ended September 30, 2023. Please consider the information presented here in conjunction with the transmittal letter, financial statements, and related footnotes. This management discussion and analysis (MD&A) includes comparative data for the prior year.

**FINANCIAL HIGHLIGHTS**

- The CCRMA's total assets and deferred outflow of resources at fiscal year-end exceed its liabilities and deferred inflows of resources at the end of the fiscal year 2023 by \$55,690,675 (total net position). The total amount of \$4,781,976 (unrestricted net position) may be used to meet the CCRMA's outgoing obligations to citizens and creditors.
- Net position increased by \$3,636,199 or 6.99 % compared to prior year.
- The CCRMA general debt obligation decreased \$2,305,000 or -3.14%

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The CCRMA reports its business-type activities in a single enterprise fund, in which its operations and activities are reported similar to a private-sector business. The financial statements include Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These basic financial statements are prepared in accordance with Generally Accepted Accounting Principles in the United States of America as promulgated by the Governmental Accounting Standards Board also known as GASB. The basic financial statements can be found on pages 28-32 of this report.

The Statement of Net Position presents information on all of the CCRMA's assets and liabilities, with the difference between the two reported as net position. Net position represents the residual difference of all other elements of the statement of net position for all three component categories; net investment in capital assets, restricted, and unrestricted.

The Statement of Revenues, Expenses, and Changes in Net Position present the results of the business activities of the CCRMA over the course of the fiscal year and how those results affected the change in net position. As an enterprise fund, the CCRMA reports its operations using the economic resource measurement focus in which all revenues and expenses are recognized in the period which incurred with the difference reported as change in net position.

The Statement of Cash Flows unlike the Statement of Revenues, Expenses and Changes in Net Position, reflects only the results of business activities as they affect cash over the course of the fiscal year presented. The results are reported in three categories of operating, capital and related financing, and investing activities with the net change in cash as the residual.

The Notes to the Financial Statements provide required disclosures and other information that are essential to a full understanding of the data found in these financial statements and should be read in conjunction with the MD&A and the basic financial statements. The notes on the financial statements can be found on page 33 of this report.

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Management's Discussion and Analysis**  
For the Fiscal Year Ended September 30, 2023

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Other information in addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the CCRMA's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 63 of this report.

**FINANCIAL ANALYSIS**

**Summary of Net Position**

The CCRMA's net position includes the total assets minus the total liabilities with the residual difference of net position. The CCRMA's net position for the years ending September 30, 2023 and 2022, were approximately \$55.6 and \$52 million, respectively. The largest component of total assets for all two years were the non-current assets. Non-current assets accounts for approximately 86% and 84 of total assets for the years 2023, and 2022, respectively. These assets consist of capital assets, restricted bond funds construction in progress, deferred outflow of resources. Liabilities consist of current liabilities and deferred inflow of resources.

**Summary of Net Position**

	2023	2022	Change	Percentage of Change
<b>Assets and Deferred Outflows of Resources</b>				
Current assets	\$ 21,525,367	\$ 24,197,335	(2,671,968)	-11.04%
Capital assets, net	116,439,861	118,416,627	(1,976,766)	-1.67%
Other non-current	14,549,060	10,093,154	4,455,906	44.15%
Total assets	<u>152,514,288</u>	<u>152,707,117</u>	<u>(192,829)</u>	-0.13%
Deferred outflows of resources	<u>288,854</u>	<u>252,376</u>	<u>36,478</u>	14.45%
Total assets and deferred outflows of resources	<u>\$ 152,803,142</u>	<u>\$ 152,959,493</u>	<u>(156,351)</u>	-0.10%
<b>Liabilities and Deferred Inflows of Resources</b>				
Current liabilities	\$ 8,199,866	\$ 5,914,139	2,285,727	38.65%
Non-current liabilities	88,741,758	94,659,460	(5,917,701)	-6.25%
Total liabilities	<u>96,941,624</u>	<u>100,573,598</u>	<u>(3,631,974)</u>	-3.61%
Deferred inflows of resources	<u>170,943</u>	<u>331,518</u>	<u>(160,575)</u>	-48.44%
Total liabilities and deferred inflows of resources	<u>\$ 97,112,567</u>	<u>\$ 100,905,117</u>	<u>(3,792,550)</u>	-3.76%
<b>Net position:</b>				
Net investment in capital assets	\$ 30,298,362	\$ 30,171,201	127,161	0.42%
Restricted	20,610,237	16,739,689	3,870,548	23.12%
Unrestricted	4,781,976	5,143,486	(361,510)	-7.03%
Total net position	<u>\$ 55,690,575</u>	<u>\$ 52,054,376</u>	<u>3,636,199</u>	6.99%

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Management's Discussion and Analysis**  
For the Fiscal Year Ended September 30, 2023

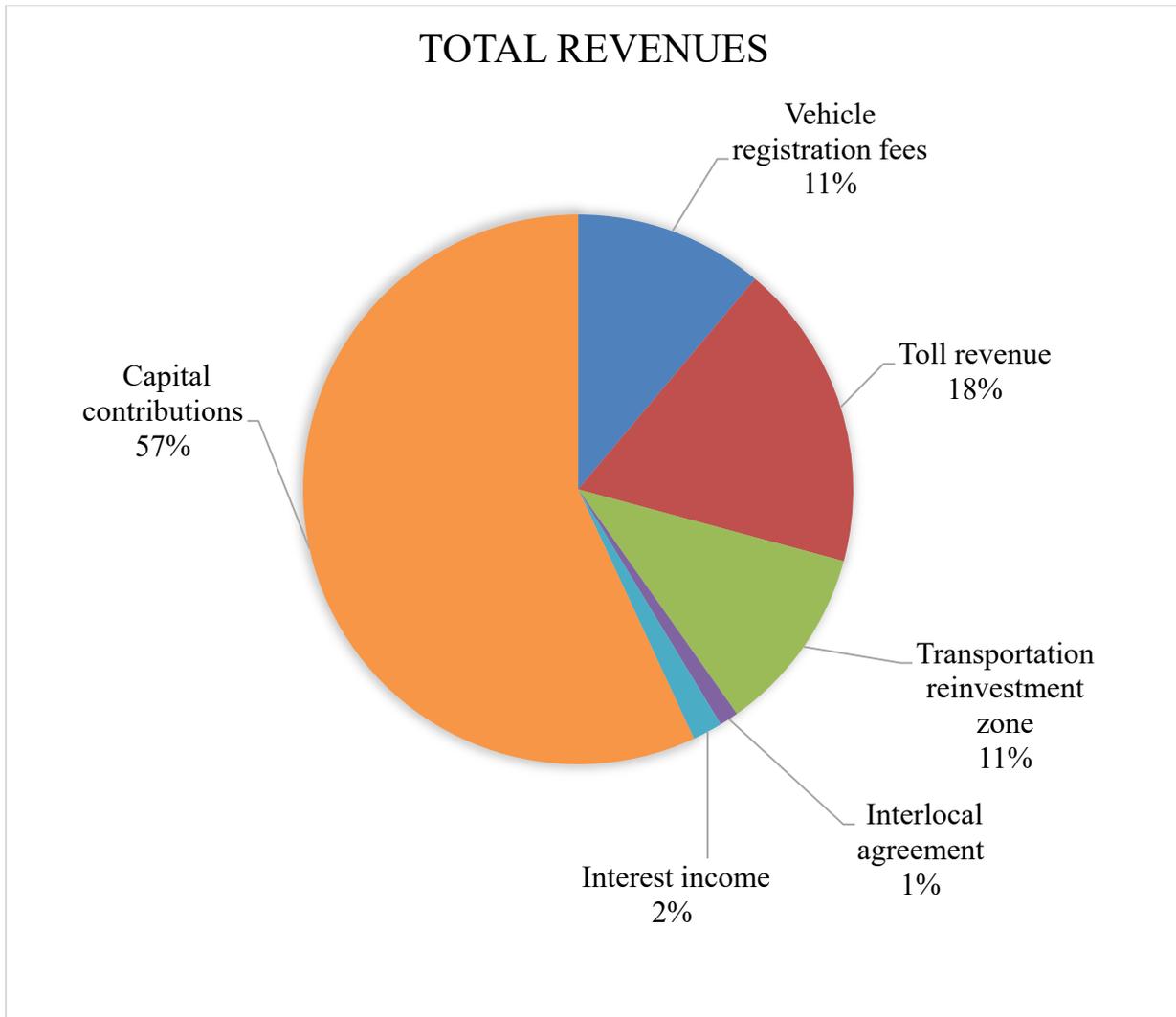
- Current assets decreased by \$2,671,968 or -11.04%. The decrease is largely due to cash payments for interlocal project agreements.
- Capital assets (net of depreciation) decreased by \$1,976,766 or -1.67%. For 2023, capital assets additions were \$1,525,516 offset by accumulated depreciation of \$(3,502,282).
- Deferred outflows of resources increased by \$24,737 attributable to pension related deferrals in fiscal year 2023.
- Current liabilities increased by \$2,285,727 or 38.65%. Non-current liabilities decreased by \$5,917,702 or 6.25% compared to the prior year.
- The total pension related deferred inflows related to pension decreased by \$160,575 from the prior year. These amounts vary year to year due to differences between projected and actual experience, assumption changes and changes in proportion, as required by GASB 68. Pension matters are discussed in more detail in Note 12 on pages 54-62 of this report.
- The largest portion of the CCRMA's net position 54.41% reflects its investment in capital assets (e.g., land, buildings, equipment, software systems, infrastructure and construction in progress); less any related debt used to acquire those assets that are still outstanding.
- Restricted net position totaled \$20,610,237 and comprised 37% of total net position. Restricted resources are subject to external restrictions on how they may be used. Restrictions include statutory requirements, bond covenants, and grant conditions. The remaining balance of net position is *unrestricted net position* which totaled \$4,781,976 and may be used to meet any CCRMA obligations. The CCRMA can report positive balances in all three categories of net position at the end of the current fiscal year.



CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
 (A Component Unit of Cameron County, Texas)  
**Management's Discussion and Analysis**  
 For the Fiscal Year Ended September 30, 2023

**Revenues** -Total revenues increased by \$9,088,471 as shown on Changes in Net Position.

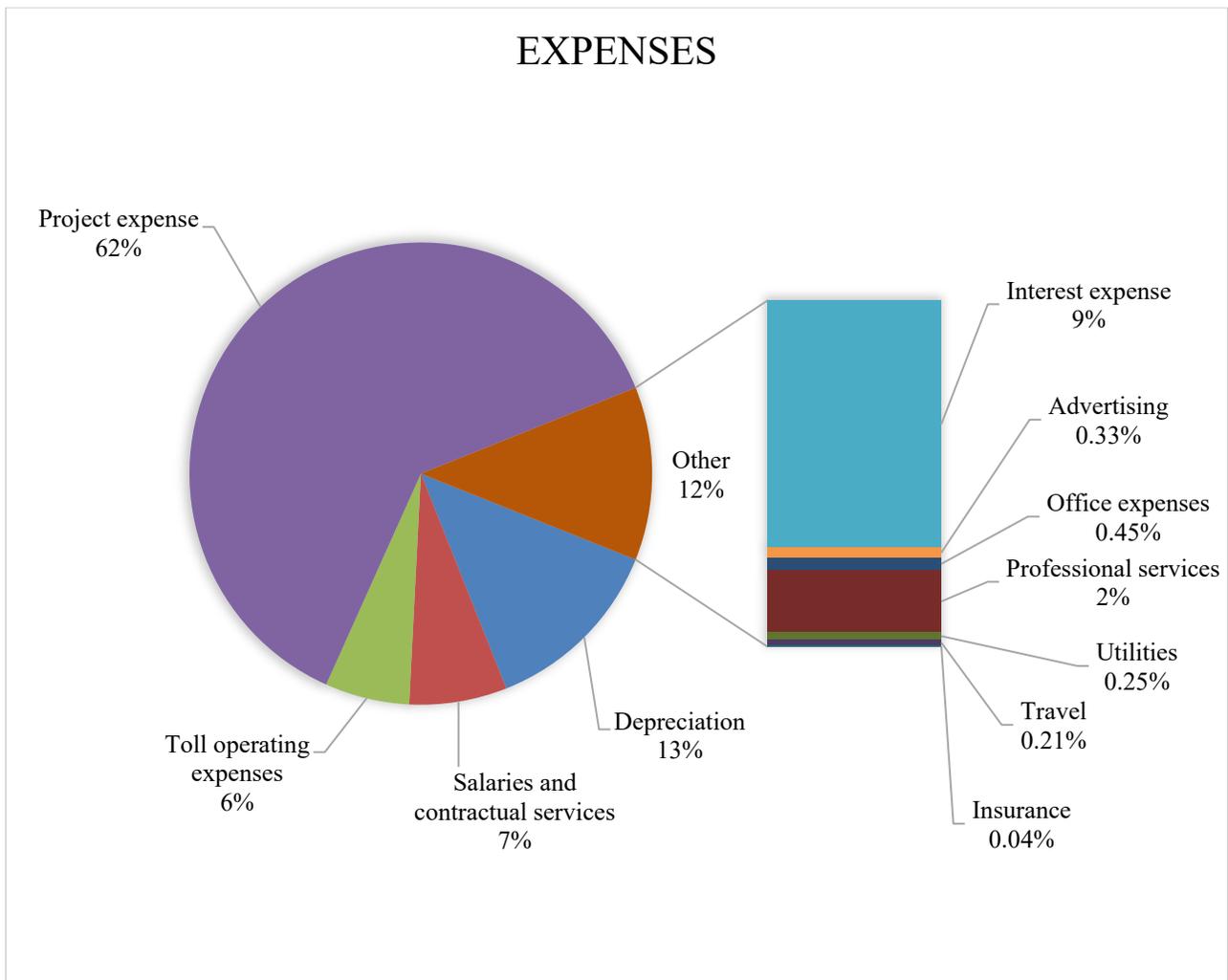
- Total Vehicle registration fees for fiscal year 2023 were \$3,499,780, an increase of \$38,670 compared to the previous fiscal year. Revenues for fiscal year 2022 were \$3,461,110. Increase due to a more registration renewals.
- Toll revenues increased by \$364,195 for fiscal year 2023 for a total of \$4,966,718. Revenues for the previous fiscal year were \$4,602,523. In fiscal year 2023, the traffic count increased.
- Transportation reinvestment zone increased by \$383,666 for fiscal year 2023 for a total of \$3,462,631. Revenues from the previous fiscal year were \$3,078,965. The increase is due to an increase in property value assessments.
- Interest income increased by \$399,001 due to cash advance funding and higher interest rates.
- Interlocal agreements and capital contributions increased by \$8,327,682 which was mainly due to an increase in interlocal agreement project development funding.



CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
 (A Component Unit of Cameron County, Texas)  
**Management's Discussion and Analysis**  
 For the Fiscal Year Ended September 30, 2023

**Expenses** – Total operating expenses increased by \$756,065 or 10.59%. as shown on Changes in Net Position.

- Salaries and contractual services is one of the largest expense and is 7% of total expenses. This is an increase of \$212,504 from the previous year and is due to an increase in staff.
- Toll operating expenses increased by \$261,944 and 6% of total expenses. This is due to an increase in postage, mailing, and toll road maintenance.
- Interest expense decreased by \$56,281 and is 9% of total expenses. The decrease is due year due to lower interest rates on prior years refunding bonds.
- Project development expenses are the largest expense representing 62% of total expenses. The increase of \$8,611,261 is due to project development materializing.
- The remaining 16% of expenses represent depreciation (13%), and other expenses of 3% consist of professional services, utilities, advertising, office expenses, insurance, and travel.



CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Management's Discussion and Analysis**  
For the Fiscal Year Ended September 30, 2023

**Capital Assets and Debt Administration**

The CCRMA's investment in capital assets as of September 30, 2023, amounts to \$116,439,861 (net of accumulated depreciation). The total increase in the CCRMA's net investment in capital assets for the current fiscal year was \$1,976,766 or – 1.67%. The investment in capital assets includes land, buildings, improvements, software, infrastructure, and construction in progress net of related liabilities.

Additional information can be found in Note 3 on page 40 of this report. The following represents capital assets by category net of their related accumulated depreciation:

	<u>2023</u>	<u>2022</u>
Land	\$ 154,268	\$ 154,268
Construction in progress (CIP)	23,555,443	24,753,414
Buildings	605,225	642,385
Improvements	34,415	18,508
Software	2,372,408	1,194,903
Infrastructure	85,048,996	87,145,298
Equipment	4,669,106	4,507,851
Total Capital Assets	<u>\$ 116,439,861</u>	<u>\$ 118,416,627</u>

**Long-term Debt**

As of September 30, 2023, the CCRMA had long term debt outstanding of \$71,075,000. The total decrease to long term debt for the current fiscal year was \$2,305,000 or -3.14%. Additional information can be found in Note 7 on pages 44-47 of this report.

	<u>2023</u>	<u>2022</u>
2014 Revenue & Tax Bonds	\$ 3,770,000	\$ 4,040,000
2015 Revenue & Tax Bonds	3,930,000	4,100,000
2016 Refunding Revenue & Tax	15,805,000	15,805,000
2017 Refunding Revenue Bonds	3,415,000	4,470,000
2019 Refunding Revenue Bonds	14,925,000	14,925,000
2020 Refunding Revenue & Tax	25,305,000	26,115,000
2021 Revenue Bonds	3,925,000	3,925,000
Total Long-Term Debt	<u>\$ 71,075,000</u>	<u>\$ 73,380,000</u>

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Management's Discussion and Analysis**  
For the Fiscal Year Ended September 30, 2023

**Economic Factors**

- Registered vehicles increased by 1% from the prior year to 350,188 in 2023.
- Growth in redevelopment projects with local governmental entities increased in 2023.
- Toll road traffic counts increased by 16% from the prior year to 5,437,251 in 2023.
- Toll road revenue increased by 8% from the prior year anticipating a larger increase in fiscal 2024 due to toll traffic increase.

**Request for information**

The financial report is designed to provide customers, investors, and creditors with a general overview of the CCRMA's finances and to demonstrate the CCRMA's accountability for all inflows and outflows of resources. If you have any questions about this report or need additional financial information, contact the Cameron County Regional Mobility Authority, 3461 Carmen Avenue, Rancho Viejo, Texas 78575 or visit [www.ccrma.org](http://www.ccrma.org) for more information.

## **BASIC FINANCIAL SECTION**

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Statement of Net Position**  
September 30, 2023

ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 1,268,250
Prepaid items	38,380
Accounts receivable, net	1,565,953
Due from other agencies	10,285,249
Total Current Assets	13,157,832
Current Restricted Assets	
Restricted cash - debt service	2,550,000
Restricted cash - interlocal projects	3,324,105
Restricted cash - bond proceeds	2,493,430
Total Restricted Current Assets	8,367,535
Total Current Assets	21,525,367
Non-Current Assets:	
Non Current Restricted Assets:	
Cash - TRZ project funds	6,059,000
Cash - trustee debt reserve funds (BNYM)	4,795,947
Cash - trustee debt reserve funds (TRB)	3,443,928
Net pension asset	164,797
Prepaid bond insurance	85,389
Capital assets, net	
Land	154,268
Construction in progress	23,555,443
Buildings	743,204
Improvements	44,679
Software	3,307,221
Infrastructure	108,604,104
Equipment	8,618,954
Accumulated depreciation	(28,588,012)
Total Capital Assets, Net	116,439,861
Total Non-Current Assets	130,988,921
Total Assets	152,514,288
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	288,854
Total Deferred Outflows of Resources	288,854
Total Assets and Deferred Outflows of Resources	\$ 152,803,142

(Continued)

See Accompanying Notes to the Financial Statements

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Statement of Net Position - Continued**  
September 30, 2023

LIABILITIES:	
Current Liabilities:	
Accounts payable	\$ 5,345,364
Accrued interest	304,502
Current portion of long-term debt	<u>2,550,000</u>
Total Current Liabilities	<u>8,199,866</u>
Non-Current Liabilities:	
Due to other agencies	16,134,188
Long-term debt	70,112,883
Unearned revenue	<u>2,494,687</u>
Total Non-Current Liabilities	<u>88,741,758</u>
Total Liabilities	<u>96,941,624</u>
DEFERRED INFLOW OF RESOURCES	
Deferred charge on refundings	11,741
Deferred related to pension	<u>159,202</u>
Total Deferred Inflow of Resources	<u>170,943</u>
Total Liabilities and Deferred Inflow of Resources	<u>97,112,567</u>
NET POSITION:	
Net investment in capital assets	30,298,362
Restricted	
Debt service	10,927,534
Redevelopment projects	9,517,906
Net pension	164,797
Unrestricted	<u>4,781,976</u>
Total Net Position	<u>55,690,575</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 152,803,142</u>

(Concluded)

See Accompanying Notes to the Financial Statements

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Statement of Revenues, Expenses  
and Changes in Net Position**  
For the Year Ended September 30, 2023

Operating Revenues	
Vehicle registration fees	\$ 3,499,780
Toll revenue	4,966,718
Transportation reinvestment zone	3,462,631
Interlocal agreement revenues	336,316
Other operating revenues	15,082
Total Operating Revenues	<u>12,280,527</u>
Operating Expenses	
Advertising	90,536
Depreciation	3,502,282
Insurance	11,128
Office expenses	121,943
Professional services	590,936
Salaries and contractual services	1,851,694
Toll operating expenses	1,600,346
Travel	57,759
Utilities	67,973
Total Operating Expenses	<u>7,894,597</u>
Net Operating Income	<u>4,385,930</u>
Non-Operating Revenues (Expenses)	
Interest expense	(2,349,355)
Interest income	554,056
Redevelopment project expense	(16,871,846)
Total Non-Operating (Expenses)	<u>(18,667,145)</u>
(Loss) before capital contributions	<u>(14,281,215)</u>
Capital Contributions	<u>17,917,414</u>
Change in Net Position	3,636,199
Net Position-beginning of year	<u>52,054,376</u>
Net Position-end of year	<u>\$ 55,690,575</u>

See Accompanying Notes to the Financial Statements

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

(A Component Unit of Cameron County, Texas)

**Statement of Cash Flows**

For the Year Ended September 30, 2023

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from vehicle registration fees	\$ 3,485,190
Receipts from toll revenues	5,774,770
Receipts from other operating sources	5,182,456
Payments to vendors	(2,566,952)
Payments to employees	(1,933,869)
Net cash provided by operating activities	<u>9,941,597</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisitions of property and equipment	(2,723,487)
Acquisitions of construction in progress and redevelopment assets	(13,639,602)
Payments on interest	(2,470,248)
Payments on bond principal	(2,305,000)
Advances from TxDOT and other project agreements	10,708,494
Net cash used in capital and related financing activities	<u>(10,429,844)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Receipts from interest income	<u>554,056</u>
Net cash provided by investing activities	<u>554,056</u>
Net increase in cash and cash equivalents	65,808
Cash and cash equivalents at beginning of year	<u>23,868,851</u>
Cash and cash equivalents at end of year	<u>\$ 23,934,659</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Net operating income	\$ 4,385,930
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	3,502,282
Changes in assets and liabilities:	
(Increase) in prepaid expenses	(14,713)
(Increase) in due from other agencies	2,493,227
Decrease accounts receivable	758,771
Decrease net pension asset	168,847
Increase in accounts payable	2,049,285
(Decrease) in accrued expenses	(8,558)
(Decrease) in unearned revenue	(3,196,422)
(Increase) in deferred outflow of resources	(36,478)
(Decrease) in deferred inflow of resources	(160,575)
Net cash flows provided by operating activities	<u>\$ 9,941,597</u>

See Accompanying Notes to the Financial Statements

(continued)

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Statements of Cash Flows - Continued**  
Year Ending September 30, 2023

RECONCILIATION OF ENDING CASH AND CASH EQUIVALENTS TO THE  
STATEMENT OF NET POSITION:

Ending cash - Statement of Cash Flows	\$ 23,934,659
Less: amount reported in restricted assets	<u>22,666,409</u>
Ending cash - Statement of Net Position	<u><u>\$ 1,268,250</u></u>

See Accompanying Notes to the Financial Statements

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 1 – Organization and Summary of Significant Accounting Policies**

The financial statements of the CCRMA have been prepared in conformity with Generally Accepted Accounting Principles in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the CCRMA's accounting policies are described below:

A. Reporting Entity

The Cameron County Regional Mobility Authority (CCRMA) was authorized for creation on September 30, 2004, by the Texas Transportation Commission to promote and improve regional mobility within Cameron County. Since its creation, the CCRMA has committed itself to an ambitious series of economically sustainable projects to improve the quality of life for area residents and enable quality economic development. The CCRMA receives funds from Vehicle Registration Fees in Cameron County as well as interlocal revenues, toll revenues and grant funds for projects. The CCRMA is governed by a board of directors consisting of seven members with operations overseen by an Executive Director. The CCRMA operates with a small group of local staff and contracts many of its services with local area professionals. The CCRMA is a component unit of Cameron County, Texas

In evaluating how to define the CCRMA, for financial reporting purposes, management has determined that there are no entities over which the CCRMA exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the CCRMA. Since the CCRMA does not exercise significant influence or accountability over other entities, it has no component units.

B. Basis of Accounting

The operations of the CCRMA are accounted for within a single proprietary (enterprise) fund through which all financial activities are recorded. The measurement focus for an enterprise fund is the flow of economic resources. An enterprise fund follows the accrual basis of accounting. Under the accrual basis of accounting, all assets, liabilities, deferred inflows, and outflows of resources associated with the operations are included on the Statement of Net Position. Net position (i.e., total assets and deferred outflows net of total liabilities and deferred inflows) is segregated into amounts of net investment in capital assets, amounts restricted for capital activity, debt service pursuant to the bond indenture, other contractual restrictions, and amounts which are unrestricted. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of capital assets is recognized in accordance with subsection F of this note.

C. Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 1 – Organization and Summary of Significant Accounting Policies – Continued**

D. Cash & Cash Equivalents

Cash and cash equivalents include cash on hand and demand deposits. These deposits are fully collateralized or covered by federal deposit insurance.

E. Accounts Receivable

The net accounts receivable as of September 30, 2023, is \$1,565,953 which is comprised of \$9,023,463 of gross receivables related to tolls and vehicle registration fees with an allowance of \$7,457,510. The CCRMA does not require collateral. Accounts are considered overdue when payment has not been received within 30 days of payment.

F. Capital Assets

Capital assets which include land, buildings, improvement, software, infrastructure, and equipment, are recorded at historical cost, or estimated historical cost constructed. Capital assets are defined as assets with an initial and individual cost of \$5,000 or more and an estimated useful life in excess of two years. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Life in Years</u>
Buildings	20-30 years
Improvements	5-20 years
Software	3-15 years
Infrastructure	40 years
Equipment	3-20 years

A full month’s depreciation is taken in the month an asset is placed in service. When capital assets are disposed of accumulated depreciation is removed from the respective accounts and the resulting gain or loss, if any, is recorded.

G. Capital Contributions

Capital contributions are comprised of federal, state, and local grants. The portion of the grants and reimbursements used for capital purposes are reflected as capital contributions in the Statement of Revenues, Expenses and Changes in Net Position. The funds are reimbursable contributions, whereas the CCRMA first pays for the project and is then reimbursed for all eligible expenses by the granting agency. The CCRMA considers all grants and contributions to be 100% collectible in accordance with contract terms.

H. Income Taxes

The CCRMA is a political subdivision of the State of Texas. As such, income earned in the exercise of its essential government functions is exempt from state or federal income taxes.

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 1 – Organization and Summary of Significant Accounting Policies – Continued**

I. Prepaid Items

Certain payments to vendors reflect costs to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

J. Classification of Operating and Non-Operating Revenues and Expenses

The CCRMA defines operating revenues and expenses as those revenues and expenses generated by a specified program offering either a good or service. This definition is consistent with GASB Statement No. 9 which defines operating receipts as cash receipts from customers and other cash receipts that do not result from transactions defined as capital and related financing, non-capital financing or investing activities. Operating expenses for the CCRMA include the costs of administrative expenses, indirect administrative costs, depreciation, and costs for contractual services associated with operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

K. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The CCRMA's policy on net position allows for the following three categories of net position:

*Net investment in capital assets* consists - of capital assets net of accumulated depreciation, outstanding balances on borrowings attributable to the acquisition of capital assets, unspent bond proceeds, and deferred outflows and inflows of resources attributable to the acquisition of capital assets.

*Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

*Unrestricted* – consists of assets, deferred outflows of resources, liabilities, and deferred inflows of resources not included in the determination of net investment in capital assets, or the restricted component of net position.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
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For the Year Ended September 30, 2023

**Note 1 – Organization and Summary of Significant Accounting Policies – Continued**

L. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods. The CCRMA has the following items classified as deferred outflows of resources:

- Deferred outflows consist of deferred charges on refundings pension contributions after measurement date, the differences in projected and actual earnings on pension assets, and changes in pension assumptions. Pension contributions after measurement date are deferred and recognized in the following fiscal year. The difference in projected and actual earnings on pension assets are amortized over a closed five-year period. Pension assumption changes are recognized over the average remaining service life for all members.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net asset that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The CCRMA has the following items classified as deferred inflows of resources:

- Deferred inflows consist of differences in expected and actual pension experience. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Difference in expected and actual pension experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price.

M. Restricted Assets

Certain proceeds of the CCRMA's bonds and grants, as well as certain other resources are classified as restricted assets in the statements of net position because their use is limited by applicable bond covenants, contracts, and grant agreements.

It is the CCRMA's policy to first apply restricted resources when an expense is incurred for purposes in which both restricted and unrestricted net assets are available.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
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**Note 1 – Organization and Summary of Significant Accounting Policies – Continued**

N. Long-Term Debt, Bond Premiums, Discounts, and Issuance Costs

Long-term debt payable are reported as liabilities in the statement of net position and include bond premiums and discounts. The CCRMA amortizes premiums and discounts over the estimated life of the bonds as an adjustment to interest expense. Bond issuance cost, other than prepaid insurance, is expensed as incurred, in accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Deferred gains/losses on refunding (the difference between the reacquisition price and the carrying value of the existing debt) are recorded as deferred outflows/inflows of resources and amortized over the shorter of, the life of the original bonds or the life of the refunding bonds.

O. Pensions

For purposes of measuring the net pension liability, net pension asset, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CCRMA's participation in the Texas County and District Retirement System (TCDRS), an agent plan, and additions to/deductions from TCERS's fiduciary net position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Investments

Investments are recorded at fair value. In February 2015, GASB issued its Statement No. 72, *Fair Value Measurement and Application*. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The CCRMA has investments required to be reported under GASB Statement No. 72 as of September 30, 2023.

Q. Toll Revenue and Vehicle Registration Fees

Toll revenues and vehicle registration fees are reported under the accrual basis of accounting. These revenues are recognized in the period in which they are earned.

R. Implementation of New Accounting Pronouncements

GASB Statement No. 91, "Conduit Debt Obligations" The requirements of this Statement will take effect for financial statements starting with fiscal year that ends December 31, 2022. The adoption of this pronouncement did not have a material effect on the financial statements at September 30, 2023.

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
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**Notes to Financial Statements**  
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**Note 1 – Organization and Summary of Significant Accounting Policies – Continued**

R. Implementation of New Accounting Pronouncements - Continued

GASB Statement No.94, “Public-Private and Public Partnerships and Availability Payment Arrangements.” The requirements of this Statement will take effect. For financial statements starting with the fiscal year that ends June 30, 2023. The adoption of this pronouncement did not have a material effect on the financial statements at September 30, 2023.

GASB Statement No.96, “Subscription-Based Information Technology Arrangements. “The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The adoption of this pronouncement did not have a material effect on the financial statements at September 30, 2023.

GASB Statement No. 99 “Omnibus 2022. “The requirements related to leases, PPP’s and SBITA will take effect for financial statements starting with fiscal year that ends June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will take effect for financial statements starting with fiscal year that ends June 30, 2024.

GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of FASB Statement No. 62”. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024.

GASB No. 101, “Compensated Absences.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
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For the Year Ended September 30, 2023

**Note 2 – Deposits and Investments**

*Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the CCRMA will not be able to recover its deposits or its collateral securities that are in the possession of an outside party. The CCRMA complies with its investment policy for all its cash and cash equivalent accounts, which calls for safety of principal as the priority in its deposit accounts. As of September 30, 2023, the carrying amount of the CCRMA's cash, cash equivalents, and restricted cash was \$23,934,660 of this total, \$22,666,410 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, \$1,268,250, was held in business interest checking accounts. There is no limit on the amount the CCRMA may deposit in any one institution. However, the Federal Deposit Insurance Corporation only insures up to \$250,000 per institution. The CCRMA is fully collateralized with pledged securities and a letter of credit with Federal Home Loan Bank for amounts in excess of the FDIC limit for the year ended September 30, 2023.

*Legal Contractual Provisions Governing Investments*

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the CCRMA to adopt, implement, and publicize an investment policy. The policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

The Statutes authorize the CCRMA to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the CCRMA to have independent auditors perform test procedures related to investment practices as provided by the Act. The CCRMA is in substantial compliance with the requirements of the Act and with local policies.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
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**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 3 – Capital Assets**

Depreciation expense for 2023 was \$3,502,282. The following schedule summarizes the capital assets and construction in progress of the CCRMA as of September 30, 2023:

Capital Assets	October 1, 2022	Additions	Reclassification	September 30, 2023
<b>Non-Depreciable Capital Assets</b>				
Land	\$ 154,268	\$ -	\$ -	\$ 154,268
Construction in progress (CIP)	24,753,414	152,029	(1,350,000)	23,555,443
Total Non-depreciable Capital Assets	<u>24,907,682</u>	<u>152,029</u>	<u>(1,350,000)</u>	<u>23,709,711</u>
<b>Depreciable Capital Assets</b>				
Buildings	743,204	-	-	743,204
Improvements	26,793	17,886	-	44,679
Software	1,910,405	46,816	1,350,000	3,307,221
Infrastructure	107,932,277	671,827	-	108,604,104
Equipment	7,981,996	636,958	-	8,618,954
Total Depreciable Capital Assets	<u>118,594,675</u>	<u>1,373,487</u>	<u>1,350,000</u>	<u>121,318,162</u>
<b>Less: Accumulated Depreciation</b>				
Buildings	(100,819)	(37,160)	-	(137,979)
Improvements	(8,285)	(1,979)	-	(10,264)
Software	(715,502)	(219,311)	-	(934,813)
Infrastructure	(20,786,979)	(2,768,129)	-	(23,555,108)
Equipment	(3,474,145)	(475,703)	-	(3,949,848)
Total Accumulated Depreciation	<u>(25,085,730)</u>	<u>(3,502,282)</u>	<u>-</u>	<u>(28,588,012)</u>
Total Depreciable Capital Assets, Net	<u>93,508,945</u>	<u>(2,128,795)</u>	<u>1,350,000</u>	<u>92,730,150</u>
Total Capital Assets	<u>\$ 118,416,627</u>	<u>\$(1,976,766)</u>	<u>\$ -</u>	<u>\$ 116,439,861</u>

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
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**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 4 – Disaggregation of Receivable and Payable Balances**

Accounts receivable consisted of the following at September 30, 2023:

	Total
Vehicle registration fees	\$ 596,325
Tolls accounts receivable, net	969,628
Total Accounts Receivable, Net	\$ 1,565,953

Accounts payable consisted of the following at September 30, 2023:

	Total
Operation payables	\$ 264,089
Project payables	5,081,275
Total Accounts Payable	\$ 5,345,364

**Note 5 – Line of Credit**

The CCRMA uses a revolving line of credit to finance a variety of transportation projects, including financing construction projects prior to issuance of the related bonds and other project financing. The fixed rate is 3.5%. The line of credit matures annually and is unsecured. Line of credit balance for the year ended September 30, 2023 was \$0.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
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For the Year Ended September 30, 2023

**Note 6 – Non-Current Liabilities**

Unearned revenue relates to funds received for projects developed in which the CCRMA will not retain ownership or maintenance of the project.

Amounts in Due to Other Agencies include the TxDOT Financial Assistance Agreements (FAA) amounts which are obligations provided by TxDOT for the further study and development of the following associated projects.

The TxDOT FAA for the South Padre Island 2<sup>nd</sup> Access project consists of two separate agreements executed in 2006 and 2014 for the maximum credit limit of \$9.2 million and \$5.1 million, respectively.

The TxDOT FAA for the West Parkway Project consists of the same agreement executed in 2006 for the SPI 2<sup>nd</sup> access. However, this project ultimately was not developed, and the CCRMA expects to confirm removal of the obligation in the upcoming fiscal year.

The TxDOT FAA for the Outer Parkway Project was executed in 2014 for a maximum credit limit of \$5.0 million. For each project development cost, in which an advancement is required from the above-mentioned FAA's, the CCRMA must seek approval for the development cost, scope, and vendor from TxDOT prior to utilizing the funds.

On April 11, 2006, Cameron County (County) entered into an agreement with the CCRMA whereby the County would provide an interest free loan of \$250,000 for the purpose of assisting the CCRMA in its organizational efforts. As of September 30, 2023, there was an outstanding balance of \$117,500.

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## CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

(A Component Unit of Cameron County, Texas)

**Notes to Financial Statements**

For the Year Ended September 30, 2023

**Note 6 – Non-Current Liabilities – Continued**

The following schedule summarizes the non-current liabilities of the CCRMA as of September 30, 2023:

Unearned Revenue	October 1, 2022	Additions	Reductions	September 30, 2023	Credit Limit
<b>Cameron County</b>					
Dana Road	\$ -	\$ 165,190	\$ -	\$ 165,190	N/A
East Loop	1,001,371	-	(876,805)	124,566	N/A
Gateway Bridge	-	25,000	(22,112)	2,888	N/A
International Bridges	23,275	-	-	23,275	N/A
Mountain Bike Trail	-	345,500	(330,501)	14,999	
Old Alice Road	1,442,828	-	(44,751)	1,398,077	N/A
SPI Second Access	1,258,866	-	(819,741)	439,125	N/A
Veterans International Bridge	1,583,041	-	(1,583,041)	-	N/A
<b>City of Brownsville</b>					
Dana Road	177,595	105,872	(242,746)	40,721	N/A
Indiana Road	-	-	-	-	N/A
Morrison Road	10,917	-	-	10,917	N/A
West Rail	124,960	-	-	124,960	N/A
<b>City of Los Fresnos</b>					
Sidewalk Project	20,043	47,113	(26,489)	40,667	N/A
Whipple Road	6,256	-	-	6,256	N/A
<b>Tolls</b>					
Other	41,957	97,093	(36,004)	103,046	N/A
Total Unearned Revenue	<u>\$ 5,691,109</u>	<u>\$ 785,768</u>	<u>\$ (3,982,190)</u>	<u>\$ 2,494,687</u>	<u>\$ -</u>
<b>Due to Other Agencies</b>					
TxDot FAA - South Padre Island 2nd Access	\$ 12,991,920	\$ -	\$ -	\$ 12,991,920	\$ 14,300,000
TxDot FAA - West Parkway	2,244,589	-	-	2,244,589	N/A
TxDot FAA - Outer Parkway	780,179	-	-	780,179	5,000,000
Cameron County	117,500	-	-	117,500	N/A
Total Due to Other Agencies	<u>\$ 16,134,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,134,188</u>	<u>\$ 19,300,000</u>

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
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**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 7 – Long-Term Debt**

The following items comprise the CCRMA’s outstanding debt at September 30, 2023.

Description	Interest rates %	Date of Issuance	Date of Maturity	Bonds Outstanding
SH550 Highway Project Revenue and Tax Bonds, Series 2014	2.00%-5.00%	2014	2034	\$ 3,770,000
SH550 Highway Project Revenue and Tax Bonds, Series 2015	2.75%-3.75%	2015	2040	3,930,000
Revenue and Tax Refunding Bonds, Series 2016	3.75%-5.00%	2016	2042	15,805,000
Vehicle Registration Revenue Refunding Bonds, Series 2017	4.00%-5.00%	2017	2026	3,415,000
Vehicle Registration Revenue Refunding Bonds, Series 2019	5.00%	2019	2036	14,925,000
Revenue and Tax Refunding Bonds, Series 2020	5.00%	2020	2038	25,305,000
Vehicle Registration Revenue Bonds, Series 2021	3%	2021	2041	3,925,000
Total Debt				71,075,000
Premium on Debt				1,611,984
(Discounts)				(24,101)
Net Total Debt				<u>\$ 72,662,883</u>

In June 2012, the CCRMA and Cameron County entered into the SH550 Funding and Development Agreement for a project titled “SH550 Direct Connector Transportation Project”. Cameron County issued \$40,000,000 Revenue and Tax bonds, Series 2012 (State Highway 550 Project) dated August 8, 2012 providing the construction funding for this project. As a condition, the CCRMA is obligated to repay the bonds together with interest at the same stated rates the County will pay on the Series 2012 bonds in addition to, if applicable, an administrative fee also known as a “CAF Fee. The bonds carry interest rates of 2.125% to 5.0% and mature through February 2038. In December 2016 through an advance refunding, a total of \$14.3 million in bonds were refunded. In March 2020, \$25 million were advance refunded.

In January 2014, Cameron County issued \$5,000,000 Revenue and Tax Bonds, Series 2014 (State Highway 550 Project) dated March 1, 2014. As a condition of such funding, the CCRMA is obligated to repay the funding together with interest on the unpaid principal balance at the same stated rates of interest the County will pay on the Series 2014 bonds. Similar to the Series 2012 Bonds, the CCRMA is obligated to continue payment of the annual CAF Fee as calculated on the original issuance of the Series 2012 bonds. Series 2014 bonds carry interest rates of 2.0% to 5.0% and mature through February 2034. In December 2016 through an advanced refunding, a total of \$695,000 in bonds were refunded.

In March 2015, the CCRMA issued \$4,500,000 Revenue and Tax Bonds, Series 2015 (State Highway 550 Project) to further provide funds for the “SH550 Direct Connector Transportation Project.” The CCRMA is responsible for repaying the principal and interest amounts as well as the annual CAF Fee on the bonds. The bonds have maturities between February 2020 and February 2040 and carry interest rates of 2.75% to 3.75%. In December 2016 through an advanced refunding, a total of \$245,000 in bonds were refunded.

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 7 – Long-Term Debt – Continued**

On August 31, 2021, the CCRMA issued Vehicle Registration Revenue Bonds, Series 2021 in the amount of \$3.925 million. The CCRMA is obligated to repay the principal and interest amounts on the bonds as detailed in the official statement of the bonds. The Bond Series 2021 has maturities of February 2022 to 2041 and carry interest rates of 3% payable February 15 and August 15 of each year. Bond proceeds will be used for the purpose of paying project costs, funding the debt service and paying cost of issuance of the bonds.

*Advanced Refunding and Defeased Debt*

On December 29, 2016 Cameron County issued \$15.8 Revenue and Tax Refunding Bonds Series 2016 for the SH550 project. The net proceeds of \$15.6 million (net of underwriters, financial advisor, and other costs of issuance) were used to advance refund \$15.3 of the series 2012, 2014, and 2015 SH550 Revenue bonds. The CCRMA is obligated to repay the funding together with interest on the unpaid principal balance at the same stated rates of interest the County will pay on the series 2016 bond issuance. Bond proceeds were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the refunded bonds from series 2012, 2014, and 2015 SH550 Revenue and Tax bonds were considered to be defeased, and the liability for those bonds has been removed from the long-term debt of the CCRMA financials. The bonds have maturity between February 2035 and February 2042, and they carry interest rates of 3.75% to 5.0%.

On December 27, 2017, Cameron County and the CCRMA issued Vehicle Registration Fee Revenue Refunding Bonds, Series 2017 in the amount of \$4.4 million. The net proceeds of \$4.8 million (net of underwriters, financial advisor, and other cost of issuance) were used to advance refund \$4.4 million of Series 2010A Revenue bond. The CCRMA is obligated to repay the principal and interest amounts on the bonds as detailed in the official statement of the bonds. The Bond Series 2017 has maturities of February 2023 to 2026 and carry interest rates of 5% payable every February 15 and August 15 of each year. The bonds have maturity between February 2023 and February 2026, and they carry interest rates of 4.0%.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
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**Notes to Financial Statements**  
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**Note 7 – Long-Term Debt – Continued**

On March 26, 2019, the CCRMA issued Vehicle Registration Fee Revenue Refunding Bonds, Series 2019 in the amount of \$14.9 million. The net proceeds of \$14.9 million (net of underwriters, financial advisor, and other cost of issuance) were used to advance refund \$15.5 million of Series 2010B Revenue bond. The CCRMA is obligated to repay the principal and interest amounts on the bonds as detailed in the official statement of the bonds. The Bond Series 2019 has maturities of February 2027 to 2036 and carry interest rates of 5% payable February 15 and August 15 of each year. Bond proceeds were used to purchase U.S. Government Securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the refunded bonds from the series 2010B Vehicle Registration Fee Revenue were considered to be defeased, and the liability for those bonds has been removed from the long-term debt of the CCRMA financial statements.

On March 31, 2020, the CCRMA issued Revenue and Tax Refunding Bonds, Series 2020 (SH 550 Project) in the amount of \$26.9 million. The net proceeds of \$26.9 million (net of underwriters, financial advisor, and other cost of issuance) were used to advance refund \$25.5 million of Series 2012 Revenue bond. The CCRMA is obligated to repay the principal and interest amounts on the bonds as detailed in the official statement of the bonds. The Bond Series 2020 has maturities of February 2021 to 2038 and carry interest rates of 5% payable February 15 and August 15 of each year. Bond proceeds were used to purchase U.S. Government Securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments.

See summary below for additional details of the refunding:

<b>Bond Refunding Series</b>	<b>Amount of Issuance</b>	<b>Cost of Issuance</b>	<b>Bond Premium</b>	<b>Net Proceeds</b>	<b>Average Coupon</b>	<b>Bonds Refunded</b>		<b>Average Coupon of Refunded Bonds</b>	<b>Escrow Defeased</b>
						<b>Series</b>	<b>Principal Amount</b>		
2014 Series Refunding	\$ 6,325,000	\$ (164,406)	\$ 137,092	\$ 6,297,686	2.12%	2010A	\$ 6,220,000	3.77%	Yes
2016 Series Refunding	15,805,000	(306,052)	100,180	15,599,128	4.09%	2012 2014 2015	14,340,000 695,000 245,000	4.92%	Yes
2017 Series Refunding	4,470,000	\$ (150,253)	\$ 456,100	4,775,847	4.00%	2010A	4,480,000	5.00%	Yes
2019 Series Refunding	14,925,000	\$ (278,173)	\$ 1,546,268	16,193,095	4.25%	2010B	15,535,000	6.55%	Yes
2020 Series Refunding	26,925,000	\$ (346,214)	\$ -	26,578,786	2.51%	2012	25,005,000	4.99%	Yes
	<u>\$ 68,450,000</u>	<u>\$ (1,245,098)</u>	<u>\$ 2,239,640</u>	<u>\$ 69,444,542</u>			<u>\$ 66,520,000</u>		



CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
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For the Year Ended September 30, 2023

**Note 8 – Interlocal and Grant Agreements**

*Pass Through Agreement for Payment of Pass-Through Tolls by the Department*

On February 22, 2012, the CCRMA and the TxDOT entered into an agreement for the pass through of toll payments for the development and operation of the SH550 Direct Connector toll project. This agreement provides for an annual payment of grant revenue for each vehicle mile traveled on the Direct Connector project for each project anniversary year. The minimum and maximum amount of annual payment are \$1,385,000 and \$2,770,000, respectively. The total maximum amount allowed to be paid through this agreement is \$30,470,000 with funds strictly used for repayment of the associated project bond debt. The revenues from this agreement are included in the pledged revenues for the 2012, 2014, 2015, and 2016 Revenue and Tax Bonds for the SH550 project issued by Cameron County. Revenues are recorded as capital contributions with any receivables included in the restricted portion of net assets. The remaining obligation by TxDot as of September 30, 2023, is \$19,390,000.

*Transportation Reinvestment Zone No.6*

On December 29, 2015, the County and the CCRMA entered into an agreement to participate in Transportation Reinvestment Zone (TRZ) No.6 in the County of Cameron. A TRZ is a transportation funding tool authorized by Senate Bill 1266 passed in the 80<sup>th</sup> Texas Legislature in 2007 that utilizes incremental property tax of a geographical area to support the funding of transportation infrastructure needs within the area. The CCRMA and Cameron County have existing TRZ's No. 1-5 that date back to 2010. The purpose of TRZ No. 6 is to expand the geographical area to cover the entire County and increase the number of eligible projects. The interlocal agreement is a long-term agreement with various requirements embedded. Total revenue recognized since inception as of September 30, 2023 is \$11,548,355.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
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For the Year Ended September 30, 2023

**Note 8 – Interlocal and Grant Agreements - Continued**

*Toll System Implementation Services, Support and Maintenance, and Toll Collection Processing*

On June 5, 2017, the CCRMA and the City of Pharr entered into an agreement for the CCRMA to provide services for a toll system implementation, maintenance support and toll collection processing for the Pharr International Bridge. The City of Pharr will acquire the services of the CCRMA and its vendors for the design, testing, implementation, and maintenance of the toll collection system including a full-service back-office system. The City of Pharr will also allow for the interoperability of the toll collection system of the Pharr International Bridge and that of the SH 550 toll road to improve the electronic toll collection of commercial traffic traveling into Mexico through the Pharr International Bridge.

*CCRMA to Develop Projects On Behalf of Cameron County*

On August 15, 2017, the CCRMA and Cameron County entered into an agreement to allow the CCRMA to develop projects on behalf of Cameron County. The CCRMA will provide all the necessary coordination with TxDOT and other necessary agencies for the development of transportation projects through environmental, design and construction phases. Projects include international bridges owned and operated by Cameron County, Interstate development and projects identified within the Transportation Reinvestment Zone No. 6 agreement. Prior to work commencing on either project, the CCRMA will provide a scope, cost, and overview of work to the Cameron County Commissioners Court for approval.

*CCRMA to Provide IT Staff for Maintenance to the International Bridge and Park Systems of Electronic Toll Collection*

On October 17, 2017, the CCRMA and Cameron County entered into an agreement for the provision of IT staff to be used for County Toll Collection Facilities. The IT staff would be a full time CCRMA employee that specializes in the maintenance and operation of electronic toll collection systems to provide routine maintenance, troubleshooting and support to the County staff. The County will pay the CCRMA a fixed monthly amount of \$3,333 for the life of the agreement and will provide reimbursement to staff expenses such as mileage and other pre-approved expenses.

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**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 8 – Interlocal and Grant Agreements - Continued**

*Toll System Implementation Services, Support and Maintenance, and Toll Collection Processing*

On June 10, 2019, the CCRMA and the Cameron County entered into an agreement for the CCRMA to provide services for a toll system implementation, maintenance support and toll collection processing for the International Bridge and the Park User Fee Systems. As of September 30, 2023, the project is ongoing.

*CCRMA Executive Director to Perform as Interim County Administrator*

On July 22, 2019, the CCRMA and Cameron County entered into an agreement for Executive Director to perform interim administrator duties for Cameron County. The County will pay the CCRMA a fixed monthly amount of \$10,000 for the life of the agreement. On October 26, 2021, the agreement was extended for thirty-six (36) months. On September 29, 2023, the agreement was extended forty-eight (48) months, September 30, 2027, unless otherwise amended, terminated, or modified.

*CCRMA Advanced Funding Agreements with Texas Department of Transportation*

On October 18, 2019, the CCRMA Board of Directors passed a resolution authorizing the execution of an Advanced Funding Agreement with the Texas Department of Transportation for the development of the SH 550 GAP II project with use of Federal Funds in the amount of \$17,500,000.

On November 07, 2019, the CCRMA Board of Directors passed a resolution authorizing the execution of an Advanced Funding Agreement with the Texas Department of Transportation for the development of the East Loop project with use of Federal, State and Local funds in the amount of \$4,025,000.

On December 12, 2019, the CCRMA Board of Directors passed a resolution authorizing the execution of an Advanced Funding Agreement with the Texas Department of Transportation for the development of the West Boulevard project with use of Federal and Local funds in the amount of \$1,000,000.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 8 – Interlocal and Grant Agreements – Continued**

*CTRMA to provide tag transaction processing services to CCRMA*

On August 20, 2020, the CCRMA negotiated a new interlocal agreement with Central Texas Regional Mobility Authority (CTRMA), that would continue providing transponder processing services to related to SH 550 Toll Project and other future transportation projects that may need transponder-based toll transaction processing services. On September 29, 2023, was extended until August 31, 2028, unless otherwise terminated by either party.

*Transportation Reinvestment Zone No.6*

On October 27, 2020, the CCRMA and Cameron County entered into an agreement to amend the Transportation Reinvestment Zone (TRZ) No.6 in the County of Cameron.

*Cameron County to utilize the CCRMA’s consultant during the 86<sup>th</sup> and 87<sup>th</sup> Legislative Session*

On December 19, 2020, the CCRMA and Cameron County entered into an agreement to allow the CCRMA’s Consultant, Pathfinder Public Affairs, to assist with legislation and other issues associated with the 86<sup>th</sup> and 87<sup>th</sup> legislature. The cost of the services and the amount of this agreement is \$32,000, which will be paid by the County. The agreement will terminate December 31, 2020, unless extended by action of both CCRMA and Cameron County.

On February 23, 2021, the CCRMA and Cameron County entered into an agreement to allow the CCRMA’s Consultant, Pathfinder Public Affairs, to assist with legislation and other issues associated with the 87<sup>th</sup> legislature. The cost of the services and the amount of this agreement is \$96,000, which will be paid by the County. The agreement will cover period from January 1, 2021, and will terminate December 31, 2021, unless extended by action of both CCRMA and Cameron County.

On December 21, 2021, the CCRMA and Cameron County entered into an agreement to allow the CCRMA’s Consultant, Pathfinder Public Affairs, to assist with legislation and other issues associated with the 87<sup>th</sup> legislature. The cost of the services and the amount of this agreement is \$96,000, which will be paid by the County. The agreement will cover period from January 1, 2022, and will terminate December 31, 2022, unless extended by action of both CCRMA and Cameron County.

On December 6, 2022, the CCRMA and Cameron County entered into an agreement to allow the CCRMA’s Consultant, Pathfinder Public Affairs, to assist with legislation and other issues associated with the 88<sup>th</sup> legislature. The cost of the services and the amount of this agreement is \$96,000, which will be paid by the County. The agreement will cover period from January 1, 2023, and will terminate December 31, 2023, unless extended by action of both CCRMA and Cameron County.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 8 – Interlocal and Grant Agreements - Continued**

*CCRMA to collaborate with Cameron County for Marketing Services*

On April 13, 2021, the CCRMA and the Cameron County entered in an agreement to allow the CCRMA to collaborate with Cameron County International Bridge System and the Cameron County Parks System on marketing efforts with a goal of increasing traffic for both County and CCRMA. On June 20, 2023, the agreement was extended until September 30, 2027.

*CCRMA to utilize the Cameron County Sign Shop Services and Use of County Equipment to install Equipment on SH 550 Toll Road.*

On May 24, 2022, the CCRMA and the Cameron County entered in an agreement to allow the CCRMA to use the County’s sign shop services as it relates to replacing or repairing signs along SH550 Toll Road, Additionally, to allow the CCRMA the use of county equipment and personnel to install any necessary equipment on SH550 Toll Road.

*Toll System Implementation Services, Support and Maintenance, and Toll Collection Processing*

On November 22, 2022, the agreement was signed to utilize The Revenue Markets, Inc. to serve as the Tolling Consultant in connection with the acquisition and installation of toll collection software and equipment.

*Harris County Toll Road Authority Tolling Services Agreement*

On July 17, 2023, the CCRMA and Harris County Toll Road Authority (HCTRA) entered into an agreement in which HCTRA will provide interoperability and tolling services for CCRMA toll roads.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 9 – Advertising**

The CCRMA incurs advertising expenses to promote community awareness of existing and ongoing projects. These expenditures include public relation events, website, social media marketing of toll operations, and other general advertising-related activities. These expenses are expensed in the year incurred. For the year ended September 30, 2023, the CCRMA expended \$90,536 in advertising.

**Note 10 – Risk Management**

In conjunction with its normal operations, the CCRMA is exposed to various risks related to the damage or destruction of its assets from both natural and man-made occurrences; tort/liability claims; error and omission claims, and professional liability claims. As a result of these exposures, the CCRMA carries insurance with a governmental risk pool under an “all risks” policy. All categories of insurance coverage in place were either maintained at current levels or increased as to overall limits of coverage and reduction of self-retained risk as to reduce the overall exposure of risk to the CCRMA. There were no settlements in excess of insurance coverage during fiscal year 2023.

**Note 11 – Subsequent Events**

*Harris County Transportation Road Authority*

On November 27, 2023, CCRMA and HCTRA amended the Interlocal Agreement to include the scope of work for the CCRMA Back Office System Transition Project. The CCRMA Back Office System (BOS) Transition Project involves the tasks related to the design, development, testing and transition of several existing and new systems into the HCTRA BOS.

*Cameron County to utilize the CCRMA’s consultant for upcoming 89th Legislative Session*

On December 15, 2023, the CCRMA and Cameron County entered into an agreement to allow the CCRMA’s Consultant, Pathfinder Public Affairs, to assist with legislation and other issues associated with the 88<sup>th</sup> Legislative Session and the Special Sessions as well as any future Special Sessions and the upcoming 89<sup>th</sup> Legislative Session.

The cost of the services and the amount of this agreement is \$96,000, which will be paid by the County. The agreement will cover period from January 1, 2024, and will terminate December 31, 2024, unless extended by action of both CCRMA and Cameron County.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 12 – Employee Retirement System**

A. Plan Description

The CCRMA provides retirement, disability, and survivor benefit for all its employees (excluding temporary) through a nontraditional defined benefit pension plan administered by the Texas County and District Retirement System (TCDRS). The TCDRS is an agency created by the Texas Legislature and administrated in accordance with the TCDRS Act, as an agent multiple-employer retirement system for county and district employees in the State of Texas. The TCDRS Act places the general administration and management of the TCDRS with an independent nine-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TCDRS is not fiscally dependent on the State of Texas. TCDRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TCDRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tcdrs.org](http://www.tcdrs.org).

All eligible employees of the CCRMA are required to participate in TCDRS.

B. Benefits Provided

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act).

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

Members can retire at ages 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or greater. 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.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 12 – Employee Retirement System – Continued**

B. Benefits Provided - Continued

Employees Covered by Benefit Terms

At December 31, 2022 valuation and measurement date, the following amount of employees were covered by the benefit terms:

	<u>2022</u>
Number of inactive employees entitled to but no yet receiving benefits:	20
Number of active employees:	17
Average monthly salary*:	\$6,173
Average age*:	40.16
Average length of service in years*:	7.52

\* *Averages reported for active employees*

C. Contributions

The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer’s governing body. The employee contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. Under the TCDRS Act, the contributions rate of the employer is actuarially determined annually using the Entry Age Normal (EAN) actuarial cost method.

Employees for the CCRMA are required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the CCRMA were 9.72%, 10.96% and 8.85% in calendar years 2021, 2022, and 2023 respectively. The CCRMA’s contributions for the year ended September 30, 2023 was \$141,502.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 12 – Employee Retirement System – Continued**

**D. Net Pension Asset**

The CCRMA’s net pension asset (NPA) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an annual actuarial valuation as of that date.

*Actuarial Assumptions*

The total pension liability/asset in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

	<b>2022</b>
Inflation	2.50%
Salary increases (including inflation and average)	4.7%
Investment rate of return	7.6%

Mortality rates were based on the following:

Depositing members	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males, Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% PUB-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December 2021. All economic assumptions were recommended by Milliman and adopted by the TCDRS Board of Trustees in March 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2022. The assumptions are reviewed annually for continued compliance with relevant actuarial standards of practice.

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 12 – Employee Retirement System - Continued**

*Long-Term Expected Rate of Return*

The long-term expected rate of return on TCDRS assets is 7.60%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2023 information for a 10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed in detail at a minimum of every four years, and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

The numbers shown below are based on January 2023 information for a 10-year time horizon.

Asset Class	Benchmark	Target Allocation <sup>(1)</sup>	Geometric Real Rate of Return <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.95%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	Morning LSTA US Leveraged Loan TR USD Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(3)</sup>	4.00%	7.60%
REIT Equities	67% FTSE NAREIT All Equity REIT's Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(5)</sup>	25.00%	7.95%
Hedge Funds	Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

<sup>(1)</sup> Target asset allocation adopted at the March 2023 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.3%, per Cliffwater's 2023 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 12 – Employee Retirement System - Continued**

*Discount Rate*

The discount rate used to measure the total pension liability was 7.60%. The rate reflects the long-term rate of return funding valuation assumption of 7.50%, plus a 0.10% adjustment to be gross of administrative expenses as required by GASB 68. The method used to determine the discount rate reflects the following funding requirements under the employer’s funding policy and the legal requirements under the TCDRS Act:

- TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UALL) shall be amortized as a level percent of pay over 20-year closed layer periods.
- Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
- The employer’s assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
- The employer’s assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
- Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

The plan’s fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate calculating the total pension liability is equal to the long-term assumed rate of return rate of return, and the municipal bond rates does not apply.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 12– Employee Retirement System - Continued**

Changes in the Net Pension Liability/(Asset)

At December 2022, the CCRMA reported a net pension asset of \$164,797. The changes in net pension asset are the following.

Note: Rounding differences may exist below or in other tables in this report.

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances as of December 31, 2021	\$ 1,229,882	\$ 1,563,526	\$ (333,644)
Changes for the year:			
Service Cost	189,786	-	189,786
Interest on total pension liability <sup>(1)</sup>	107,376	-	107,376
Effect of plan changes <sup>(2)</sup>	-	-	-
Effect of economic/demographic gains or losses	7,776 -	-	7,776 -
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(13,915)	(13,915)	-
Benefit payments	-	-	-
Administrative expenses	-	(988)	988
Member contributions	-	84,414	(84,414)
Net investment income	-	(108,907)	108,907
Employer contributions	-	131,784	(131,784)
Other <sup>(3)</sup>	-	29,788	(29,788)
<b>Balances as of December 31, 2022</b>	<b>\$ 1,520,905</b>	<b>\$ 1,685,702</b>	<b>\$ (164,797)</b>

<sup>(1)</sup> Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

<sup>(2)</sup> No plan changes valued.

<sup>(3)</sup> Relates to allocation of system-wide items.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 12 – Employee Retirement System - Continued**

Sensitivity Analysis

The following presents the net pension asset of the CCRMA, calculated using the discount rate of 7.60%, as well as what the CCRMA’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:

	As of December 31, 2022		
	1% Decrease	Current	1% Increase
	6.60%	Discount Rate	8.60%
	<u>6.60%</u>	<u>7.60%</u>	<u>8.60%</u>
Total pension liability	\$ 1,795,759	\$ 1,520,904	\$ 1,302,288
Fiduciary net position	1,685,701	1,685,701	1,685,701
Net pension liability/(asset)	<u>\$ 110,058</u>	<u>\$ ( 164,797)</u>	<u>\$ ( 383,413)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued TCDRS financial report. That report may be obtained on the internet at [www.tcdrs.org](http://www.tcdrs.org)

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 12– Employee Retirement System – Continued**

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The CCRMA recognized \$58,392 for the year ended September 30, 2023.

<u>Pension Expense/(Income)</u>	<u>January 1, 2022 to December 31, 2022</u>
Service cost	\$ 189,786
Interest on total pension liability <sup>(1)</sup>	107,376
Effect of plan changes	-
Administrative expenses	846
Member contributions	(84,414)
Expected investment return net of investment expenses	(127,448)
Recognition of deferred inflows/outflows of resources	-
Recognition of economic/demographic gains or losses	(16,107)
Recognition of assumption changes or inputs	6,836
Recognition of investment gains or losses	11,303
Other <sup>(2)</sup>	<u>(29,786)</u>
Pension expense/(income)	<u>\$ 58,392</u>

<sup>(1)</sup> Reflects the change in the liability due to the time value of money.

TCDRS does not charge fees or interest.

<sup>(2)</sup> Relates to allocation of system-wide items.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Notes to Financial Statements**  
For the Year Ended September 30, 2023

**Note 12 – Employee Retirement System – Continued**

At September 30, 2023, the CCRMA reported deferred inflows and outflows of resources related to pensions from the following sources:

	2023	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 159,040	\$ 51,177
Changes of assumptions	162	58,816
Net difference between projected and actual earnings	-	72,888
Contributions made subsequent to measurement date <sup>(1)</sup>	-	105,973
Total deferred outflow/inflow of resources related to pension	\$ 159,202	\$ 288,854

<sup>(1)</sup> Any eligible employer contributions made subsequent to the measurement date through the employer's fiscal year end should be reflected as outlined in Appendix D of this report.

The total of \$105,973 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date, but before the end of the reporting period will be recognized as a reduction of net pension liability(asset) in the subsequent fiscal year. . Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2023	\$ (6,451)
2024	972
2025	3,283
2026	37,996
2027	(2,891)
Thereafter <sup>(2)</sup>	(9,230)

<sup>(2)</sup> 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.

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## **REQUIRED SUPPLEMENTARY INFORMATION**



CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Required Supplementary Information**  
Schedule of Employer Contributions

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a % of Covered
2015	\$ 33,376	\$ 33,376	\$ -	\$ 333,027	10.0%
2016	55,072	55,072	-	481,394	11.4%
2017	69,348	69,348	-	714,520	9.7%
2018	94,034	94,034	-	969,510	9.7%
2019	110,756	110,756	-	1,168,025	9.5%
2020	117,081	117,081	-	1,382,308	8.5%
2021	102,257	102,257	-	1,453,723	7.0%
2022	124,869	124,869	-	1,639,190	7.6%
2023	141,502	141,502	-	1,851,694	7.6%

(1) TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicated the employer should report employer contributions amounts on a fiscal year basis. If additional assistance is needed, please contact TCDRS.

(2) Payroll is calculated based on contributions as reported to TCDRS.

Note: Schedule shows eight years for which the new GASB 68 has been implemented.

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CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
**Required Supplementary Information**  
Notes to Schedule of Employer Contributions

*Actuarial Methods and Assumptions Used*

Following are the key assumptions and methods used in this GASB analysis.

Valuation Timing

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of fiscal year in which contributions are reported.

Actuarial Cost Method

Entry Age

Amortization Method

Level percentage of payroll closed

Asset Valuation Method

5 Year smooth market

Inflation

2.50%

Salary Increases

Varies by age and service. 4.7% average over career including inflation

Investment Rate of Return

7.50%, net of administrative and investment expenses, including inflation

Retirement Age

Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.

Changes in assumptions and Methods Reflected in the Schedule of Employer Contributions:

2015 : New inflation, mortality and other assumptions were reflected.  
2017: New mortality assumptions were reflected.  
2019: New inflation, mortality and other assumptions were reflected.  
2022: New investment return and inflation assumptions were reflected.

Changes in Plan Provisions Reflected in the Schedule of Employer Contributions:

2015 : No changes in plan provisions were reflected in the Schedule.  
2016: No changes in plan provisions were reflected in the Schedule.  
2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.  
2018: No changes in plan provisions were reflected in the Schedule.  
2019: No changes in plan provisions were reflected in the Schedule.  
2020: No changes in plan provisions were reflected in the Schedule.  
2021: No changes in plan provisions were reflected in the Schedule.  
2022: No changes in plan provisions were reflected in the Schedule.

## **STATISTICAL SECTION**

This part of the Cameron County's Regional Mobility Authority's financial reports presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the CCRMA's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the CCRMA's financial performance and well-being have changed over time.	69
Revenue Capacity	
These schedules contain information to help the reader assess the CCRMA's most significant local revenue source, Toll Revenue and Vehicle Registration Fees.	71
Debt Capacity	
These schedules present information to help the reader assess the affordability of the CCRMA's current levels of outstanding debt and the CCRMA's ability to issue additional debt in the future.	75
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the CCRMA's financial activities take place.	76

Source: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for relevant years.

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)

Net Position  
Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net position:										
Net investment in capital assets	\$ 6,075,314	\$ 931,229	\$ 34,046,338	\$ 29,483,264	\$ 33,477,290	\$ 31,413,068	\$ 30,243,709	\$ 26,777,488	30,171,201	\$ 9,517,906
Restricted	4,513,260	9,274,689	10,307,998	14,051,439	8,531,623	8,503,228	10,199,547	18,001,712	16,739,689	4,946,773
Unrestricted	2,142,743	3,001,563	2,158,139	1,818,401	3,307,651	5,188,994	5,351,986	3,703,112	5,143,486	152,803,142
Total Net Position	\$ 12,731,317	\$ 13,207,481	\$ 46,512,475	\$ 45,353,104	\$ 45,316,564	\$ 45,105,290	\$ 45,795,242	\$ 48,482,312	\$ 52,054,376	\$ 167,267,821



CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
 (A Component Unit of Cameron County, Texas)  
 Traffic Count Table  
 Last Ten Years

Segment	2014 *	2015 *	2016 *	2017	2018	2019	2020	2021	2022	2023
Port Spur North Bound	-	-	-	233,172	300,974	311,550	368,766	533,496	635,519	700,643
Port Spur South Bound	-	-	-	289,684	357,856	380,933	435,872	610,110	735,563	788,769
SH550 Direct Connector - North	-	-	-	247,124	340,573	392,597	429,723	601,375	789,384	804,603
SH550 Direct Connector - South	-	-	-	234,377	299,483	345,874	431,016	618,907	811,530	886,173
SH550 Old Alice Rd E NB	-	-	-	254,991	219,421	63,167	59,726	15,921	-	65,138
SH550 Old Alice Rd X SB	-	-	-	280,171	223,998	58,092	60,225	119,868	100,172	141,242
SH550-Main-North	-	-	-	307,806	371,083	428,174	506,442	736,895	857,674	979,867
SH550-Main South	-	-	-	317,531	386,766	457,638	501,413	940,693	745,081	1,070,816
TOTALS	-	-	-	<u>2,164,856</u>	<u>2,500,154</u>	<u>2,438,025</u>	<u>2,793,183</u>	<u>4,177,265</u>	<u>4,674,923</u>	<u>5,437,251</u>

Source : Kapsch Maintenance Support System

\* Data Not Available

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
 (A Component Unit of Cameron County, Texas)  
 Toll Rate Schedule  
 Last Ten Years

SH550 Toll Road Segment	Two Axle Vehicles		Three Axle Vehicles		Four Axle Vehicles		Five Axle Vehicles		Six Axle Vehicles	
	Tag Rate <sup>1</sup>	Pay-By-Mail (PBM) <sup>1</sup>	Tag Rate <sup>1</sup>	Pay-By-Mail (PBM) <sup>1</sup>	Tag Rate <sup>1</sup>	Pay-By-Mail (PBM) <sup>1</sup>	Tag Rate <sup>1</sup>	Pay-By-Mail (PBM) <sup>1</sup>	Tag Rate <sup>1</sup>	Pay-By-Mail (PBM) <sup>1</sup>
Port Spur North Bound	\$ 0.50	\$ 0.67	\$ 1.00	\$ 1.33	\$ 1.50	\$ 2.00	\$ 2.00	\$ 2.66	\$ 2.50	\$ 3.33
Port Spur South Bound	\$ 0.50	\$ 0.67	\$ 1.00	\$ 1.33	\$ 1.50	\$ 2.00	\$ 2.00	\$ 2.66	\$ 2.50	\$ 3.33
SH550 Direct Connector - North	\$ 0.50	\$ 0.67	\$ 1.00	\$ 1.33	\$ 1.50	\$ 2.00	\$ 2.00	\$ 2.66	\$ 2.50	\$ 3.33
SH550 Direct Connector - South	\$ 0.50	\$ 0.67	\$ 1.00	\$ 1.33	\$ 1.50	\$ 2.00	\$ 2.00	\$ 2.66	\$ 2.50	\$ 3.33
SH550 Old Alice Rd E NB	\$ 0.50	\$ 0.67	\$ 1.00	\$ 1.33	\$ 1.50	\$ 2.00	\$ 2.00	\$ 2.66	\$ 2.50	\$ 3.33
SH550 Old Alice Rd X SB	\$ 0.50	\$ 0.67	\$ 1.00	\$ 1.33	\$ 1.50	\$ 2.00	\$ 2.00	\$ 2.66	\$ 2.50	\$ 3.33
SH550-Main-North	\$ 0.50	\$ 0.67	\$ 1.00	\$ 1.33	\$ 1.50	\$ 2.00	\$ 2.00	\$ 2.66	\$ 2.50	\$ 3.33
SH550-Main South	\$ 0.50	\$ 0.67	\$ 1.00	\$ 1.33	\$ 1.50	\$ 2.00	\$ 2.00	\$ 2.66	\$ 2.50	\$ 3.33

Source : CCRMA website

<sup>1</sup>These rates have not changed since its inception, March 10, 2011.

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
Vehicles Registered  
Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vehicles Registered	283,548	299,148	301,047	306,178	317,364	323,110	323,317	345,128	348,578	350,188
Total Vehciles Registered	283,548	299,148	301,047	306,178	317,364	323,110	323,317	345,128	348,578	350,188

Source : Cameron County ACFR 2023

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
 (A Component Unit of Cameron County, Texas)  
 Vehicle Registration Fee Rates  
 Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vehicle Registration Fee Rates	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
Outstanding Debt  
Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vehicle Registration Fee Bonds	\$ 27,015,000	\$ 20,015,000	\$ 20,150,000	\$ 20,015,000	\$ 23,730,000	\$ 22,215,000	\$ 21,295,000	\$ 24,280,000	\$ 23,320,000	\$ 22,265,000
Revenue Bonds	45,000,000	55,825,000	54,975,000	54,635,000	50,025,000	50,025,000	51,945,000	51,135,000	50,060,000	48,810,000
Total Debt, Net	<u>\$ 72,015,000</u>	<u>\$ 75,840,000</u>	<u>\$ 75,125,000</u>	<u>\$ 74,650,000</u>	<u>\$ 73,755,000</u>	<u>\$ 72,240,000</u>	<u>\$ 73,240,000</u>	<u>\$ 75,415,000</u>	<u>\$ 73,380,000</u>	<u>\$ 71,075,000</u>

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County, Texas)  
Full-Time Equivalent Employees  
Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administrative	2	4	5	5	5	6	7	7	8	8
Toll Processing	1	2	2	5	6	6	8	9	9	11
Total Full Time Employees	3	6	7	10	11	12	15	16	17	19

Source: CCRMA Payroll Department

## **COMPLIANCE SECTION**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Cameron County Regional Mobility Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Cameron County Regional Mobility Authority, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Cameron County Regional Mobility Authority's basic financial statements, and have issued our report thereon dated March 21, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Cameron County Regional Mobility Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cameron County Regional Mobility Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Cameron County Regional Mobility Authority's internal control.

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

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

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Cameron County Regional Mobility Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a

direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Burton, McCumber, & Longoria LLP.*

Brownsville, Texas  
March 21, 2024

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

To the Board of Directors  
Cameron County Regional Mobility Authority

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Cameron County Regional Mobility Authority (the “CCRMA”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the State of Texas Single Audit Circular that could have a direct and material effect on each of CCRMA’s major federal or state programs for the year ended September 30, 2023. The CCRMA’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the CCRMA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended September 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the audit requirements of the State of Texas Single Audit Circular. Our responsibilities under those standards, the Uniform Guidance and the State of Texas Single Audit Circular are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the CCRMA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the CCRMA’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the CCRMA’s federal or state programs.

***Auditor’s Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the CCRMA’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and the State of Texas Single Audit Circular will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would

influence the judgment made by a reasonable user of the report on compliance about the CCRMA's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State of Texas Single Audit Circular we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the CCRMA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the CCRMA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of the CCRMA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.



Brownsville, Texas  
March 21, 2024

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County)  
**Schedule of Findings and Questioned Costs – Federal and State Awards**  
For Year Ended September 30, 2023

**I. Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unmodified

*Internal Control over Financial Reporting:*

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  No
- Noncompliance material to financial statements?  Yes  No

*Federal /State Awards*

*Internal control over major programs:*

- Material weakness identified?  Yes  No
- Significant deficiencies identified that are not considered to material weaknesses?  Yes  No

Type of auditors' report issued on compliance for the major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of Uniform Guidance?  Yes  No

Identification of Major Program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Federal dollar threshold used to determine between type A and type B federal programs \$750,000

Auditee qualified as low-risk auditee: No.  
Uniform Guidance

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County)  
**Schedule of Findings and Questioned Costs – Federal and State Awards**  
For Year Ended September 30, 2023

**I. Summary of Auditors’ Results – Continued**

State Award	<u>Name of State Program or Cluster</u>
CSJ-0921-06-313	Veteran’s International Bridge Expansion of Primary Lanes for Passengers
State dollar threshold used to determine between type A and B state programs	\$750,000

**II. Financial Statement Findings**

None.

**III. Federal and State Award Findings**

None.

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County)  
**Schedule of Expenditures of Federal and State Awards**  
Year Ended September 30, 2023

Federal and State Grantor/Pass Through Grant/Program Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures
<b>Federal Awards</b>			
<b>U.S. Department of Transportation Highway Planning and Construction</b>			
<i>Pass Through the Texas Department of Transportation:</i>			
Highway Planning and Construction (SH 550 Gap II)	20.205	CSJ 0684-01-068	\$ 121,623
Highway Planning and Construction (Veterans International Bridge Expansion for Passenger Vehicles)	20.205	CSJ-0921-06-313	<u>7,320,644</u>
<i>Total Pass Through the Texas Department of Transportation:</i>			<u>7,442,267</u>
Total U.S. Department of Transportation Highway Planning and Construction			<u>7,442,267</u>
<b>Total Federal Awards</b>			<u><u>\$ 7,442,267</u></u>
<b>State Awards</b>			
<i>Texas Department of Transportation:</i>			
<i>Direct Programs:</i>			
Veterans International Bridge Expansion of Primary Lanes for Passenger Vehicles	-	CSJ-0921-06-313	<u>1,299,414</u>
Total Texas Department of Transportation			<u>1,299,414</u>
<b>Total State Awards</b>			<u>1,299,414</u>
<b>Total Federal and State Awards</b>			<u><u>\$ 8,741,681</u></u>

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY  
(A Component Unit of Cameron County)  
**Notes to Schedule of Expenditures of Federal and State Awards**  
Year Ended September 30, 2023

**NOTE 1 - GENERAL**

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of federal and state expenditures of programs of the Cameron County Regional Mobility Authority (the CCRMA). The CCRMA reporting entity is defined in Note 1 to the CCRMA's basic financial statements.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal and state awards is presented using the accrual basis of accounting.

**NOTE 3 - RELATIONSHIP TO FINANCIAL STATEMENTS**

Federal and state award expenditures as reported in the accompanying schedule of expenditures of federal and state awards are reflected in the CCRMA's financial statements as expenses or capital asset additions.

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying schedule may not agree with the amounts reported in the related Federal and state financial reports filed with the grantor agencies because of the effect of capitalization of assets and accruals made.

**NOTE 5- SUBRECIPIENTS**

During the year ended September 30, 2023, Cameron County Regional Mobility Authority had no subrecipients.

**NOTE 6- INDIRECT COST RATE**

The Uniform Guidance allows an organization to elect a 10% de minimums indirect cost rate. For the year ended September 30, 2023, the CCRMA did not elect to use this rate.

**NOTE 7- NON-CASH ASSISTANCE, FEDERAL LOANS AND GUARANTEES, AND  
FEDERALY FUNDED INSURANCE**

During the year ended September 30, 2023, Cameron County Regional Mobility Authority did not receive any Non-cash Assistance, Federal Loans and Loan Guarantees, and Federally Funded Insurance.