



# McAllen International Toll Bridge

**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  
McAllen International Toll Bridge

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

We have audited the accompanying financial statements of the McAllen International Toll Bridge (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 McAllen International Toll Bridge, 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.

#### ***Supplemental 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, Schedule of Rental Income, Schedule of Expenses by Department, Combining Schedule of Net Position (except the Anzalduas International Crossing information), Combining Schedule of Revenues, Expenses, and Changes in Net Position (except the Anzalduas International Crossing information), and Combining Schedule of Cash Flows (except the Anzalduas International Crossing 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, Schedule of Rental Income, Schedule of Expenses by Department, Combining Schedule of Net Position (except the Anzalduas International Crossing information), Combining Schedule of Revenues, Expenses, and Changes in Net Position (except the Anzalduas International Crossing information), and Combining Schedule of Cash Flows (except the Anzalduas International Crossing 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 to the Anzalduas International Crossing, 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 Anzalduas International Crossing 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 McAllen International Toll Bridge's (Hidalgo 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, as a result of this year's operations, net position increased by \$2.9M. Operating revenues increased by \$603K and operating expenses increased by \$159K.

The table below reflects the activities for southbound traffic crossings, which had an overall increase from last year's levels.

Category	FY 2024	FY 2023	Increase (Decrease)	% Increase (Decrease)
Cars	3,066,626	2,922,848	143,778	4.92%
Buses and others	15,873	17,438	(1,565)	-8.97%
Passengers in cars	7,666,565	7,307,120	359,445	4.92%

For more information in regards of the average revenue per vehicle, refer to Supplemental Information pg 30-49.

**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 Hidalgo Bridge and provides information about the nature of the resources and obligations to creditors. The Hidalgo 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 Hidalgo Bridge is improving or deteriorating.

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

**FINANCIAL POSITION SUMMARY**

Net position, and its components, over time serve as a meaningful measure of the Hidalgo Bridge's financial position. For the year ended September 30, 2024, net position increased by \$2.9M. An increase in toll revenue was offset with an increase in the payment of surplus net revenues. For the year ended September 30, 2023 net position increased by \$2.5M as a result of increased toll revenue.

**Management's Discussion and Analysis (Unaudited)**

September 30, 2024

A summary of the Hidalgo Bridge's Condensed Statements of Net Position information as of September 30 is presented below:

**Condensed Statements of Net Position Information**

	2024	2023	2022
<b>ASSETS</b>			
Current assets	\$ 6,857,431	\$ 5,654,243	\$ 5,403,327
Noncurrent assets	53,858,486	42,959,964	41,289,566
Total assets	60,715,917	48,614,207	46,692,893
Deferred outflows of resources	214,074	401,979	80,418
Total assets and deferred outflow of resources	60,929,991	49,016,186	46,773,311
<b>LIABILITIES</b>			
Current liabilities	1,473,224	1,861,078	1,020,575
Other noncurrent liabilities	754,545	908,405	302,219
Total liabilities	2,227,769	2,769,483	1,322,794
Deferred inflows of resources	12,800,791	3,197,631	4,950,311
Total liabilities and deferred inflows of resources	15,028,560	5,967,114	6,273,105
<b>NET POSITION</b>			
Net investments in capital assets	10,364,316	9,853,956	8,949,784
Restricted for	11,877,232	10,413,547	9,498,624
Unrestricted	23,659,883	22,781,569	22,051,798
Total net position	\$ 45,901,431	\$ 43,049,072	\$ 40,500,206

**Revenues, Expenses and Changes in Net Position**

Southbound car crossings increased by 4.92% from 2023 to 2024, while the bus and others crossings decreased by 8.97%. This generated toll revenue of \$12.3M, an increase of \$524K when compared to the prior year. Rental income increased by \$59K from 2023 to 2024 due to an increase in the GSA lease. Investment earnings increased by \$68K as a result of higher interest rates. Operating expenses increased by \$159K attributable to an increase in contractual and other services and in repairs and maintenance. This was offset with a decrease in depreciation and amortization and in supplies. Payments in relation to the distribution of surplus net revenues increased by \$1.1M. Other revenue and expenses remained relatively flat. Overall there was a \$2.9M increase in net position for the current year.

The Schedule of Revenues, Expenses, and Changes in Net Position information provides additional information on the changes in the Hidalgo Bridge and is presented on the following page as of September 30.

## Management's Discussion and Analysis (Unaudited)

September 30, 2024

## Schedule of Revenues, Expenses, and Changes in Net Position Information

	2024	2023	2022
Operating revenues:			
Charges for services	\$ 12,298,089	\$ 11,773,691	\$ 10,361,157
Rentals	3,000,404	2,941,198	2,684,385
Other	412,222	392,570	207,846
Total operating revenues	15,710,715	15,107,459	13,253,388
Operating expenses:			
Salaries, wages and employee benefits	1,805,876	1,777,716	1,547,617
Supplies	164,667	178,159	131,019
Contractual and other services	1,467,430	1,322,403	1,108,256
Repairs and maintenance	319,374	273,500	221,351
Depreciation and amortization	764,809	811,919	1,063,463
Total operating expenses	4,522,156	4,363,697	4,071,706
Operating income (loss)	11,188,559	10,743,762	9,181,682
Nonoperating revenues (expenses):			
Investment earnings	455,481	387,037	58,376
Interest expense	(186)	(245)	(302)
Interest on board advances	873,977	832,217	794,704
Gain (loss) on sale of capital assets	(8,442)	-	-
Intergovernmental	-	6,620	17,697
Interest revenue	38,205	32,116	27,096
Other	(3,827,054)	(3,734,088)	(3,226,195)
Net nonoperating revenues (expenses)	(2,468,019)	(2,476,343)	(2,328,624)
Income (loss) before contributions and transfers	8,720,540	8,267,419	6,853,058
Capital contributions and transfers			
Capital contributions	45,096	-	144,029
Transfers out	(5,913,277)	(5,718,553)	(4,275,380)
Total capital contributions and transfers	(5,868,181)	(5,718,553)	(4,131,351)
Change in net position	2,852,359	2,548,866	2,721,707
Total net position	43,049,072	40,500,206	37,778,499
Total net position	\$ 45,901,431	\$ 43,049,072	\$ 40,500,206

## TOLL RATES

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

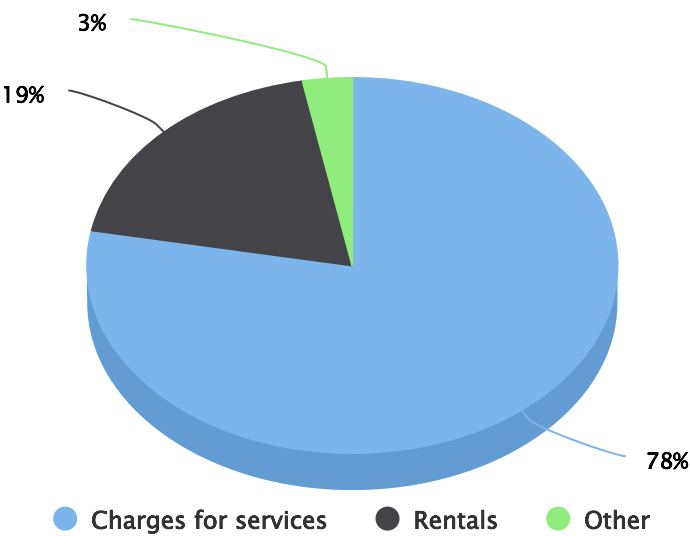
Category	FY 2024	FY 2023
Pedestrians	\$1.00	\$1.00
Cars	\$3.50	\$3.50
Motorcycles	\$3.50	\$3.50
Buses (Depending on # of axles)	\$7.00-\$9.00	\$7.00-\$9.00
Extra axle	\$3.00	\$3.00

Management’s Discussion and Analysis (Unaudited)  
September 30, 2024

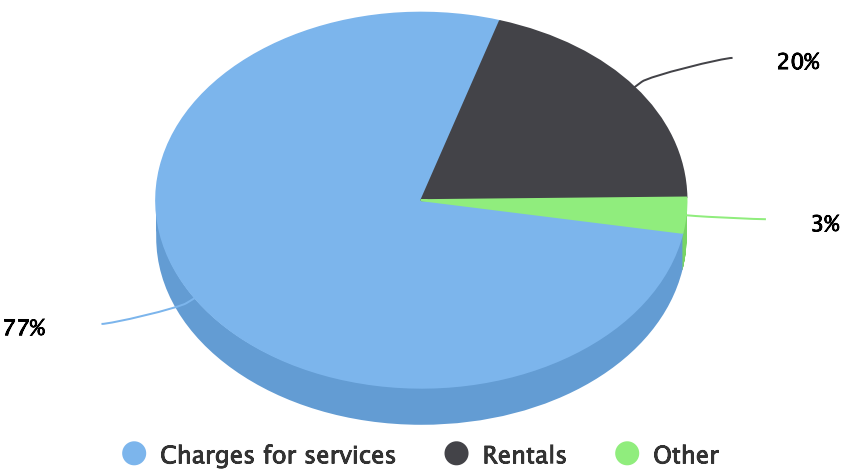
REVENUES

The following charts illustrate the relative contribution of each category of revenue to total operating revenues.

FY 2024 Revenues



FY 2023 Revenues



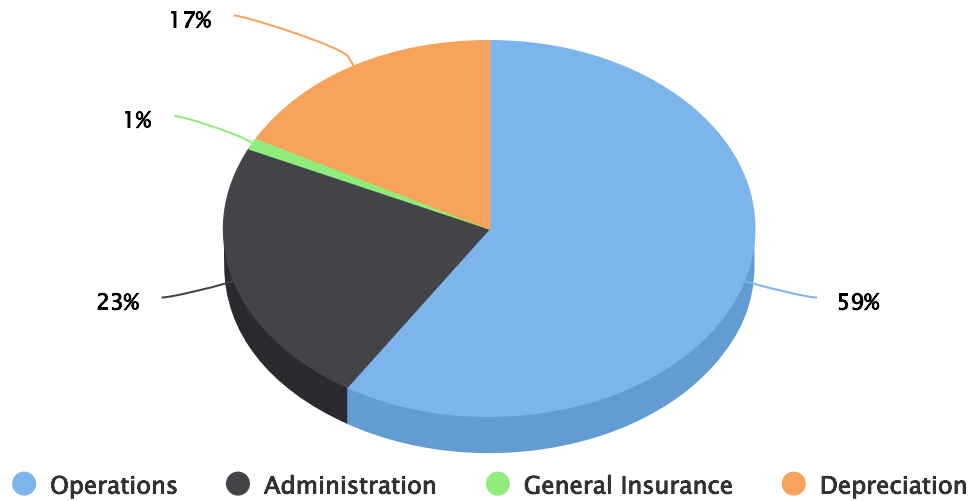
Management's Discussion and Analysis (Unaudited)

September 30, 2024

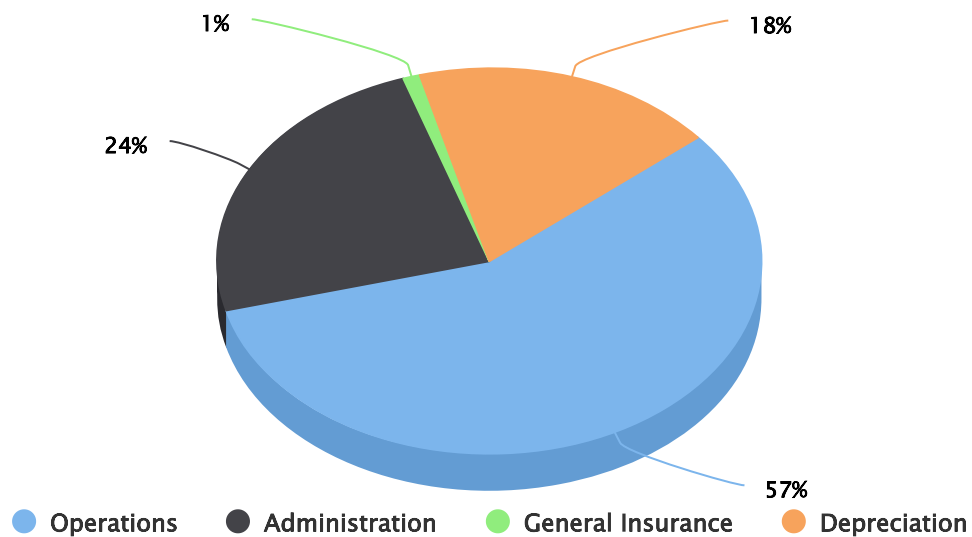
EXPENSES

The following charts show the major cost centers and each percentage contribution to total operating expenses.

FY 2024 Expenses



FY 2023 Expenses



## Management's Discussion and Analysis (Unaudited)

September 30, 2024

## CAPITAL ASSETS AND DEBT ADMINISTRATION

## Capital Assets

At the end of this fiscal year, the Hidalgo Bridge had \$10.40M in capital assets, consisting of the following.

	FY 2024	FY 2023	FY 2022
Capital assets, not being depreciated			
Land	\$ 787,486	\$ 787,486	\$ 787,486
Construction in progress	1,695,318	2,263,449	1,112,939
Capital assets, being depreciated			
Buildings	16,694,799	16,398,454	16,019,315
Improvements other than buildings	6,558,228	5,047,525	4,957,133
Machinery and equipment	4,067,640	4,046,879	3,952,762
Total capital assets	29,803,471	28,543,793	26,829,635
Less accumulated depreciation	(19,434,992)	(18,683,684)	(17,871,765)
Total capital assets, net	<u>\$ 10,368,479</u>	<u>\$ 9,860,109</u>	<u>\$ 8,957,870</u>

In 2024 total net capital assets increased \$508K. The increase is mostly attributable to an increase the completion of projects including the pedestrian expansion and the building reroofing. In 2023, the increase was mostly attributable to an increase in construction in progress for various projects including office building updates, canopy improvements, and fence restoration.

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

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

During the budget process for fiscal year 2025, 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.

## 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, which shares in the *surplus net revenues* of the Hidalgo Bridge's operations as well as its investors and creditors about the Hidalgo 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 Houston, McAllen, Texas 78501.





# **BASIC FINANCIAL STATEMENTS**



**Statements of Net Position  
September 30, 2024 and 2023**

	2024	2023
<b>ASSETS</b>		
Current assets:		
Cash	\$ 290,884	\$ 92,763
Investments	3,678,273	3,724,332
Receivables, net:		
Accrued interest	6,694	8,548
Lease receivable	2,755,820	1,689,989
Due from other governments	-	1,029
Restricted assets:		
Cash and cash equivalents	125,760	137,582
Total current assets	6,857,431	5,654,243
Noncurrent assets:		
Restricted assets:		
Investments	10,476,519	9,490,591
Total noncurrent restricted assets	10,476,519	9,490,591
Capital assets:		
Land	787,486	787,486
Buildings and systems	16,694,799	16,398,454
Improvements other than buildings	6,558,228	5,047,525
Machinery and equipment	4,067,640	4,046,879
Construction in progress	1,695,318	2,263,449
Less accumulated depreciation and amortization	(19,434,992)	(18,683,684)
Total capital assets, net of accumulated depreciation and amortization	10,368,479	9,860,109
Other noncurrent assets		
Lease receivable	10,039,816	1,509,569
Board advances	22,973,672	22,099,695
Total other noncurrent assets	33,013,488	23,609,264
Total noncurrent assets	53,858,486	42,959,964
Total assets	60,715,917	48,614,207
Deferred outflows of resources		
Deferred charges	214,074	401,979
Total deferred outflows of resources	214,074	401,979
Total assets and deferred outflows of resources	\$ 60,929,991	\$ 49,016,186

*The accompanying notes are an integral part of these statements*

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

	2024	2023
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 222,947	\$ 606,744
Accrued expenses	69,659	134,114
Due to other funds	166,802	102,361
Due to other government agencies	887,708	920,134
Compensated absences	124,057	95,735
Current portion of lease	2,051	1,990
Total current liabilities	1,473,224	1,861,078
Other noncurrent liabilities:		
Compensated absences	66,921	62,243
Unearned revenues	376,215	266,839
Lease payable	2,113	4,163
TMRS net pension liability	309,296	575,160
Total other non current liabilities	754,545	908,405
Total liabilities	2,227,769	2,769,483
Deferred inflows of resources		
Deferred inflows of resources-leases	12,756,995	3,169,608
Deferred inflows of resources-pensions	43,796	28,023
Total deferred inflows of resources	12,800,791	3,197,631
Total liabilities and deferred inflows of resources	15,028,560	5,967,114
<b>NET POSITION</b>		
Net investments in capital assets	10,364,316	9,853,956
Restricted for:		
Capital projects	4,471,851	3,983,940
Debt service	601,729	569,555
Distribution of net surplus revenues	6,803,652	5,860,052
Unrestricted	23,659,883	22,781,569
Total net position	45,901,431	43,049,072
Total liabilities, deferred inflows of resources and net position	\$ 60,929,991	\$ 49,016,186

*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	\$ 12,298,089	\$ 11,773,691
Rentals	3,000,404	2,941,198
Other	412,222	392,570
Total operating revenues	<u>15,710,715</u>	<u>15,107,459</u>
Operating expenses:		
Salaries, wages and employee benefits	1,805,876	1,777,716
Supplies	164,667	178,159
Contractual and other services	1,467,430	1,322,403
Repairs and maintenance	319,374	273,500
Depreciation and amortization	764,809	811,919
Total operating expenses	<u>4,522,156</u>	<u>4,363,697</u>
Operating income (loss)	<u>11,188,559</u>	<u>10,743,762</u>
Non-operating revenues (expenses):		
Investment earnings	455,481	387,037
Interest expense	(186)	(245)
Interest on board advances	873,977	832,217
Gain (loss) on sale of capital assets	(8,442)	-
Intergovernmental	-	6,620
Interest revenue - leases	38,205	32,116
Other	<u>(3,827,054)</u>	<u>(3,734,088)</u>
Net non-operating revenues (expenses)	<u>(2,468,019)</u>	<u>(2,476,343)</u>
Income (loss) before contributions and transfers	8,720,540	8,267,419
Capital contributions and transfers:		
Capital contributions	45,096	-
Transfers out	<u>(5,913,277)</u>	<u>(5,718,553)</u>
Total capital contributions and transfers	<u>(5,868,181)</u>	<u>(5,718,553)</u>
Change in net position	2,852,359	2,548,866
Total net position - beginning	<u>43,049,072</u>	<u>40,500,206</u>
Total net position - ending	<u>\$ 45,901,431</u>	<u>\$ 43,049,072</u>

*The accompanying notes are an integral part of these statements*

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

	2024	2023
<b>Cash flows from operating activities</b>		
Receipts from customers	\$ 15,811,400	\$ 15,157,588
Payments to employees	(1,819,339)	(1,694,930)
Payments to suppliers	(2,351,006)	(1,069,670)
Net cash provided by operating activities	<u>11,641,055</u>	<u>12,392,988</u>
<b>Cash flows from noncapital financing activities</b>		
Transfers to other funds	(5,913,277)	(5,718,553)
Subsidy from federal/state grant	1,029	23,288
Distribution of income to City of Hidalgo	(3,859,480)	(3,613,114)
Net cash used in non-capital financing activities	<u>(9,771,728)</u>	<u>(9,308,379)</u>
<b>Cash flows from capital and related financing activities</b>		
Capital contributions	45,096	-
Purchases of capital assets	(1,284,261)	(1,714,158)
Proceeds from sale of capital assets	2,641	-
Principal repayments-bonds and notes	(1,989)	(1,932)
Interest paid	(186)	(245)
Net cash used in capital and related financing activities	<u>(1,238,699)</u>	<u>(1,716,335)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sales and maturities of investments	16,732,925	14,175,154
Purchase of investments	(17,672,794)	(16,080,061)
Receipt of interest	495,540	411,811
Net cash used in investing activities	<u>(444,329)</u>	<u>(1,493,096)</u>
Net increase (decrease) in cash	186,299	(124,822)
Cash at beginning of year	<u>230,345</u>	<u>355,167</u>
Cash at end of year	<u><u>\$ 416,644</u></u>	<u><u>\$ 230,345</u></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
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>		
Operating income (loss)	\$ 11,188,559	\$ 10,743,762
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	764,809	811,919
Other nonoperating revenues	-	-
(Increase) decrease in deferred contributions	-	-
(Increase) decrease in deferred outflows of resources - pension	187,905	(321,561)
Increase (decrease) in deferred inflows of resources - pension	15,773	(314,977)
Increase (decrease) in deferred inflows of resources - leases	9,587,387	(1,437,703)
(Increase) decrease in lease receivable	(9,596,078)	1,431,793
(Increase) decrease in accounts receivable	-	2,455
(Increase) decrease in due from other funds	-	-
(Increase) decrease in prepaid items	-	-
(Increase) decrease in inventories	-	-
Increase (decrease) in accounts payable	(383,798)	540,077
Increase (decrease) in customer deposits payable	-	-
Increase (decrease) in compensated absences payable	33,000	(12,389)
Increase (decrease) in accrued liabilities	(64,455)	90,679
Increase (decrease) in due to other funds	64,441	80,536
Increase (decrease) in net pension liability	(265,864)	724,813
Increase (decrease) in unearned revenue	109,376	53,584
Total adjustments	452,496	1,649,226
Net cash provided by (used) by operating activities	<u>\$ 11,641,055</u>	<u>\$ 12,392,988</u>
<b>Reconciliation to statement of net position:</b>		
Cash	\$ 290,884	\$ 92,763
Cash restricted	125,760	137,582
Total cash	<u>\$ 416,644</u>	<u>\$ 230,345</u>
<b>Noncash investing, capital and financing activities:</b>		
Contributions of capital assets	\$ -	\$ -
Increase (decrease) in fair value of investments	-	-

*The accompanying notes are an integral part of these statements*

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

The City of McAllen, Texas (the “City”) owns and operates the McAllen International Toll Bridge (“Hidalgo Bridge”) between the Cities of Hidalgo, Texas and Reynosa Tamaulipas, Mexico. Pursuant to the Hidalgo-Mission-McAllen Interlocal Government Agreement, executed April 1, 2003 (“2003 Agreement”), the City of McAllen and the City of Hidalgo share in the unallocated balance of surplus net revenues at the following percentages: City of McAllen, 64% and the City of Hidalgo, 36%. The agreement also provides that the bonds, issued by the City of McAllen to finance the construction of a new international toll bridge, linking the United States, south of the City of Mission, Texas and the westernmost part of Reynosa, Tamaulipas, Mexico, the Anzalduas International Crossing (“Anzalduas Bridge”), are secured by the net revenues of the Hidalgo Bridge as well as the Anzalduas Bridge. The City of McAllen issues publicly available audited financial statements for the Anzalduas Bridge, which may be obtained by writing to the City of McAllen Finance Department, 1300 Houston, P.O. Box 220, McAllen, Texas 78505.

The primary function of the Hidalgo Bridge is to collect tolls that finance the operations and maintenance of the international bridge. The Hidalgo Bridge facilities also include property and buildings that are rented to the United States General Services Administration (“GSA”), Texas Alcoholic Beverage Commission, and various commercial brokers.

The accompanying financial statements of the Hidalgo 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”) and the American Institute of Certified Public Accountants. Hidalgo Bridge operations are included in the basic financial statements of the City as promulgated by requirements defining the reporting entity. These financial statements present only the operations and activities of Hidalgo 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 Hidalgo Bridge’s activities are 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 non-operating 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 Hidalgo 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 non-operating revenues and expenses.

**Capital Assets**

Capital assets are capitalized because they are property, plant and equipment with a life expectancy of over one year. 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. Total depreciation expense for the years ended September 30, 2024 and 2023 was \$764,809 and \$811,919 respectively.



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

The estimated useful lives are 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 are charged to expenses as incurred. Gains and losses on disposition of capital assets are included in income.

**Advances***Anzalduas Special and Start Up Fund Advance Receivable from Anzalduas International Crossing*

Beginning with fiscal year ending September 30, 1991, the Hidalgo Bridge has financed the development costs for the Anzalduas International Crossing (Anzalduas Bridge) 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 receivable from the Anzalduas 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 Hidalgo's portion is \$6,612,376. During this fiscal year, the balance was increased by accrued interest in the amount of \$850,947.

*Board Advances Receivable from Anzalduas International Crossing*

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 receivable has been paid. As of September 30, 2024 the board advance receivable 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 City of McAllen Series 2017B Bonds 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 Series 2017A 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, (\$4,060,910 in 2023). This was increased as a result of a reimbursement to the City of McAllen for the 2023 and 2024 annual debt service payments. This board advance is recorded in the General fund of the City of McAllen.

**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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Income Distributions**

Pursuant to the Hidalgo-Mission-McAllen Interlocal Government Agreement, executed April 1, 2003, whereby the Cities of McAllen and Hidalgo each will share in the unallocated balance of surplus net revenues at the following percentages: City of McAllen, 64% and the City of Hidalgo, 36%. The agreement also stipulates that as long as the City of McAllen owns and operates the Hidalgo Bridge, it will guarantee that the City of Hidalgo share will be no less than \$2,300,000, provided that there is no natural or man-made disaster causing damage to the bridge facilities, which substantially decreases tolls; no major peso devaluation substantially curtailing the bridge usage; no Mexican political insurrection or terrorist activities or policy changes, which substantially curtail the bridge usage; or unforeseen changes in transportation usage or infrastructure which substantially curtails bridge usage, with the exception of redirection of traffic to the Anzalduas Bridge.

**Restricted Assets**

Restricted assets represent interest-bearing checking accounts, investments, and related accrued interest receivable, which are restricted for current debt service, contingency, capital improvements fund, and distribution of surplus net revenues to the City of McAllen. The debt service and contingency accounts arose as a result of bond agreements signed by the "Bridge" and are thus restricted by provisions of the agreements. Net position is restricted to the extent of such legally imposed restrictions.

**Cash and Cash Equivalents**

For the purpose 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.

**Leases**

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include determination on (1) the discount rate used to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

1. An estimated incremental borrowing rate is used as the discount rate for leases.
2. The lease term includes the noncancellable period of the lease.
3. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**NOTE 2 - CASH AND INVESTMENTS**

State statutes authorize the Hidalgo Bridge 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 Hidalgo Bridge, however, limits investments to U.S. Treasuries, U.S. government agencies, investment pools, commercial paper, no-load mutual funds, money market funds, municipal bonds, fully collateralized repurchase agreements, as well as certificates of deposit. Investments are stated at fair value, as required under Governmental Accounting Standards Board Statement No. 72.

**Investments***Fair Value Measurement*

The Hidalgo Bridge 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.

The Hidalgo Bridge uses a matrix pricing model (Level 2 inputs) to measure the fair market value of its government security investments, and bid prices for the fair value of certificates of deposit.

There were no government security investments or certificates of deposit for the years ended September 30, 2024 and 2023.

The total amount excludes investments in local government pools which are recorded at amortized cost. These investments total \$14,154,792 and \$13,214,923 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.

TexPool Prime 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 three years the Hidalgo Bridge reduces its risk to the rising interest rates.

**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 investment 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, fully collateralized repurchase agreements.

*Concentration of credit risk*

The Hidalgo Bridge investment holdings at September 30, 2024 and 2023 were confined to TexPool Prime. The investment policy is silent in the concentration of holdings in the various types of securities and investments.

**NOTE 3 - CAPITAL ASSETS**

Capital assets activities 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	\$ 787,486	\$ -	\$ -	\$ 787,486
Construction in progress	2,263,449	396,770	(964,901)	1,695,318
Capital assets, being depreciated				
Buildings	16,398,454	296,345	-	16,694,799
Improvements other than buildings	5,047,525	1,510,703	-	6,558,228
Machinery and equipment	4,046,879	34,261	(13,500)	4,067,640
Total capital assets	28,543,793	2,238,079	(978,401)	29,803,471
Less accumulated depreciation	(18,683,684)	(764,808)	13,500	(19,434,992)
Total capital assets, net	<u>\$ 9,860,109</u>	<u>\$ 1,473,271</u>	<u>\$ (964,901)</u>	<u>\$ 10,368,479</u>
	Balance at September 30, 2022	Additions	Deletions	Balance at September 30, 2023
Capital assets, not being depreciated				
Land	\$ 787,486	\$ -	\$ -	\$ 787,486
Construction in progress	1,112,939	1,150,510	-	2,263,449
Capital assets, being depreciated				
Buildings	16,019,315	379,139	-	16,398,454
Improvements other than buildings	4,957,133	90,392	-	5,047,525
Machinery and equipment	3,952,762	94,117	-	4,046,879
Total capital assets	26,829,635	1,714,158	-	28,543,793
Less accumulated depreciation	(17,871,765)	(811,919)	-	(18,683,684)
Total capital assets, net	<u>\$ 8,957,870</u>	<u>\$ 902,239</u>	<u>\$ -</u>	<u>\$ 9,860,109</u>

**NOTE 4 - LONG TERM LIABILITIES**

Long-term liability activities for the year ended September 30, 2024 and September 30, 2023 are reflected in the following tables:

	Balance at September 30, 2023	Additions	Deletions	Balance at September 30, 2024	Amounts Due Within One Year
Capital lease	\$ 6,153	\$ -	\$ (1,989)	\$ 4,164	\$ 2,051
Net pension liability (asset)	575,160	5,034	(270,898)	309,296	-
Compensated absences	157,978	128,735	(95,735)	190,978	124,057
	<u>\$ 739,291</u>	<u>\$ 133,769</u>	<u>\$ (368,622)</u>	<u>\$ 504,438</u>	<u>\$ 126,108</u>

	Balance at September 30, 2022	Additions	Deletions	Balance at September 30, 2023	Amounts Due Within One Year
Capital lease	\$ 8,085	\$ -	\$ (1,932)	\$ 6,153	\$ 1,990
Net pension liability (asset)	(149,653)	724,813	-	575,160	-
Compensated absences	170,367	75,167	(87,556)	157,978	95,735
	<u>\$ 28,799</u>	<u>\$ 799,980</u>	<u>\$ (89,488)</u>	<u>\$ 739,291</u>	<u>\$ 97,725</u>

**NOTE 5 - LEASES**

The Hidalgo Bridge leases property and buildings to the United States Government, the state of Texas, and various commercial dealers. The Hidalgo Bridge has also entered into license agreements with various telecommunications companies in relation to the utilization of international telephone and/or fiber optic cables connecting in the Republic of Mexico. Current leases range from monthly leases with commercial dealers to a 15-year lease with the General Service Administration (GSA). This 15-year lease consists of a 10-year firm term and an additional 5-year non-firm term. The Hidalgo Bridge also has a 5-year lease with three additional 5-year extension options with the United Export Traders Association (UETA) of Texas, Inc. and a 10-year lease with Transtelco, Inc. Interest rates range from 0.1930% to 2.8220%.

Lease payments received during the current year were as follows:

Year ending September 30,	Principal	Interest	Total
2024	\$ 2,076,860	\$ 31,511	\$ 2,108,371

Future minimum lease payments to be received are as follows:

Year ending September 30,	Principal	Interest	Total
2025	\$ 2,755,820	\$ 49,134	\$ 2,804,954
2026	2,772,790	36,580	2,809,370
2027	2,764,446	23,774	2,788,220
2028	2,431,616	11,705	2,443,321
2029	2,007,182	4,101	2,011,283
2030	63,782	742	64,524
	<u>\$ 12,795,636</u>	<u>\$ 126,036</u>	<u>\$ 12,921,672</u>

NOTE 6 - RETIREMENT PLAN

The City and Hidalgo 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](http://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
Vestment requirement	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

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 Hidalgo 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 Hidalgo Bridge’s allocable share of the net pension liability of \$309,296, deferred outflow of resources – pension of \$214,074, and deferred inflow of resources – pension of \$43,796.

NOTE 7 - 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 Hidalgo Bridge has thirty seven full time employees. For the current year, the fund contributed \$12,216 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 Hidalgo Bridge.





# **SUPPLEMENTAL INFORMATION**



**Schedule of Income Distribution  
Last Ten Years**

	Year Ended September 30,			
	2015	2016	2017	2018
Bridge revenues (1)	\$ 13,601,940	\$ 14,521,021	\$ 14,761,094	\$ 14,447,224
Deductible operating expenses (1)	2,548,148	2,653,694	2,791,331	2,776,938
	<u>11,053,792</u>	<u>11,867,327</u>	<u>11,969,763</u>	<u>11,670,286</u>
Surplus from contingency, construction, and debt service funds	-	-	-	-
	<u>11,053,792</u>	<u>11,867,327</u>	<u>11,969,763</u>	<u>11,670,286</u>
Less:				
Required transfers to restricted assets (2)	-	-	-	-
Transfer to Anzalduas International Bridge Fund (3)	-	-	-	-
Transfer to Capital Improvement Fund	705,687	1,251,894	1,431,298	1,395,748
Transfer to Health Insurance Fund	-	55,744	8,443	14,863
Transfer to Marketing Fund	-	-	-	-
Long term note principal	-	168,710	176,460	184,568
Capital lease principal - Motorola	-	-	-	-
Transfer to start up fund	-	-	-	-
Deductions for capital assets acquisitions (3)	-	-	-	-
Board advance Series 2007 "A" Bonds	-	-	-	-
Base revenues	<u>\$ 10,348,105</u>	<u>\$ 10,390,979</u>	<u>\$ 10,353,562</u>	<u>\$ 10,075,107</u>
Distributions and reservations of surplus revenues:				
Net distribution to City of Hidalgo	<u>3,725,318</u>	<u>3,740,752</u>	<u>3,727,282</u>	<u>3,627,039</u>
City of McAllen:	6,622,787	6,650,227	6,626,280	6,448,068
Less: Series "B" Bonds debt service	(947,888)	(949,755)	(914,417)	(846,258)
Less: Implied interest expense on Series "B" Bonds	-	-	-	-
Net distribution to City of McAllen	<u>5,674,899</u>	<u>5,700,472</u>	<u>5,711,863</u>	<u>5,601,810</u>
Base revenue only	<u>\$ 10,348,105</u>	<u>\$ 10,390,979</u>	<u>\$ 10,353,562</u>	<u>\$ 10,075,107</u>

(1) Revenues and deductible operating expenses are defined in the agreement between the Cities of Hidalgo and McAllen governing the amount to be paid to the City of Hidalgo. Revenues are defined as tolls, rental income, other income, and interest income, excluding interest income earned on the revenue bond construction account, less interest paid to the City of McAllen for receiving its surplus revenues distribution subsequent to its fiscal year end. Expenses are operating expenses as shown in the statements of revenues, expenses, and changes in net position, less depreciation and amortization, and excluding new bridge project costs.

(2) Includes required contingency transfer authorized by Board of Trustees.

(3) Authorized by Board of Trustees in December 2004.

## Year Ended September 30,

2019	2020	2021	2022	2023	2024
\$ 13,888,525	\$ 10,764,761	\$ 10,209,588	\$ 13,420,232	\$ 15,322,301	\$ 15,970,137
2,798,776	2,889,650	2,739,511	3,141,523	3,432,216	3,748,832
11,089,749	7,875,111	7,470,077	10,278,709	11,890,085	12,221,305
-	-	-	-	-	-
11,089,749	7,875,111	7,470,077	10,278,709	11,890,085	12,221,305
-	-	-	-	-	-
-	-	-	-	-	-
1,319,338	944,722	825,136	1,292,380	1,460,126	1,530,695
93,150	40,865	24,811	22,801	46,560	44,225
-	-	-	-	9,000	9,000
195,824	133,600	-	-	-	-
-	1,766	1,820	1,875	1,932	1,989
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 9,481,437	\$ 6,754,158	\$ 6,618,311	\$ 8,961,653	\$ 10,372,467	\$ 10,635,396
3,375,018	2,469,797	2,378,377	3,226,195	3,734,088	3,827,054
6,068,119	4,322,662	4,235,719	5,735,458	6,638,379	6,803,652
(844,742)	(842,725)	(846,642)	(850,792)	(778,327)	-
-	-	-	-	-	-
5,223,377	3,479,937	3,389,077	4,884,666	5,860,052	6,803,652
\$ 9,481,437	\$ 6,754,158	\$ 6,618,311	\$ 8,961,653	\$ 10,372,467	\$ 10,630,706

**Schedule of Rental Income**  
**Year Ended September 30, 2024**

Lessee	Amount
General Services Administration	\$ 2,460,363
United Export Traders Association	276,653
Texas Alcoholic Beverage Commission	29,607
Money Exchange House	21,824
ATM	11,404
PALBA	29,592
AT&T	77,461
McAllen Data Center	48,144
Transtelco	45,356
	<u>\$ 3,000,404</u>

**Schedule of Expenses by Department**  
**Years Ended September 30, 2024 and 2023**

	Department		2024 Total	2023 Total
	Administration	Operations		
Salaries and wages				
Exempt salaries	\$ 171,843	\$ 42,897	\$ 214,740	\$ 192,302
Nonexempt wages and part time	33,072	978,186	1,011,258	972,030
Board of trustees fees	3,018	-	3,018	3,000
Overtime	356	112,464	112,820	101,580
Longevity Pay	5,775	34,750	40,525	-
Total salaries and wages	214,064	1,168,297	1,382,361	1,268,912
Payroll taxes and benefits				
Social security and unemployment tax	16,567	89,702	106,269	93,698
Employee retirement	18,851	99,002	117,853	106,489
Employee benefits	124,555	58,752	183,307	293,765
Transportation and telephone allowance	8,216	7,870	16,086	14,852
Total payroll taxes and benefits	168,189	255,326	423,515	508,804
Materials and supplies				
Janitorial	-	66,814	66,814	93,817
Office supplies	11,858	-	11,858	14,339
Clothing and uniforms	1,390	14,665	16,055	12,137
Operating supplies	12,860	19,195	32,055	36,069
Equipment	-	37,885	37,885	21,797
Total materials and supplies	26,108	138,559	164,667	178,159
Maintenance				
Vehicles	1,150	-	1,150	6,092
Buildings	-	161,104	161,104	157,471
Fuel	2,154	1,260	3,414	2,748
Equipment	2,771	150,935	153,706	107,189
Total maintenance	6,075	313,299	319,374	273,500
Other services and charges				
Auditing services	20,000	-	20,000	19,059
Advertising	64,818	-	64,818	53,334
Dues and subscription	25,898	-	25,898	27,947
Management fee	185,000	-	185,000	185,000
Postage	-	-	-	651
Professional services	186,480	-	186,480	188,943
Photocopier rental	2,243	-	2,243	2,872
Rental and contractual	18,968	210,522	229,490	256,305
Bridge security	-	313,641	313,641	295,153
Travel and training	21,091	-	21,091	9,671
Telephone	4,173	-	4,173	5,120
Utilities	-	88,891	88,891	77,313
General insurance	64,399	-	64,399	42,954
Miscellaneous	79,187	182,119	261,306	158,081
Total other services and charges	672,257	795,173	1,467,430	1,322,403
Total expenses before depreciation	1,086,693	2,670,654	3,757,347	3,551,778
Depreciation and amortization	764,809	-	764,809	811,919
Total operating expenses	1,851,502	\$ 2,670,654	\$ 4,522,156	\$ 4,363,697

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

	McAllen International Toll Bridge	Anzalduas International Crossing	Total
<b>ASSETS</b>			
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	<u>22,973,672</u>	<u>-</u>	<u>22,973,672</u>
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	<u>214,074</u>	<u>66,155</u>	<u>280,229</u>
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 Int'l Toll Bridge	Anzalduas Int'l Crossing	Total
<b>LIABILITIES</b>			
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 non current 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>
<b>NET POSITION</b>			
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	<u>23,659,883</u>	<u>(16,112,111)</u>	<u>7,547,772</u>
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	15,710,715	6,734,809	22,445,524
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	4,522,156	2,922,068	7,444,224
Operating income (loss)	11,188,559	3,812,741	15,001,300
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 expenses	(2,468,019)	(813,879)	(3,281,898)
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	(5,868,181)	(24,383)	(5,892,564)
Change in net position	2,852,359	2,974,479	5,826,838
Total net position - beginning	43,049,072	426,448	43,475,520
Total net position - ending	\$ 45,901,431	\$ 3,400,927	\$ 49,302,358

**Combining Schedule of Cash Flows  
Year Ended September 30, 2024**

	McAllen International Toll Bridge	Anzalduas International Crossing	Total
<b>Cash flows from operating activities</b>			
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)
<b>Cash flows from noncapital financing activities</b>			
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
<b>Cash flows from capital and related financing activities</b>			
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)
<b>Cash flows from investing activities</b>			
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
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>			
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>
<b>Reconciliation to statement of net position:</b>			
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>
<b>Noncash investing, capital and financing activities:</b>			
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	2,822,746	2,896,421	2,862,748	2,794,901
Trucks	13,284	11,554	10,652	11,597
Buses	19,927	17,330	15,979	17,396
Total vehicles (1)	<u>2,855,957</u>	<u>2,925,305</u>	<u>2,889,379</u>	<u>2,823,894</u>
Passenger traffic southbound:				
Passengers in cars (2)	7,056,865	7,241,053	7,156,870	6,987,253
Pedestrians	1,562,990	1,705,111	1,641,614	1,522,221
Passengers and drivers – buses and trucks	577,883	502,570	463,379	504,478
Total persons	<u>9,197,738</u>	<u>9,448,734</u>	<u>9,261,863</u>	<u>9,013,952</u>

(1) Source: McAllen International Toll Bridge Traffic Count Report.

(2) Calculation based on historical average of 2.5 occupancy used for passengers in cars.

## Year Ended September 30,

2019	2020	2021	2022	2023	2024
2,642,179	1,890,935	1,647,489	2,587,595	2,922,848	3,066,626
11,911	7,730	6,596	7,221	6,975	6,349
17,866	11,596	9,893	10,832	10,463	9,524
<u>2,671,956</u>	<u>1,910,261</u>	<u>1,663,978</u>	<u>2,605,648</u>	<u>2,940,286</u>	<u>3,082,499</u>
6,605,448	4,727,338	4,118,723	6,468,988	7,307,120	7,666,565
1,521,170	1,521,170	815,956	1,089,784	1,286,289	1,306,330
518,120	336,272	286,765	313,965	303,270	276,053
<u>8,644,738</u>	<u>6,584,780</u>	<u>5,221,444</u>	<u>7,872,737</u>	<u>8,896,679</u>	<u>9,248,948</u>



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

	Year Ended September 30,			
	2015	2016	2017	2018
Southbound traffic:				
Cars	2,822,746	2,886,421	2,862,748	2,794,901
Trucks	13,284	11,554	10,652	11,597
Total car and truck traffic	<u>2,836,030</u>	<u>2,897,975</u>	<u>2,873,400</u>	<u>2,806,498</u>
Truck traffic percentage	0.47%	0.40%	0.37%	0.41%
Car and truck revenue:				
Cars	\$ 9,447,892	\$ 10,125,250	\$ 10,019,618	\$ 9,782,154
Trucks	92,988	80,878	74,564	81,179
Total car and truck revenue	<u>\$ 9,540,880</u>	<u>\$ 10,206,128</u>	<u>\$ 10,094,182</u>	<u>\$ 9,863,333</u>
Truck revenue percentage	0.97%	0.79%	0.74%	0.82%
Average revenue per car	\$ 3.35	\$ 3.51	\$ 3.50	\$ 3.50
Average revenue per truck	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00

Year Ended September 30,					
2019	2020	2021	2022	2023	2024
2,642,179	1,890,935	1,647,489	2,587,595	2,922,848	3,066,626
11,911	7,730	6,596	7,221	6,975	6,349
<u>2,654,090</u>	<u>1,898,665</u>	<u>1,654,085</u>	<u>2,594,816</u>	<u>2,929,823</u>	<u>3,072,975</u>
0.45%	0.41%	0.40%	0.28%	0.24%	0.21%
\$ 9,247,627	\$ 6,618,273	\$ 5,766,212	\$ 9,056,583	\$ 10,229,968	\$ 10,733,191
83,376	54,113	46,169	50,548	48,826	44,443
<u>\$ 9,331,003</u>	<u>\$ 6,672,385</u>	<u>\$ 5,812,381</u>	<u>\$ 9,107,131</u>	<u>\$ 10,278,794</u>	<u>\$ 10,777,634</u>
0.89%	0.81%	0.79%	0.56%	0.48%	0.41%
\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50
\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00

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**Schedule of Board Advances to Anzalduas International Crossing**  
**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 to Anzalduas International Crossing  
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 to Anzalduas International Crossing  
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 to Anzalduas International Crossing  
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

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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  
McAllen International Toll Bridge

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 McAllen International Toll Bridge (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