



Anzalduas International Crossing

Financial Statements And Report of Independent Certified Public Accountants September 30, 2024 and 2023



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Independent Auditor's Report

To the Board of Trustees
Anzalduas International Crossing

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the Anzalduas International Crossing (the Bridge) as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Bridge's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Anzalduas International Crossing, as of September 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof and for the years 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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 Bridge 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 opinion.

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 Bridge'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 GAAS and GAS 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 GAAS and GAS, 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 Bridge'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 Bridge's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

Financial Reporting Unit

As discussed in Note 1, the financial statements present only the Bridge and do not purport to, and do not, present fairly the financial position of the City of McAllen, as of September 30, 2024 and 2023, the changes in its financial position or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Bridge's basic financial statements. The Supplementary Information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Income Distribution, Combining Schedule of Net Position (except the McAllen International Toll Bridge information), Combining Schedule of Revenues, Expenses, and Changes in Net Position (except the McAllen International Toll Bridge information), and Combining Schedule of Cash Flows (except the McAllen International Toll Bridge information) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Schedule of Income Distribution, Combining Schedule of Net Position (except the McAllen International Toll Bridge information), Combining Schedule of Revenues, Expenses, and Changes in Net Position (except the McAllen International Toll Bridge information), and Combining Schedule of Cash Flows (except the McAllen International Toll Bridge information) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Vehicle and Passenger Traffic, Schedule of Car and Truck Traffic Revenue, Schedules of Board Advances from McAllen International Toll Bridge Fund, and Schedule of Insurance Coverage have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

We have also audited the financial statements of McAllen International Toll Bridge as of and for the years ended September 30, 2024 and 2023, and have issued our report thereon dated June 5, 2025 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on those financial statements as a whole. Such information, which is included in the supplemental combining schedules of this report, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare those financial statements. The information has been subjected to the auditing procedures applied in that audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to those financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2025, on our consideration of the Bridge'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bridge's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
June 5, 2025

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Management's Discussion and Analysis (Unaudited)

September 30, 2024

This discussion and analysis is intended to provide an overview of the Anzalduas International Crossing's (Anzalduas Bridge) financial performance for the fiscal years ending September 30, 2024 and 2023 and the related effect on its financial condition. Please read it in conjunction with the basic financial statements, which follow and include the notes thereto, which are necessary for a complete understanding of the data contained in the financial statements. Following the notes to the financial statements is certain supplementary information.

OPERATIONAL HIGHLIGHTS

As shown on the Statement of Revenues, Expenses, and Changes in Net Position, operating income amounted to \$3.8M. Net position for FY 2024 increased by \$3.0M, resulting in an ending net position of \$3.4M.

Southbound car crossings increased by 14.44% from last year's crossing, while bus crossings decreased by 17.28% from last year. In August 2016, the Anzalduas Bridge began accepting the southbound crossings of trucks with empty cargo. For the year ended September 30, 2024, empty truck traffic increased by 21.92% from FY 2023. The table below reflects the activities for southbound traffic.

For more information in regards of the average revenue per vehicle, refer to Supplemental Information pg 32-49.

Category	FY 2024	FY 2023	Increase (Decrease)	% Increase (Decrease)
Cars	1,577,419	1,378,419	199,000	14.44%
Trucks - empties	52,119	42,749	9,370	21.92%
Buses	2,058	2,488	(430)	-17.28%
Passengers in cars	3,943,548	3,446,048	497,500	14.44%

Overview of the Financial Statements

The financial statements include the Statement of Net Position, Statement of Revenue, Expenses and Changes in Net Position, and the Statement of Cash Flows for the fiscal years ending September 30, 2024 and 2023.

Required Financial Statements

The Statement of Net Position includes all of the assets and deferred outflows of resources and liabilities and deferred inflows of resources of the Anzalduas Bridge and provides information about the nature of the resources and obligations to creditors. The Anzalduas Bridge's net position, which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one indicator of its financial position at one point in time. Over time, increases or decreases in net position may be a useful indicator of whether the financial position of the Anzalduas Bridge is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position analyzes the Anzalduas Bridge's operations over the past year and provides comparative information for the previous fiscal year. The statement illustrates the Anzalduas Bridge's ability to cover operating expenses with revenues received during the same year as well as nonoperating expenses.

The Statement of Cash Flows is the final required financial statement. This statement provides information on the cash receipts, cash payments, and net changes in cash resulting from operations, financing and investment activities.

Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes can be found in the section following the Statements of Cash Flows.

Management's Discussion and Analysis (Unaudited)

September 30, 2024

FINANCIAL POSITION SUMMARY

Net position, and its components, over time serve as a meaningful measure of the Anzalduas Bridge's financial position. As of September 30, 2024, net position amounted to \$3.4M. Total assets, which consist of current and noncurrent assets, increased by \$33.9M over the prior year. Total liabilities, which consist of current and noncurrent liabilities, increased by \$30.9M when comparing FY 2024 to FY 2023.

A summary of the Anzalduas Bridge's condensed Statement of Net Position information as of September 30 is presented below:

Condensed Statements of Net Position

	2024	2023	2022
ASSETS			
Current assets	\$ 7,326,399	\$ 5,303,803	\$ 4,324,216
Noncurrent assets	140,394,384	108,513,664	102,220,449
Total assets	147,720,783	113,817,467	106,544,665
Deferred outflows of resources	66,155	113,310	20,620
Total assets and deferred outflows of resources	147,786,938	113,930,777	106,565,285
LIABILITIES			
Current liabilities	23,580,528	7,483,891	2,443,062
Other noncurrent liabilities	120,607,671	105,803,690	104,594,128
Total liabilities	144,188,199	113,287,581	107,037,190
Deferred inflows of resources	197,812	216,748	321,368
Total liabilities and deferred inflows of resources	144,386,011	113,504,329	107,358,558
NET POSITION			
Net investments in capital assets	13,939,570	14,583,859	13,903,079
Restricted for			
Capital projects	2,989,997	2,248,257	1,702,189
Debt service	2,583,471	1,671,839	1,550,273
Unrestricted	(16,112,111)	(18,077,507)	(17,948,814)
Total net position	\$ 3,400,927	\$ 426,448	\$ (793,273)

Management's Discussion and Analysis (Unaudited)

September 30, 2024

Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position provides additional information on the changes in the Anzalduas Bridge fund and is presented below as of September 30.

Statements of Revenues, Expenses, and Changes in Net Position

	2024	2023	2022
Operating revenues:			
Charges for services	\$ 6,456,934	\$ 5,630,760	\$ 4,559,048
Rentals	12,206	12,206	11,677
Other	265,669	269,698	218,380
Total operating revenues	6,734,809	5,912,664	4,789,105
Operating expenses:			
Salaries, wages and employee benefits	534,174	475,842	336,474
Supplies	59,797	15,511	19,286
Contractual and other services	762,654	539,107	425,827
Repairs and maintenance	81,687	37,933	22,384
Depreciation and amortization	1,483,756	1,469,337	1,450,778
Total operating expenses	2,922,068	2,537,730	2,254,749
Operating income (loss)	3,812,741	3,374,934	2,534,356
Nonoperating revenues (expenses):			
Investment earnings	3,041,735	1,677,688	43,288
Net increase (decrease) in fair value of investments	76,676	1,351,421	(13,038)
Interest expense	(3,112,674)	(3,196,801)	(965,178)
Interest on board advances	(873,977)	(832,217)	(794,704)
Bond related charges-issuance cost	237,077	251,291	(243,124)
Gain (loss) on sale of capital assets	(3,234)	-	-
Intergovernmental	-	-	435
Other	(179,482)	(149,777)	(106,003)
Total nonoperating expenses, net	(813,879)	(898,395)	(2,078,324)
Income (loss) before contributions and transfers	2,998,862	2,476,539	456,032
Capital contributions and transfers			
Transfers in	-	778,327	850,792
Transfers out	(24,383)	(2,035,145)	(2,465)
Total capital contributions and transfers	(24,383)	(1,256,818)	848,327
Change in net position	2,974,479	1,219,721	1,304,359
Total net position - beginning	426,448	(793,273)	(2,097,632)
Total net position - ending	\$ 3,400,927	\$ 426,448	\$ (793,273)

Management's Discussion and Analysis (Unaudited)

September 30, 2024

TOLL RATES

The Anzalduas Bridge charged tolls on southbound crossings into Mexico as indicated below:

Category	FY 2024	FY 2023
Cars	\$3.50	\$3.50
Motorcycles	\$3.50	\$3.50
Trucks (Depending on # of Axles)	\$11.25 - \$23.00	\$11.25 - \$23.00
Buses (Depending on # of Axles)	\$7.00 - \$9.00	\$7.00 - \$9.00
Extra Axle	\$3.00	\$3.00

REVENUES

The forecast for toll revenues was estimated at \$5.0M. Actual toll revenues came in at \$6.5M, which included southbound commercial truck tolls of \$897.4K. Rental income remained steady at \$12.2K for FY 2024 due to agreements with RBT and UETA. Other operating income decreased by \$4.0K as the result of an increase in Mexican peso gains and insurance recoveries and a decrease of miscellaneous revenue received compared to the previous year. Investment income increased by \$1.3M in FY 2024 as compared to the previous year in relation to revenue bonds series 2022 A&B. Other changes in net position include activity for Anzalduas Northbound project that is contemplated to be completed in FY 2025.

EXPENSES

In FY 2024, operating expenses came in at \$2.9M including depreciation and amortization in the amount of \$1.5M. In FY 2023, operating expenses were \$2.5M including depreciation and amortization in the amount of \$1.5M. The increase in operational expenses is attributed to an increase in contractual and other services and in salaries, wages and employee benefits. Interest expense decreased \$84.1K with the addition of the revenue bond series 2022 A&B. Other nonoperating expenses remained relatively flat.

CAPITAL ASSETS AND DEBT ADMINISTRATION*Capital Assets*

Total capital assets net of depreciation at September 30, 2024 were reported at \$33.8M. At September 30, 2023, total capital assets net of depreciation were reported at \$35.1M. There was a decrease of \$1.3M in net capital assets over the previous year as a result of an increase in accumulated depreciation.

Management's Discussion and Analysis (Unaudited)

September 30, 2024

The table below reflects capital assets for the Anzalduas Bridge:

	FY 2024	FY 2023	FY 2022
Capital assets, not being depreciated			
Land	\$ 2,922,773	\$ 2,922,772	\$ 2,922,772
Construction in progress	193,392	183,293	84,176
Capital assets, being depreciated			
Buildings and systems	10,429,986	10,429,987	10,429,987
Improvements other than buildings	41,284,099	41,205,698	41,187,040
Machinery and equipment	1,153,015	1,114,127	1,053,075
Total capital assets	55,983,265	55,855,877	55,677,050
Less accumulated depreciation	(22,229,836)	(20,746,081)	(19,276,743)
Total capital assets, net	<u>\$ 33,753,429</u>	<u>\$ 35,109,796</u>	<u>\$ 36,400,307</u>

For more detailed information on capital asset activity, refer to Note 3 – Capital Assets.

Debt

On September 30, 2024, the Anzalduas Bridge had \$80.4M in revenue bonds compared to \$82.2M for the previous year. In 2022, the Anzalduas Bridge issued revenue bonds in the amount of \$63M in relation to the construction of commercial vehicle inspection facilities at the Anzalduas Bridge to support the processing of commercial vehicles. These bonds have a rating of "A" from FitchRatings as well as Standard & Poors. The Anzalduas Bridge previously issued bonds in 2007 of which the proceeds, as well as other sources of funding, were used to construct the bridge structure, including all related infrastructure and facilities.

For more detailed information on debt activity, refer to Note 5 – Revenue Bonds Payable and Long-Term Liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

During the fiscal year 2025 budget process, the elected and appointed officials considered many factors affecting bridge crossings. Included in these factors were job growth, retail sales growth, inflation, the level of growth in the maquiladora industry, the dollar exchange rate with the Mexican peso, and the residual effect of COVID-19. As a result, Bridge management prepared the annual budget conservatively. Budgeted revenues and expenses remained flat and provision was made to service debt repayment requirements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to inform the citizens, taxpayers, and customers of the City of McAllen, the City of Hidalgo, and the City of Mission, which shares in the *surplus net revenues* of the Bridge's operations, as well as its creditors, about the Anzalduas Bridge's finances and to provide accountability for the resources that it receives. If you have any questions about the report or need additional financial information, contact the Finance Director's Office at the City of McAllen, 1300 W Houston, McAllen, TX 78501.

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BASIC FINANCIAL STATEMENTS

Statements of Net Position
September 30, 2024 and 2023

	2024	2023
ASSETS		
Current assets:		
Cash	\$ 200,569	\$ 125,789
Investments	6,870,692	5,045,530
Restricted assets:		
Cash and cash equivalents	255,138	132,484
Total current assets	7,326,399	5,303,803
Noncurrent assets:		
Restricted assets:		
Certificate of deposit	510,026	-
Investments	38,391,733	57,385,008
Accrued interest	-	2,651
Deferred contributions	67,739,196	16,016,209
Total noncurrent restricted assets	106,640,955	73,403,868
Capital assets:		
Land	2,922,773	2,922,772
Buildings and systems	10,429,986	10,429,987
Improvements other than buildings	41,284,099	41,205,698
Machinery and equipment	1,153,015	1,114,127
Construction in progress	193,392	183,293
Less accumulated depreciation and amortization	(22,229,836)	(20,746,081)
Total capital assets, net of accumulated depreciation and amortization	33,753,429	35,109,796
Total noncurrent assets	140,394,384	108,513,664
Total assets	147,720,783	113,817,467
Deferred outflows of resources:		
Deferred charges - pensions	66,155	113,310
Total deferred outflows of resources	66,155	113,310
Total assets and deferred outflows of resources	\$ 147,786,938	\$ 113,930,777

The accompanying notes are an integral part of these statements

Statements of Net Position
September 30, 2024 and 2023
(Continued)

	2024	2023
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 16,232,110	\$ 4,081,377
Accrued expenses	4,143,938	1,381,049
Compensated absences	29,480	18,958
Current portion of revenue bonds	3,175,000	2,002,507
Total current liabilities	23,580,528	7,483,891
Other noncurrent liabilities:		
Revenue bonds, net of current portion	78,139,581	81,314,581
Compensated absences	9,133	17,513
Unearned revenues	19,389,704	2,209,775
Board advances	22,973,672	22,099,695
TMRS net pension liability	95,581	162,126
Total other noncurrent liabilities	120,607,671	105,803,690
Total liabilities	144,188,199	113,287,581
Deferred inflows of resources		
Deferred inflows of resources-refunding	184,278	208,849
Deferred inflows of resources-pensions	13,534	7,899
Total deferred inflows of resources	197,812	216,748
Total liabilities and deferred inflows of resources	144,386,011	113,504,329
NET POSITION		
Net investments in capital assets	13,939,570	14,583,859
Restricted for:		
Capital projects	2,989,997	2,248,257
Debt service	2,583,471	1,671,839
Unrestricted	(16,112,111)	(18,077,507)
Total net position	3,400,927	426,448
Total liabilities, deferred inflows of resources and net position	\$ 147,786,938	\$ 113,930,777

The accompanying notes are an integral part of these statements

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Statements of Revenues, Expenses, and Changes in Net Position
Years Ended September 30, 2024 and 2023

	2024	2023
Operating revenues:		
Charges for services	\$ 6,456,934	\$ 5,630,760
Rentals	12,206	12,206
Other	265,669	269,698
Total operating revenues	<u>6,734,809</u>	<u>5,912,664</u>
Operating expenses:		
Salaries, wages and employee benefits	534,174	475,842
Supplies	59,797	15,511
Contractual and other services	762,654	539,107
Repairs and maintenance	81,687	37,933
Depreciation and amortization	1,483,756	1,469,337
Total operating expenses	<u>2,922,068</u>	<u>2,537,730</u>
Operating income	<u>3,812,741</u>	<u>3,374,934</u>
Nonoperating revenues (expenses):		
Investment earnings	3,041,735	1,677,688
Net increase in fair value of investments	76,676	1,351,421
Interest expense	(3,112,674)	(3,196,801)
Interest on board advances	(873,977)	(832,217)
Bond related charges-issuance cost	237,077	251,291
Loss on sale of capital assets	(3,234)	-
Other	(179,482)	(149,777)
Net nonoperating expenses	<u>(813,879)</u>	<u>(898,395)</u>
Income before capital contributions and transfers	2,998,862	2,476,539
Capital contributions and transfers:		
Transfers in	-	778,327
Transfers out	(24,383)	(2,035,145)
Total capital contributions and transfers	<u>(24,383)</u>	<u>(1,256,818)</u>
Change in net position	2,974,479	1,219,721
Total net position - beginning	<u>426,448</u>	<u>(793,273)</u>
Total net position - ending	<u>\$ 3,400,927</u>	<u>\$ 426,448</u>

The accompanying notes are an integral part of these statements

Statements of Cash Flows
Years Ended September 30, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Receipts from customers	\$ 6,734,809	\$ 6,000,309
Payments to employees	(541,701)	(434,345)
Payments to suppliers	(37,891,116)	(10,919,947)
Net cash used in operating activities	(31,698,008)	(5,353,983)
Cash flows from noncapital financing activities		
Transfers from other funds	-	778,327
Transfers to other funds	(24,383)	(2,035,145)
Subsidy from federal/state grant	17,179,929	2,221,052
Distribution of income to SCT	-	(5,245)
Net cash provided by non-capital financing activities	17,155,546	958,989
Cash flows from capital and related financing activities		
Purchases of capital assets	(130,622)	(178,827)
Principal repayments-bonds and notes	(1,790,000)	(1,720,000)
Interest paid	(3,118,631)	(3,054,312)
Net cash used in capital and related financing activities	(5,039,253)	(4,953,139)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	83,543,063	65,867,459
Purchase of investments	(66,884,976)	(59,426,255)
Net increase in fair value of investments	76,676	1,351,421
Receipt of interest	3,044,386	1,676,522
Net cash provided by investing activities	19,779,149	9,469,147
Net increase in cash	197,434	121,014
Cash at beginning of year	258,273	137,259
Cash at end of year	<u>\$ 455,707</u>	<u>\$ 258,273</u>

The accompanying notes are an integral part of these statements

Statements of Cash Flows
Years Ended September 30, 2024 and 2023
(Continued)

	2024	2023
Reconciliation of operating income to net cash used in operating activities		
Operating income	\$ 3,812,741	\$ 3,374,934
Adjustment to reconcile operating income to net cash used in operating activities:		
Depreciation and amortization	1,483,755	1,469,337
(Increase) decrease in deferred contributions	(51,722,987)	(15,019,632)
(Increase) decrease in deferred outflows of resources - pension	47,155	(92,690)
Increase (decrease) in deferred inflows of resources - pension	5,635	(80,050)
(Increase) decrease in accounts receivable	-	87,646
Increase (decrease) in accounts payable	14,736,010	4,692,235
Increase (decrease) in compensated absences payable	2,142	11,371
Increase (decrease) in accrued liabilities	4,086	2,367
Increase (decrease) in net pension liability	(66,545)	200,499
Total adjustments	(35,510,749)	(8,728,917)
Net cash used in operating activities	<u>\$ (31,698,008)</u>	<u>\$ (5,353,983)</u>
Reconciliation to statement of net position:		
Cash	\$ 200,569	\$ 125,789
Cash restricted	<u>255,138</u>	<u>132,484</u>
Total cash	<u>\$ 455,707</u>	<u>\$ 258,273</u>
Noncash investing, capital and financing activities:		
Increase in fair value of investments	\$ 76,676	\$ 1,351,421

The accompanying notes are an integral part of these statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Reporting Entity**

Pursuant to the Hidalgo-Mission-McAllen Interlocal Government Agreement, executed April 1, 2003 ("2003 Agreement"), the City of McAllen, Texas (the "City") and the City of Mission own and operate the Anzalduas International Crossing ("Anzalduas Bridge") linking the United States, south of the City of Mission, Texas and the westernmost part of Reynosa, Tamaulipas, Mexico. According to that agreement, the ownership interest of the City of McAllen and the City of Mission are 66 2/3% and 33 1/3%, respectively. The agreement also provides that complete management and control of the Anzalduas Bridge, with the exception of fixing rates and charges for services and the issuance of debt, which is reserved by the Board of Commissioners of McAllen, shall be vested in a Board of Trustees consisting of five (5) voting-members, two members of which are appointed from the existing members of the Hidalgo Bridge Board by McAllen with the Mayors of the cities of McAllen, Hidalgo and Mission serving as ex-officio board members. The Mayor of Granjeno also serves as an ex-officio non-voting member of the board. In addition, the budget is subject to final approval by the Board of Commissioners of McAllen. The agreement also provides that these cities as well as the City of Hidalgo will share in the unallocated balance of surplus net revenues at the following percentages: City of McAllen, 44%; City of Mission, 23%; and the City of Hidalgo, 33%.

In order to finance the construction of the Anzalduas Bridge, the City of McAllen issued \$39,160,000 in revenue bonds during the fiscal year ending 2007 in two separate series, \$26,000,000 Series 2007 A and \$13,160,000 Series 2007 B. The bonds are secured by a pledge of the net revenues of the McAllen International Toll Bridge ("Hidalgo Bridge"), located in Hidalgo, Texas and the Anzalduas Bridge. According to the 2003 Agreement, both the City of McAllen and the City of Hidalgo are responsible for Series 2007A bonds from each city's respective share of net revenues of the Hidalgo Bridge. The City of McAllen is responsible for Series 2007B bonds from its share of net revenues of the Hidalgo Bridge as well as the City of Mission from its share of net revenues of the Anzalduas Bridge. Commencement of operations was December 15, 2009. The City of McAllen issues publicly available audited financial statements for the Hidalgo Bridge, which may be obtained by writing to City of McAllen Finance Department, P.O. Box 220, McAllen, Texas 78505.

The activities of the Anzalduas Bridge are to be financed through the collection of tolls.

The accompanying financial statements of the Anzalduas Bridge are prepared in conformity with accounting principles generally accepted in the United States of America for local governmental units as prescribed by the Governmental Accounting Standards Board ("GASB"). Its financial statements are included in the basic financial statements of the City of McAllen as promulgated by requirements defining the reporting entity.

These financial statements present only the operations and activities of Anzalduas Bridge, a fund of the City, and are not intended to present fairly the financial position and results of operations of the City.

Basis of Accounting

In compliance with provisions for proprietary funds as prescribed by GASB, the Anzalduas Bridge's activity is accounted for in a manner similar to private business enterprises. Transactions are accounted for on a flow of economic resources measurement focus. With this focus, all assets, liabilities and deferred outflows of resources and deferred inflows of resources associated with this entity are included in the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. The financial statements have been prepared using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Anzalduas Bridge proprietary fund are charges to customers for toll crossing and services. Operating expenses for proprietary funds include cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Deferred Contributions**

Deferred contributions include the construction of separate northbound and southbound commercial inspection stations which upon completion will be transferred to another government entity and expensed in the Statement of Revenues, Expenses, and Changes in Net Position.

Restricted Assets

Restricted cash and investments represent interest-bearing checking accounts and investments that are restricted for debt service and capital improvements. Per bond ordinance, a contingency fund was established and funded monthly until the fund reached \$500,000. As of September 30, 2024, the contingency fund has a balance of \$568,420. These restricted accounts are requirements of bond ordinances related to the revenues bonds outstanding. Net position is restricted to the extent of such legally imposed restrictions.

Capital Assets

Capital assets which include property, equipment and infrastructure are defined as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are capitalized because they are used in operations to provide services. Capital assets are recorded at cost if purchased or constructed.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Depreciation expense for the year ended September 30, 2024 was \$1.5M (\$1.5M in 2023).

The estimated useful lives for depreciation provision will be as follows:

Furniture and office equipment	3 to 5 years
Maintenance equipment	5 years
Paving and sidewalks	10 to 20 years
Toll-registering equipment	30 years
Bridge	40 years
Buildings	40 years

Maintenance, repairs, and renewals that do not materially add to the value of the property nor appreciably prolong its life will be charged to expense as incurred. Gains and losses on disposition of capital assets will be included in income.

Long-Term Obligations

Long-term obligations of the Anzalduas Bridge include bonds expected to be paid entirely by net revenues of the Anzalduas Bridge, except during a startup period during which time net revenues will be advanced from the Hidalgo Bridge. The outstanding bonds are secured by the net revenues of the Hidalgo Bridge as well as those of the Anzalduas Bridge.

Advances*Anzalduas Special and Start Up Fund Advance Payable to McAllen International Toll Bridge*

Beginning with fiscal year ending September 30, 1991, the Hidalgo Bridge has financed the development costs for the Anzalduas International Crossing from a restricted account of that fund, the Anzalduas Special and Start Up Fund.

According to the 2003 Agreement, the amount that may be spent from that fund for expenses relating to the obtaining of the Anzalduas Bridge Presidential Permit and for the design or construction costs, operation expenses of the Anzalduas Bridge, and initial debt service on bonds related to the Anzalduas Bridge is limited to no more than \$6,000,000. This advance is to be repaid with interest accruing at the interest rate on bonds issued to finance the Anzalduas Bridge, from the net revenues of the Anzalduas Bridge, after all bond ordinance requirements have been met. As of September 30, 2024, the Anzalduas Special and Start Up Fund advance payable to the Hidalgo Bridge amounts to \$18,367,712 (\$17,516,765 in 2023), of which the City of McAllen's portion is \$11,755,336 and the City of

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Hidalgo's portion is \$6,612,376. During this fiscal year, the balance was increased by accrued interest in the amount of \$850,947. No board advances were made during the year.

Board Advances Payable McAllen International Toll Bridge

The 2003 Agreement also provides for advances to be made between the Hidalgo Bridge and the Anzalduas Bridge as the need arises. The agreement provides that advances will accrue interest at a rate equal to the City of McAllen's bank depository rate. This advance is to be repaid from the net revenues of the Anzalduas Bridge after all bond ordinance requirements have been met and the Anzalduas Special and Start Up Fund advance payable has been paid.

As of September 30, 2024 the board advances payable to the Hidalgo Bridge amounts to \$4,605,960 (\$4,582,930 in 2023), of which the City of McAllen's portion is \$2,947,814 and the City of Hidalgo's portion is \$1,658,146. During this fiscal year, the balance was increased by accrued interest of \$23,030. No board advances were made during the year.

Board Advance "B"

During this fiscal year, the Hidalgo Bridge also transferred \$0 (\$778,327 in 2023) to the Anzalduas Bridge in support of the Refunding Series 2017 B bond debt service requirements. The 2003 Agreement provides that advances will accrue interest at a rate equal to the City of McAllen's bank depository rate. This advance is deducted from the City of McAllen's share of unallocated surplus net revenues of the Hidalgo Bridge. The City of Mission is responsible for repaying directly to the City of McAllen for its prorata share from its share of the net revenues of the Anzalduas Bridge after all bond ordinance requirements have been met and the Anzalduas Special and Start Up Fund advance and the board advances for Refunding Series 2017 A have been paid. For FY 2025, the Anzalduas Bridge will start servicing annual debt service payments related to Series 2017B Bonds.

As of September 30, 2024 the board advance owed by the City of Mission to the City of McAllen amounts to \$4,081,318, increasing from \$4,060,910 for the year ended September 30, 2023. This decrease was a result of a reimbursement to the City of McAllen for the 2023 and 2024 annual debt service payments. As well as a partial reimbursement of the 2025 annual debt service payment. This board advance is recorded in the General fund of the City of McAllen.

Bond Premium

Bond premium is amortized using the effective interest method.

Accumulated Unpaid Compensated Absences

Accumulated unpaid compensated absences, consisting of vested accrued vacation and sick leave, are recorded in accordance with Governmental Accounting Standards Board Statement No. 16.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand and demand deposits. All certificates of deposit transactions, regardless of original maturity, are considered investing activities and, thus, are not considered cash equivalents.

NOTE 2 - CASH AND INVESTMENTS

State statutes authorize the City to invest in obligations of the U.S. Treasury, U.S. government agency securities, direct obligations of the State of Texas or any other state, or its agencies, certificates of deposit, banker's acceptance, commercial paper, repurchase agreements, mutual funds and qualified investment pools. The City's Investment Policy, which governs investments within the Anzalduas Bridge, limits investments to U.S. Treasuries, U.S. government agencies, investment pools, commercial paper, no-load mutual funds, money market mutual funds, municipal bonds, fully collateralized repurchase agreements, as well as certificates of deposit. Investments are stated at fair value, cost, or amortized cost, as required under Governmental Accounting Standards Board Statement No. 72.

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

Investments at fair value, as of September 30, 2024 and September 30, 2023 were as follows:

2024		Fair Value Measurements Using			
Investments by fair value level	Carrying Value	Fair Value	(Level 1)	(Level 2)	(Level 3)
2023		Fair Value Measurements Using			
Investments by fair value level	Carrying Value	Fair Value	(Level 1)	(Level 2)	(Level 3)
United States government agency securities	\$ 26,547,467	\$ 26,547,467	\$ -	\$ 26,547,467	\$ -
Total investments by fair value level	\$ 26,547,467	\$ 26,547,467	\$ -	\$ 26,547,467	\$ -

There were no government security investments for the year ended September 30, 2024.

Investments in local government pools which are reported at amortized cost. These investments total \$45,262,425 and \$35,883,071 as of September 30, 2024 and September 30, 2023 respectively.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code and are subject to the provisions of the Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the values of its shares.

The Anzalduas Bridge investments in Pools are reported at amortized cost.

TexPool is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Act. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool Prime. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller of Public Accounts has established an Advisory Board composed both of participants in TexPool Prime and of other persons who do not have a business relationship with TexPool Prime. The Advisory Board members review the investment policy and management fee structure.

Interest rate risk

The investment policy states that no investment shall exceed seven years in maturity. By limiting the exposure of its investments by less than one year, the Anzalduas Bridge reduces its risk to the rising interest rates.

	Certificates of Deposit, Government Agencies, and Commercial Paper	
< 1 Year	\$	510,026
Total	\$	510,026
Weighted Average Maturity		51

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)
Credit risk

As of September 30, 2024 and 2023, the investments in the TexPool Prime investment pool are rated AAAM by Standards and Poor's. The City's investment policy limits authorized investments to local government investment pools of political subdivisions in the State of Texas that invest in instruments and follow practices allowed by current law and that maintains as an investments objective a \$1.00 net asset value, certificates of deposits, U.S. Treasuries and U.S. government agencies, commercial paper, no-load mutual funds, money market mutual funds, municipal bonds, and full collateralized repurchase agreements. The City's investment policy requires the purchase of securities that are of the highest credit quality, based on current ratings provided by nationally recognized credit rating agencies. The City deems investments in U.S. Treasury securities and U.S. government agency securities that are guaranteed to be without credit risk.

Concentration of credit risk

The Anzalduas Bridge investment holdings on September 30, 2024 were confined to TexPool Prime and government securities. The investment policy is silent in the concentration of holdings in the various types of securities and investments.

NOTE 3 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2024 and September 30, 2023 are presented in the following tables:

	Balance at September 30, 2023	Additions	Deletions	Balance at September 30, 2024
Capital assets, not being depreciated				
Land	\$ 2,922,772	\$ -	\$ -	\$ 2,922,773
Construction in progress	183,293	91,734	(81,635)	193,392
Capital assets, being depreciated				
Buildings and systems	10,429,987	-	-	10,429,986
Improvements other than buildings	41,205,698	78,401	-	41,284,099
Machinery and equipment	1,114,127	38,888	-	1,153,015
Total capital assets	55,855,877	209,023	(81,635)	55,983,265
Less accumulated depreciation	(20,746,081)	(1,483,755)	-	(22,229,836)
Total capital assets, net	<u>\$ 35,109,796</u>	<u>\$ (1,274,732)</u>	<u>\$ (81,635)</u>	<u>\$ 33,753,429</u>

	Balance at September 30, 2022	Additions	Deletions	Balance at September 30, 2023
Capital assets, not being depreciated				
Land	\$ 2,922,772	\$ -	\$ -	\$ 2,922,772
Construction in progress	84,176	99,117	-	183,293
Capital assets, being depreciated				
Buildings and systems	10,429,987	-	-	10,429,987
Improvements other than buildings	41,187,040	18,658	-	41,205,698
Machinery and equipment	1,053,075	61,052	-	1,114,127
Total capital assets	55,677,050	178,827	-	55,855,877
Less accumulated depreciation	(19,276,743)	(1,469,338)	-	(20,746,081)
Total capital assets, net	<u>\$ 36,400,307</u>	<u>\$ (1,290,511)</u>	<u>\$ -</u>	<u>\$ 35,109,796</u>

NOTE 4 - SOUTHBOUND COMMERCIAL AGREEMENT

On August 27, 2015, the Anzalduas International Bridge Board ("ABB") and the Mexico Federal Agency La Secretaria de Comunicaciones y Transportes de los Estados Unidos Mexicanos ("SCT") agreed to improve the infrastructure and operation of the Anzalduas Bridge to allow the crossings of southbound commercial empty truck traffic. The ABB agreed to finance the construction of one additional lane and equipment on the Mexico side of the Anzalduas Bridge, which would be provided by funds from the Anzalduas Capital Improvement fund. The ABB and the SCT agreed that after the initial operation of the installations, 100% of the toll revenue generated from southbound empties will be used to reimburse the cost of the project to the Anzalduas Bridge. Presently, the Anzalduas International Bridge is responsible for collecting and accounting for the toll revenue. For the fiscal year ended September 30, 2024, the Anzalduas Bridge recorded \$897,412 for southbound commercial truck traffic tolls. The total cost of construction in the amount of \$1,030,865 has been reimbursed to ABB as of July 31, 2020.

The ABB and SCT agreed that future toll revenues generated on the U.S. side for crossings of southbound empty truck traffic, after expenses of operation, maintenance, administrative, and fiscal responsibility, will be divided 80% to Anzalduas Bridge and 20% to the SCT. For the year ending September 30, 2024, a total of \$532,776 is due to the SCT.

The division of toll revenues for southbound empty traffic will continue with no changes until the ABB completes the construction of one lane and equipment on the United States side of the Anzalduas Bridge for the crossing and operation of northbound commercial empty truck traffic. After the initial opening of the northbound commercial facility for empty trucks, then each party will receive 100% of their own tolls.

NOTE 5 - REVENUE BONDS PAYABLE AND LONG-TERM LIABILITIES

Long-term liability activities for the year ended September 30, 2024 and September 30, 2023 are reflected as follows:

	Balance at September 30, 2023	Additions	Deletions	Balance at September 30, 2024	Amount Due Within One Year
Revenue bonds payable	\$ 82,155,000	\$ -	\$ (1,790,000)	\$ 80,365,000	\$ 3,175,000
Unamortized bond premium	1,162,088	-	(212,507)	949,581	-
Net pension liability (asset)	162,126	17,170	(83,715)	95,581	-
Compensated absences	36,471	21,100	(18,958)	38,613	29,480
Total long-term liabilities	<u>\$ 83,515,685</u>	<u>\$ 38,270</u>	<u>\$ (2,105,180)</u>	<u>\$ 81,448,775</u>	<u>\$ 3,204,480</u>

	Balance at September 30, 2022	Additions	Deletions	Balance at September 30, 2023	Amount Due Within One Year
Revenue bonds payable	\$ 83,875,000	\$ -	\$ (1,720,000)	\$ 82,155,000	\$ 1,790,000
Unamortized bond premium	1,388,809	-	(226,721)	1,162,088	212,507
Net pension liability (asset)	(38,373)	200,499	-	162,126	-
Compensated absences	25,100	26,909	(15,538)	36,471	18,958
Total long-term liabilities	<u>\$ 85,250,536</u>	<u>\$ 227,408</u>	<u>\$ (1,962,259)</u>	<u>\$ 83,515,685</u>	<u>\$ 2,021,465</u>

NOTE 5 - REVENUE BONDS PAYABLE AND LONG-TERM LIABILITIES (CONTINUED)

The aggregate maturities of revenue bonds payable as of September 30, 2024, including interest payments, are as follows:

Year Ending	Interest Rate	Principal	Interest	Total
2025	5.00%	\$ 3,175,000	\$ 3,019,788	\$ 6,194,788
2026	5.00%	3,300,000	2,893,350	6,193,350
2027	5.00%	3,435,000	2,760,594	6,195,594
2028	5.00%	3,580,000	2,620,163	6,200,163
2029	5.00%	3,725,000	2,472,688	6,197,688
2030-2034	5.00%	15,700,000	10,123,968	25,823,968
2035-2039	5.00%	10,185,000	7,923,412	18,108,412
2040-2044	5.00%	12,250,000	5,856,675	18,106,675
2045-2049	5.00%	14,750,000	3,350,700	18,100,700
2050-2052	5.00%	10,265,000	588,787	10,853,787
		<u>\$ 80,365,000</u>	<u>\$ 41,610,125</u>	<u>\$ 121,975,125</u>

NOTE 6 - DEFICIT UNRESTRICTED NET POSITION

The unrestricted portion of net position reflects a deficit in the amount of \$16,112,111, as a result of advances payable to the Hidalgo Bridge, as authorized by the board of trustees. These advances supported the annual debt service requirements and interest on the advances. Anzalduas Bridge's management does not believe the Hidalgo Bridge Board of trustees has current intention of calling these advances, which will be repaid once the fund is able.

NOTE 7 - RETIREMENT PLAN

The City and Anzalduas Bridge provide pension benefits for all full-time employees, except firefighters, through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (the "TMRS"), an agent multiple-employer public employee retirement system. TMRS issues a publicly available Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained by writing to Texas Municipal Retirement System, P.O. Box 149153, Austin, Texas 78714-9153 or by calling 1-877-634-8595; in addition, the report is available on TMRS' website at www.TMRS.com.

The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

The table below describes the plan provisions adopted by the City:

	Plan Year 2023	Plan Year 2022
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	10 years	10 years
Service retirement eligibility (expressed as age/years of service)	60/10, Any/20	60/10,Any/20
Updated Service Credit	100% Transfers	100% Transfers
Annuity Increase (to retirees)	0% of CPI	0% of CPI

NOTE 7 - RETIREMENT PLAN (CONTINUED)

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. The City contributes to the TMRS at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. Since the Anzalduas Bridge is a component of the overall financial City wide audit report, additional pension disclosures are reflected in the City's Annual Comprehensive Financial Report. Included in the financial statements are the Anzalduas Bridge's allocable share of net pension liability of \$95,581, deferred outflow of resources, \$66,155, and deferred inflows of resources, \$13,534.

NOTE 8 - ACCOUNTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The City, as an entity wide, will report all required disclosures of GASB Statement Number 75 in the City's Annual Comprehensive Financial Report. The City instituted an internal service fund to account for health benefits related to current and future retirees. The Anzalduas Bridge has six full time employees. For the current year, the fund contributed \$3,690 towards the annual required contribution. Since the current staffing represents a fraction of total City employees, management believes that any future requirements will have minimal impact on the Anzalduas Bridge Fund.

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SUPPLEMENTAL INFORMATION

**Schedule of Income Distribution
Last Ten Years**

	Year Ended September 30,		
	2015	2016	2017
Revenues	\$ 3,220,899	\$ 3,687,962	\$ 3,723,945
Maintenance and operation expenses	816,588	1,940,489	873,718
Net revenues	2,404,311	1,747,473	2,850,227
Less:			
Bond requirements:			
Transfer to Debt Service Fund - Series 2007 "A"	1,965,137	1,963,782	2,044,158
Transfer to Debt Service Fund - Series 2007 "B"	-	-	-
Less: Amount provided by Board Advance from McAllen Intl Bridge Fund	-	-	-
Net transfer provided by Anzalduas Intl Crossing revenues for debt service	1,965,137	1,963,782	2,044,158
Transfer to Contingency Fund	45,000	45,000	45,000
Transfer to Capital Improvement Fund	240,910	443,237	642,950
Transfer to General Fund (City of McAllen)	-	-	-
Transfer to Health Insurance Fund	-	-	-
Transfer to Marketing Fund	-	-	-
Available balance	153,264	(704,546)	118,119
Repayment of advances from McAllen International Toll Bridge			
"Anzalduas Special and Start-Up Advancement Fund" (\$6M Limit) (1)	-	-	-
"Board Advancement to Anzalduas Bridge Board" (with respect to advances for transfers to debt service fund Series 2007 "A")	-	-	-
Retain in working capital	(153,264)	704,546	(118,119)
Unallocated balance of surplus net revenue attributable to cities	\$ -	\$ -	\$ -

(1) As per agreement dated 2003, start up fund must be reimbursed first before any other distributions.

Year Ended September 30,

2018	2019	2020	2021	2022	2023	2024
\$ 3,588,201	\$ 3,889,920	\$ 3,034,273	\$ 3,148,904	\$ 4,828,030	\$ 6,211,212	\$ 7,112,026
1,618,094	853,113	774,663	3,882,265	803,971	1,179,041	1,438,312
1,970,107	3,036,807	2,259,610	(733,361)	4,024,059	5,032,171	5,673,714
1,754,715	1,755,092	1,755,583	1,755,700	1,759,133	1,763,083	1,762,479
-	-	-	-	-	382,083	847,328
-	-	-	-	-	-	-
1,754,715	1,755,092	1,755,583	1,755,700	1,759,133	2,145,167	2,609,807
45,000	45,000	45,000	45,000	7,500	25,000	30,393
753,715	773,217	603,165	354,814	563,446	681,784	780,833
-	-	-	-	-	1,682,450	-
-	-	-	-	-	16,195	15,383
-	-	-	-	-	9,000	9,000
(583,323)	463,498	(144,138)	(2,888,875)	1,693,980	472,485	2,228,298
-	-	-	-	-	-	-
583,323	(463,498)	144,138	2,888,875	(1,693,980)	(472,485)	(2,228,298)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Combining Schedule of Net Position
September 30, 2024**

	McAllen International Toll Bridge	Anzalduas International Crossing	Total
ASSETS			
Current assets:			
Cash	\$ 290,884	\$ 200,569	\$ 491,453
Investments	3,678,273	6,870,692	10,548,965
Receivables, net:			
Accrued interest	6,694	-	6,694
Lease receivable - current	2,755,820	-	2,755,820
Restricted assets:			
Cash and cash equivalents	125,760	255,138	380,898
Total current assets	<u>6,857,431</u>	<u>7,326,399</u>	<u>14,183,830</u>
Noncurrent assets:			
Restricted assets:			
Certificate of deposit	-	510,026	510,026
Investments	10,476,519	38,391,733	48,868,252
Deferred contributions	-	67,739,196	67,739,196
Total noncurrent restricted assets	<u>10,476,519</u>	<u>106,640,955</u>	<u>117,117,474</u>
Capital assets:			
Land	787,486	2,922,773	3,710,259
Buildings and systems	16,694,799	10,429,986	27,124,785
Improvements other than buildings	6,558,228	41,284,099	47,842,327
Machinery and equipment	4,067,640	1,153,015	5,220,655
Construction in progress	1,695,318	193,392	1,888,710
Less accumulated depreciation and amortization	<u>(19,434,992)</u>	<u>(22,229,836)</u>	<u>(41,664,828)</u>
Total capital assets, net of accumulated depreciation and amortization	<u>10,368,479</u>	<u>33,753,429</u>	<u>44,121,908</u>
Other noncurrent assets:			
Lease receivable - noncurrent	10,039,816	-	10,039,816
Board advances	22,973,672	-	22,973,672
Total other noncurrent assets	<u>33,013,488</u>	<u>-</u>	<u>33,013,488</u>
Total noncurrent assets	<u>53,858,486</u>	<u>140,394,384</u>	<u>194,252,870</u>
Total assets	<u>60,715,917</u>	<u>147,720,783</u>	<u>208,436,700</u>
Deferred outflows of resources			
Deferred charges - pensions	214,074	66,155	280,229
Total deferred outflows of resources	<u>214,074</u>	<u>66,155</u>	<u>280,229</u>
Total assets and deferred outflows of resources	<u>\$ 60,929,991</u>	<u>\$ 147,786,938</u>	<u>\$ 208,716,929</u>

Combining Schedule of Net Position
September 30, 2024
(Continued)

	McAllen International Toll Bridge	Anzalduas International Crossing	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 222,947	\$ 16,232,110	\$ 16,455,057
Accrued expenses	69,659	4,143,938	4,213,597
Due to other funds	166,802	-	166,802
Due to other government agencies	887,708	-	887,708
Compensated absences	124,057	29,480	153,537
Current portion of revenue bonds	-	3,175,000	3,175,000
Current portion of lease	2,051	-	2,051
Total current liabilities	<u>1,473,224</u>	<u>23,580,528</u>	<u>25,053,752</u>
Other noncurrent liabilities:			
Revenue bonds, net of current portion	-	78,139,581	78,139,581
Compensated absences	66,921	9,133	76,054
Unearned revenues	376,215	19,389,704	19,765,919
Lease payable	2,113	-	2,113
Board advances	-	22,973,672	22,973,672
TMRS net pension liability	309,296	95,581	404,877
Total other noncurrent liabilities	<u>754,545</u>	<u>120,607,671</u>	<u>121,362,216</u>
Total liabilities	<u>2,227,769</u>	<u>144,188,199</u>	<u>146,415,968</u>
Deferred inflows of resources			
Deferred inflows of resources-leases	12,756,995	-	12,756,995
Deferred inflows of resources-refunding	-	184,278	184,278
Deferred inflows of resources-pensions	43,796	13,534	57,330
Total deferred inflows of resources	<u>12,800,791</u>	<u>197,812</u>	<u>12,998,603</u>
Total liabilities and deferred inflows of resources	<u>15,028,560</u>	<u>144,386,011</u>	<u>159,414,571</u>
NET POSITION			
Net investments in capital assets	10,364,316	13,939,570	24,303,886
Restricted for:			
Capital projects	4,471,851	2,989,997	7,461,848
Debt service	601,729	2,583,471	3,185,200
Distribution of net surplus revenues	6,803,652	-	6,803,652
Unrestricted	23,659,883	(16,112,111)	7,547,772
Total net position	<u>45,901,431</u>	<u>3,400,927</u>	<u>49,302,358</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 60,929,991</u>	<u>\$ 147,786,938</u>	<u>\$ 208,716,929</u>

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**Combining Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended September 30, 2024**

	McAllen International Toll Bridge	Anzalduas International Crossing	Total
Operating revenues:			
Charges for services	\$ 12,298,089	\$ 6,456,934	\$ 18,755,023
Rentals	3,000,404	12,206	3,012,610
Other	412,222	265,669	677,891
Total operating revenues	<u>15,710,715</u>	<u>6,734,809</u>	<u>22,445,524</u>
Operating expenses:			
Salaries, wages and employee benefits	1,805,876	534,174	2,340,050
Supplies	164,667	59,797	224,464
Contractual and other services	1,467,430	762,654	2,230,084
Repairs and maintenance	319,374	81,687	401,061
Depreciation and amortization	764,809	1,483,756	2,248,565
Total operating expenses	<u>4,522,156</u>	<u>2,922,068</u>	<u>7,444,224</u>
Operating income (loss)	<u>11,188,559</u>	<u>3,812,741</u>	<u>15,001,300</u>
Nonoperating revenues (expenses):			
Investment earnings	455,481	3,041,735	3,497,216
Net increase (decrease) in fair value of investments	-	76,676	76,676
Interest expense	(186)	(3,112,674)	(3,112,860)
Interest on board advances	873,977	(873,977)	-
Bond related charges-issuance cost	-	237,077	237,077
Gain (loss) on sale of capital assets	(8,442)	(3,234)	(11,676)
Interest revenue - leases	38,205	-	38,205
Other	(3,827,054)	(179,482)	(4,006,536)
Net nonoperating revenues (expenses)	<u>(2,468,019)</u>	<u>(813,879)</u>	<u>(3,281,898)</u>
Income (loss) before contributions and transfers	8,720,540	2,998,862	11,719,402
Capital contributions and transfers:			
Capital contributions	45,096	-	45,096
Transfers out	(5,913,277)	(24,383)	(5,937,660)
Total capital contributions and transfers	<u>(5,868,181)</u>	<u>(24,383)</u>	<u>(5,892,564)</u>
Change in net position	2,852,359	2,974,479	5,826,838
Total net position - beginning	<u>43,049,072</u>	<u>426,448</u>	<u>43,475,520</u>
Total net position - ending	<u>\$ 45,901,431</u>	<u>\$ 3,400,927</u>	<u>\$ 49,302,358</u>

Combining Schedule of Cash Flows
Year Ended September 30, 2024

	McAllen International Toll Bridge	Anzalduas International Crossing	Total
Cash flows from operating activities			
Receipts from customers	\$ 15,811,400	\$ 6,734,809	\$ 22,546,209
Payments to employees	(1,819,339)	(541,701)	(2,361,040)
Payments to suppliers	(2,351,006)	(37,891,116)	(40,242,122)
Net cash provided by (used in) operating activities	11,641,055	(31,698,008)	(20,056,953)
Cash flows from noncapital financing activities			
Transfers to other funds	(5,913,277)	(24,383)	(5,937,660)
Subsidy from federal/state grant	1,029	17,179,929	17,180,958
Distribution of income to City of Hidalgo	(3,859,480)	-	(3,859,480)
Net cash provided by (used in) non-capital financing activities	(9,771,728)	17,155,546	7,383,818
Cash flows from capital and related financing activities			
Capital contributions	45,096	-	45,096
Purchases of capital assets	(1,284,261)	(130,622)	(1,414,883)
Proceeds from sale of capital assets	2,641	-	2,641
Principal repayments-bonds and notes	(1,989)	(1,790,000)	(1,791,989)
Interest paid	(186)	(3,118,631)	(3,118,817)
Net cash used in capital and related financing activities	(1,238,699)	(5,039,253)	(6,277,952)
Cash flows from investing activities			
Proceeds from sales and maturities of investments	16,732,925	83,543,063	100,275,988
Purchase of investments	(17,672,794)	(66,884,976)	(84,557,770)
Net increase (decrease) in fair value of investments	-	76,676	76,676
Receipt of interest	495,540	3,044,386	3,539,926
Net cash provided by (used in) investing activities	(444,329)	19,779,149	19,334,820
Net increase (decrease) in cash	186,299	197,434	383,733
Cash at beginning of year	230,345	258,273	488,618
Cash at end of year	\$ 416,644	\$ 455,707	\$ 872,351

Combining Schedule of Cash Flows
Year Ended September 30, 2024
(Continued)

	McAllen International Toll Bridge	Anzalduas International Crossing	Total
Reconciliation of operating income to net cash provided by (used for) operating activities			
Operating income (loss)	\$ 11,188,559	\$ 3,812,741	\$ 15,001,300
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	764,809	1,483,755	2,248,564
(Increase) decrease in deferred contributions	-	(51,722,987)	(51,722,987)
(Increase) decrease in deferred outflows of resources - pension	187,905	47,155	235,060
Increase (decrease) in deferred inflows of resources - pension	15,773	5,635	21,408
Increase (decrease) in deferred inflows of resources - leases	9,587,387	-	9,587,387
(Increase) decrease in lease receivable	(9,596,078)	-	(9,596,078)
(Increase) decrease in accounts receivable	-	-	-
Increase (decrease) in accounts payable	(383,798)	14,736,010	14,352,212
Increase (decrease) in compensated absences payable	33,000	2,142	35,142
Increase (decrease) in accrued liabilities	(64,455)	4,086	(60,369)
Increase (decrease) in due to other funds	64,441	-	64,441
Increase (decrease) in net pension liability	(265,864)	(66,545)	(332,409)
Increase (decrease) in unearned revenue	109,376	-	109,376
Total adjustments	452,496	(35,510,749)	(35,058,253)
Net cash provided by (used) by operating activities	<u>\$ 11,641,055</u>	<u>\$ (31,698,008)</u>	<u>\$ (20,056,953)</u>
Reconciliation to statement of net position:			
Cash	\$ 290,884	\$ 200,569	\$ 491,453
Cash restricted	125,760	255,138	380,898
Total cash	<u>\$ 416,644</u>	<u>\$ 455,707</u>	<u>\$ 872,351</u>
Noncash investing, capital and financing activities:			
Increase (decrease) in fair value of investments	\$ -	\$ 76,676	\$ 76,676

**Schedule of Vehicle and Passenger Traffic
Last Ten Years
(Unaudited)**

	Year Ended September 30,			
	2015	2016	2017	2018
Vehicular traffic southbound:				
Cars	974,930	1,015,219	966,364	875,430
Trucks - empties	-	732	15,528	28,036
Buses	1,342	1,636	1,374	1,577
Total vehicles (1)	<u>976,272</u>	<u>1,017,587</u>	<u>983,266</u>	<u>905,043</u>
Passenger traffic southbound:				
Passengers in cars (2)	2,437,325	2,538,048	2,415,910	2,188,575
Passengers and drivers – buses	38,918	47,444	39,846	45,733
Total persons	<u>2,476,243</u>	<u>2,585,492</u>	<u>2,455,756</u>	<u>2,234,308</u>

(1) Source: Anzalduas International Crossing Traffic Count Report.

(2) Calculation based on historical average of 2.5 passengers per vehicle.

Year Ended September 30,					
2019	2020	2021	2022	2023	2024
965,077	724,046	724,838	1,141,646	1,378,419	1,577,419
21,467	19,359	27,577	30,564	42,749	52,119
1,429	1,194	1,184	1,917	2,488	2,058
<u>987,973</u>	<u>744,599</u>	<u>753,599</u>	<u>1,174,127</u>	<u>1,423,656</u>	<u>1,631,596</u>
2,412,693	1,810,115	1,812,095	2,854,115	3,446,048	3,943,548
41,441	34,626	34,336	55,593	72,152	59,682
<u>2,454,134</u>	<u>1,844,741</u>	<u>1,846,431</u>	<u>2,909,708</u>	<u>3,518,200</u>	<u>4,003,230</u>

Schedule of Car and Truck Traffic Revenue
Last Ten Years
(Unaudited)

	Year Ended September 30,			
	2015	2016	2017	2018
Southbound traffic:				
Cars	974,930	1,015,219	966,364	875,430
Trucks - empties	-	732	15,528	28,036
Total car and truck traffic	<u>974,930</u>	<u>1,015,951</u>	<u>981,892</u>	<u>903,466</u>
Truck traffic percentage	0.00%	0.07%	1.58%	3.10%
Car and truck revenue:				
Cars	\$ 3,173,047	\$ 3,504,191	\$ 3,389,172	\$ 3,094,093
Trucks	-	9,927	166,651	327,644
Total car and truck revenue	<u>\$ 3,173,047</u>	<u>\$ 3,514,118</u>	<u>\$ 3,555,823</u>	<u>\$ 3,421,737</u>
Truck revenue percentage	0.00%	0.28%	4.69%	9.58%
Average revenue per car	\$ 3.25	\$ 3.45	\$ 3.51	\$ 3.53
Average revenue per truck	\$ -	\$ 13.56	\$ 10.73	\$ 11.69

Year Ended September 30,					
2019	2020	2021	2022	2023	2024
965,077	724,046	724,838	1,141,646	1,378,419	1,577,419
21,467	19,359	27,577	30,564	42,749	52,119
<u>986,544</u>	<u>743,405</u>	<u>752,415</u>	<u>1,172,210</u>	<u>1,421,168</u>	<u>1,629,538</u>
2.18%	2.60%	3.67%	2.61%	3.01%	3.20%
\$ 3,400,254	\$ 2,648,672	\$ 2,588,970	\$ 4,029,038	\$ 4,881,877	\$ 5,559,522
302,148	249,532	475,325	530,015	748,883	897,412
<u>\$ 3,702,402</u>	<u>\$ 2,898,204</u>	<u>\$ 3,064,295</u>	<u>\$ 4,559,053</u>	<u>\$ 5,630,760</u>	<u>\$ 6,456,934</u>
8.16%	8.61%	15.51%	11.63%	13.30%	13.90%
\$ 3.52	\$ 3.66	\$ 3.57	\$ 3.53	\$ 3.54	\$ 3.52
\$ 14.07	\$ 12.89	\$ 17.24	\$ 17.34	\$ 17.52	\$ 17.22

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**Schedule of Board Advances from McAllen International Toll Bridge Fund
September 30, 2024
(Unaudited)**

Anzalduas Special & Startup Fund:

Balance at September 30, 2023	Additions		Balance at September 30, 2024
	Advances	Implied Interest	
\$ 17,516,765	\$ -	\$ 850,947	\$ 18,367,712

Board advance "A" to Anzalduas International Crossing:

Balance at September 30, 2023	Additions		Balance at September 30, 2024
	Advances	Implied Interest	
\$ 4,582,930	\$ -	\$ 23,030	\$ 4,605,960

Combined totals of advances to Anzalduas International Crossing:

Balance at September 30, 2023	Additions		Balance at September 30, 2024
	Advances	Implied Interest	
\$ 22,099,695	\$ -	\$ 873,977	\$ 22,973,672

Distribution of Advances:

City of McAllen - 64% Share
City of Hidalgo - 36% Share

\$ 14,143,804	\$ -	\$ 559,345	\$ 14,703,149
\$ 7,955,891	\$ -	\$ 314,632	\$ 8,270,523
\$ 22,099,695	\$ -	\$ 873,977	\$ 22,973,672

Schedule of Board Advances from McAllen International Toll Bridge Fund
September 30, 2024
(Unaudited)

Activity Schedule-Anzalduas Special & Startup Fund:

Payments to be collected are distributable to the cities of Hidalgo and McAllen at 36% and 64%, respectively.

	Bond Rate	# Days	Advance	Interest	(Payment)	Balance
10/01/2023	Opening balance					\$ 17,516,765
10/31/2023	4.74%	31	\$ -	\$ 70,518	\$ -	17,587,283
11/30/2023	4.74%	30	-	68,518	-	17,655,801
12/31/2023	4.74%	31	-	71,078	-	17,726,879
01/31/2024	4.74%	31	-	71,364	-	17,798,243
02/29/2024	4.74%	29	-	67,029	-	17,865,272
03/31/2024	4.74%	31	-	71,921	-	17,937,193
04/30/2024	4.74%	30	-	69,881	-	18,007,074
05/31/2024	4.74%	31	-	72,492	-	18,079,566
06/30/2024	4.74%	30	-	70,436	-	18,150,002
07/31/2024	4.74%	31	-	73,067	-	18,223,070
08/31/2024	4.74%	31	-	73,362	-	18,296,431
09/30/2024	4.74%	30	-	71,281	-	18,367,712

Schedule of Board Advances from McAllen International Toll Bridge Fund
September 30, 2024
(Unaudited)

Activity Schedule-Board Advances "A":

Payments to be collected are distributable to the cities of Hidalgo and McAllen at 36% and 64%, respectively.

	Bank Rate	# Days	Advance	Interest	(Payment)	Balance
Opening balance						\$ 4,582,930
10/01/2023					\$ -	4,582,930
10/31/2023	0.50%	31	\$ -	\$ 1,946	-	4,584,876
11/01/2023					-	4,584,876
11/30/2023	0.50%	30	-	1,884	-	4,586,760
12/01/2023					-	4,586,760
12/31/2023	0.50%	31	-	1,948	-	4,588,708
01/01/2024					-	4,588,708
01/31/2024	0.50%	31	-	1,949	-	4,590,657
02/01/2024					-	4,590,657
02/29/2024	0.50%	29	-	1,824	-	4,592,480
03/01/2024					-	4,592,480
03/31/2024	0.50%	31	-	1,950	-	4,594,429
04/01/2024					-	4,594,429
04/30/2024	0.50%	30	-	1,888	-	4,596,318
05/01/2024					-	4,596,318
05/31/2024	0.50%	31	-	1,952	-	4,598,269
06/01/2024					-	4,598,269
06/30/2024	0.50%	30	-	1,890	-	4,600,159
07/01/2024					-	4,600,159
07/31/2024	0.50%	31	-	1,953	-	4,602,113
08/01/2024					-	4,602,113
08/31/2024	0.50%	31	-	1,954	-	4,604,068
09/01/2024					-	4,604,068
09/30/2024	0.50%	30	-	1,892	-	4,605,960

Schedule of Board Advances from McAllen International Toll Bridge Fund
September 30, 2024
(Unaudited)

Activity Schedule-Board Advances "B":

Payments to be collected from the City of Mission are distributable to the City of McAllen only.

	Bank Rate	# Days	Advance		Interest	(Payment)	Balance
			Total	Applicable to Mission			
Opening balance							\$ 4,060,910
10/01/2023			\$ -	\$ -	\$ -	-	4,060,910
10/31/2023	0.50%	31			1,724	-	4,062,634
11/01/2023			-	-	-	-	4,062,634
11/30/2023	0.50%	30			1,670	-	4,064,304
12/01/2023			-	-	-	-	4,064,304
12/31/2023	0.50%	31			1,726	-	4,066,030
01/01/2024			-	-	-	-	4,066,030
01/31/2024	0.50%	31			1,727	-	4,067,757
02/01/2024			-	-	-	-	4,067,757
02/29/2024	0.50%	29			1,616	-	4,069,373
03/01/2024			-	-	-	-	4,069,373
03/31/2024	0.50%	31			1,728	-	4,071,101
04/01/2024			-	-	-	-	4,071,101
04/30/2024	0.50%	30			1,673	-	4,072,774
05/01/2024			-	-	-	-	4,072,774
05/31/2024	0.50%	31			1,730	-	4,074,504
06/01/2024			-	-	-	-	4,074,504
06/30/2024	0.50%	30			1,674	-	4,076,178
07/01/2024			-	-	-	-	4,076,178
07/31/2024	0.50%	31			1,731	-	4,077,910
08/01/2024			-	-	-	-	4,077,910
08/31/2024	0.50%	31			1,732	-	4,079,641
09/01/2024			-	-	-	-	4,079,641
09/30/2024	0.50%	30			1,677	-	4,081,318

Schedule of Insurance Coverage
September 30, 2024
(Unaudited)

Coverage	Insurance Company	Policy Period	Type of Coverage	Limit	Aggregate	Occurrence Retention / Deductible
Property Insurance	- Arch Specialty Insurance	10/01/2023 to 10/01/2024	Real & Personal Property	\$338,494,198		\$500,000*
- Bridge & Surrounding Area	- Brideway Insurance		Loss of Revenue / Extra Expense	\$15,188,455**		
	- HDI Specialty Insurance					
	- Starstone Specialty Insurance					
	- Swiss Re Corporate Solutions					
	- Westchester Surplus Lines Insurance					
				**Loss of Revenue / Extra Expense / Rental Value for all City owned locations		*\$50,000 Flood & Earthquake Deductible or 1% of Building Value whichever is greater
Excess Workers' Compensation	Safety National Casualty	10/01/2023 to 10/01/2024	Workers' Compensation	Statutory		
			Employer's Liability	\$2,000,000		\$750,000 (OR)
Third Party Claims Admin	Tristar Risk Management					
All Lines Aggregate	TML	10/01/2023 to 10/01/2024		\$250,000 per person / \$500,000 per claim		\$1,000,000 Aggregate
- General Liability	TML			Tort Claims cap		
- Law Enforcement Liability	TML					
- Errors & Omissions Liability	TML					
- Real & Personal Property	TML					
- Flood & Earthquake	TML					
- Boiler & Machinery	TML					
Crimes Insurance	Alliant	7/01/2023 to 7/01/2025	- Employee Dishonesty	\$1,000,000		\$2,500
			- Forgery or Alteration	\$1,000,000		\$2,500
			- Theft, Disappearance & Destruction	\$1,000,000		\$2,500
			- Computer Fraud	\$1,000,000		\$2,500

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**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

To the Board of Trustees
Anzalduas International Crossing

We have audited, 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, the financial statements of the Anzalduas International Crossing (the Bridge) as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Bridge's basic financial statements, and have issued our report thereon dated June 5, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
June 5, 2025