

CITY OF DONNA, TEXAS
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2024

**CITY OF DONNA, TEXAS
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
Of the City Council
City of Donna, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Donna, Texas (the City), as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

JGV CPA Firm PLLC

Houston, Texas
March 28, 2025

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Management's Discussion and Analysis

As management of the City of Donna, we offer readers of the City of Donna financial statements this narrative overview and analysis of the financial activities and financial position of the City of Donna for the fiscal year ended September 30, 2024. We encourage readers to view the other information that is included throughout this financial report.

Financial Highlights In Brief

- The assets and deferred outflows of the City exceeded liabilities and deferred inflows at the close of the most recent fiscal year by \$45,372,183.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$38,438,293 an increase of \$2,571,733 compared to the prior fiscal year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$3,183,866 a decrease of \$288,449 compared to prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Donna's basic financial statements. The City of Donna's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Donna's finances, in a manner similar to a private-sector business.

The **Statement of Net Position** presents information on all the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Donna is improving or deteriorating.

The **Statement of Activities** presents information showing how the government's net position changed during the year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements distinguish functions of the City of Donna that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Donna include; general government, public safety, public works, culture and recreation, public health and welfare and economic and tourism development. The business-type activities of the City of Donna include three funds; a water and sanitary sewer system, international bridge fund and a brush collection fund.

The government-wide financial statements include not only the City of Donna itself (known as the primary government), but also legally separate component units for which the City of Donna is financially accountable. Financial information for the discretely presented component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found as referenced in the table of contents of this report.

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

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

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

The City of Donna maintains thirteen governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be major fund. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other non-major governmental funds is provided in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found as referenced in the table of contents on pages of this report.

Proprietary funds. The City of Donna maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sanitary sewer system, international bridge and brush fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer system fund and the City international bridge fund, which are considered to be major funds. The basic proprietary fund financial statements can be found as referenced in the table of contents of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of individuals, private organizations, and other governments. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City of Donna used to maintain the Firemen's Relief and Retirement Fund a fiduciary fund. In 2017 the City hired a firm and had an actuarial done on the volunteer firefighters pension and transfer assets to the Texas Emergency Service System with increased benefits to volunteer firefighters.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as referenced in the table of contents of this report.

Other information. The City of Donna adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. This *required supplementary information* can be found as referenced in the table of contents of this report.

In addition to the basic financial statements and accompanying notes, this report presents certain additional *required supplementary information* concerning the City of Donna's progress in funding its obligation to provide pension benefits to its employees. The City contributes to TMRS and TESRS Plans at the full actuarially determined rate as compiled by TMRS and TESRS.

Other supplementary information, which includes the combining statements referred to earlier in connection with non-major governmental funds, are presented immediately following the required supplementary information on pensions. Combining statements and individual fund schedules can be found as referenced in the table of contents of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Donna, assets and deferred outflows exceeded liabilities and deferred inflows by \$45,372,183 at the close of the most recent fiscal year.

The following table summarizes the City's net position as of September 30, 2024.

	City of Donna Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 40,897,659	\$ 39,220,288	\$ 2,637,899	\$ 1,282,323	\$ 43,535,558	\$ 40,502,611
Capital assets	20,946,284	16,984,184	54,118,658	52,568,370	75,064,942	69,552,554
Total assets	61,843,943	56,204,472	56,756,557	53,850,693	118,600,500	110,055,165
Deferred Outflows of Resources	1,929,383	1,651,207	508,678	448,479	2,438,061	2,099,686
Long-term liabilities	51,254,928	43,998,038	22,121,445	20,859,060	73,376,373	64,857,098
Other liabilities	1,156,404	2,069,104	1,087,312	1,087,105	2,243,716	3,156,209
Total liabilities	52,411,332	46,067,142	23,208,757	21,946,165	75,620,089	68,013,307
Deferred Inflow of Resources	36,475	2,817	9,814	703	46,289	3,520
Net Position						
Invested in capital assets, net of related debt	(23,243,917)	(23,025,496)	36,828,188	18,223,937	13,584,271	(4,801,559)
Restricted	31,024,707	32,278,089	-	-	31,024,707	32,278,089
Unrestricted (deficit)	3,544,729	2,533,127	(2,781,524)	14,128,367	763,205	16,661,494
Total Net Position	\$ 11,325,519	\$ 11,785,720	\$ 34,046,664	\$ 32,352,304	\$ 45,372,183	\$ 44,138,024

A large portion of the City's net position of (\$23,243,917) reflects its investments in capital assets (e.g., land, buildings, machinery, and equipment, net of accumulated depreciation under the business-type activities); less any related debt used to acquire those assets that are still outstanding.

The City of Donna uses these capital assets to provide services to citizens and to customers of its business-type activities; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City of Donna's net position 1.7% represents resources that are unrestricted and may be used within their activities.

In 2016, the city implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Implementation of this standard resulted in the recording of net pension liability totaling \$4,591,072 in the primary government (Refer to Note K).

The City's unrestricted net position under governmental activities reflects a positive balance of \$3,544,729 for the current fiscal year. The City's unrestricted net position under business-type activities reflects a negative balance of \$2,781,524 at the end of fiscal year 2024.

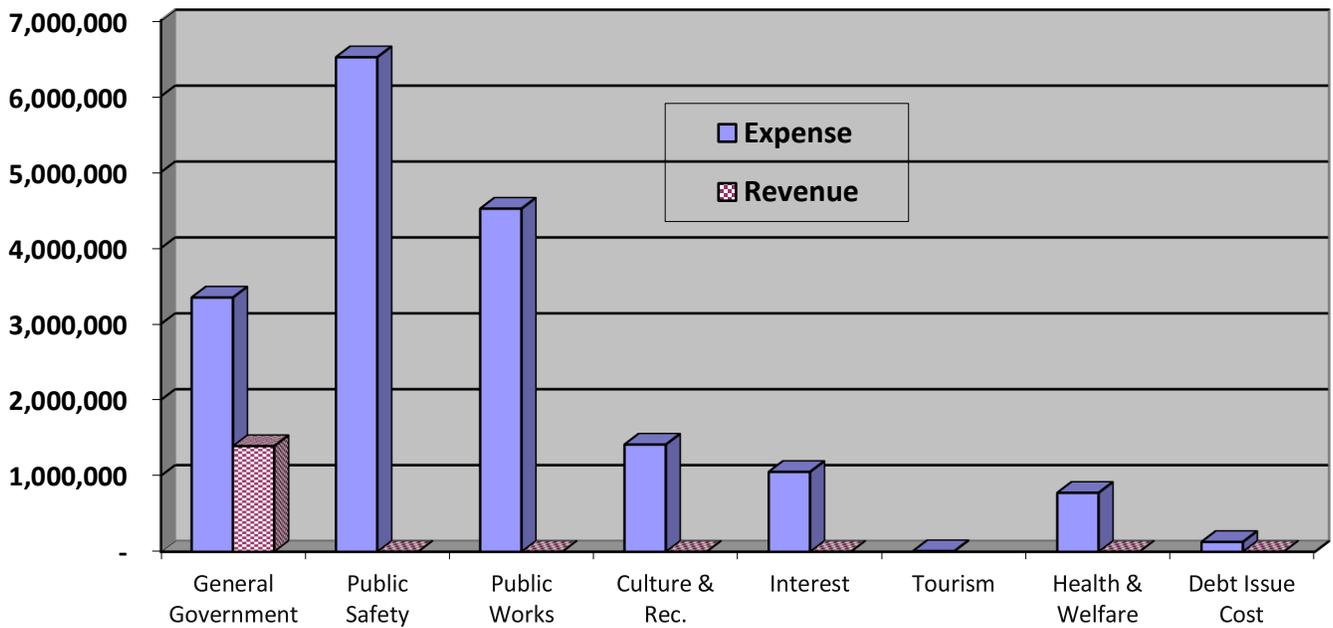
Analysis of Changes in Net Position

The following table presents a summary of the government-wide statement of changes in net position for both governmental activities and business-type activities ending September 30, 2024.

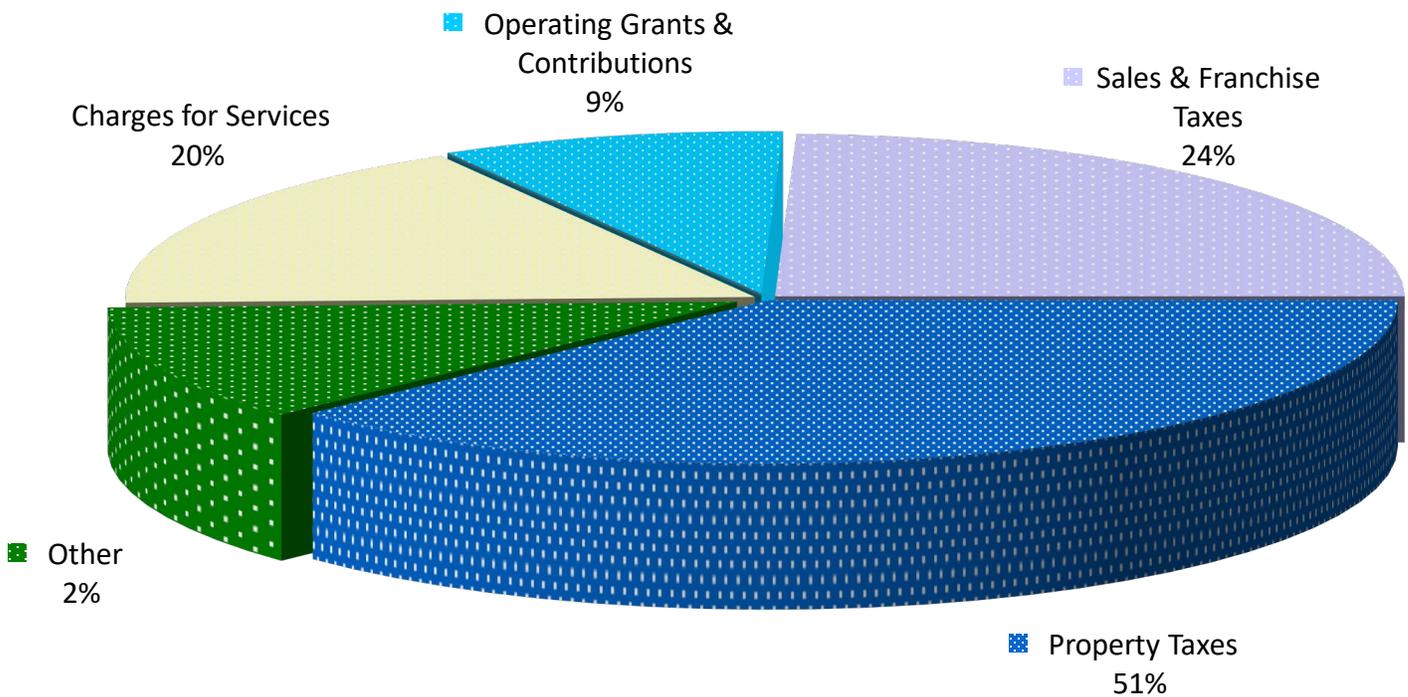
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 3,488,570	\$ 3,504,910	\$ 10,696,780	\$ 10,344,317	\$ 14,185,350	\$ 13,849,227
Operating grants and contributions	1,047,339	1,605,610	-	-	1,047,339	1,605,610
Capital grants and contributions	639,450	-	-	-	639,450	-
General Revenues:						
Property taxes	7,195,738	6,868,018	-	-	7,195,738	6,868,018
Other taxes	4,772,751	5,428,597	-	-	4,772,751	5,428,597
Other	1,866,296	1,177,265	350,801	534,672	2,217,097	1,711,937
Total revenues	19,010,144	18,584,400	11,047,581	10,878,989	30,057,725	29,463,389
Expenses:						
General government	3,349,289	5,481,856	-	-	3,349,289	5,481,856
Public safety	6,514,964	6,064,098	-	-	6,514,964	6,064,098
Public works	4,519,947	4,829,356	-	-	4,519,947	4,829,356
Culture and recreation	1,411,730	1,482,248	-	-	1,411,730	1,482,248
Public Health and welfare	775,921	637,009	-	-	775,921	637,009
Tourism development	7,500	7,965	-	-	7,500	7,965
Interest on long-term debt	1,051,569	1,233,322	-	-	1,051,569	1,233,322
Debt issuance cost	129,029	733,890	-	-	129,029	733,890
Utility system operations	-	-	8,594,537	8,646,598	8,594,537	8,646,598
International Bridge Fund	-	-	2,426,935	2,720,746	2,426,935	2,720,746
Brush Collections	-	-	455,647	388,473	455,647	388,473
Total expenses	17,759,949	20,469,745	11,477,119	11,755,817	29,237,068	32,225,561
Changes in net position before transfers	1,250,195	(1,885,345)	(429,538)	(876,828)	820,657	(2,762,172)
Transfers	(2,123,898)	26,910,460	2,123,898	903,641	-	27,814,101
Transfers from compent units	413,502	-	-	-	413,502	-
Changes in net position	(460,201)	25,025,115	1,694,360	26,813	1,234,158	25,051,928
Net Position – beginning of year	11,785,720	(12,587,181)	32,352,304	32,477,351	44,138,024	19,890,170
Prior period adjustment	-	(652,215)	-	(151,860)	-	(804,075)
Net Position – End of year	\$ 11,325,519	\$ 11,785,720	\$ 34,046,664	\$ 32,352,304	\$ 45,372,183	\$ 44,138,024

Total revenues generated from both governmental and business-type activities for fiscal year 2024 amounted to \$30,057,725 with expenses of \$29,237,068 resulted in a change in net position increase before transfers of \$820,657 for fiscal year 2024.

Expenses and Program Revenues-Governmental Activities

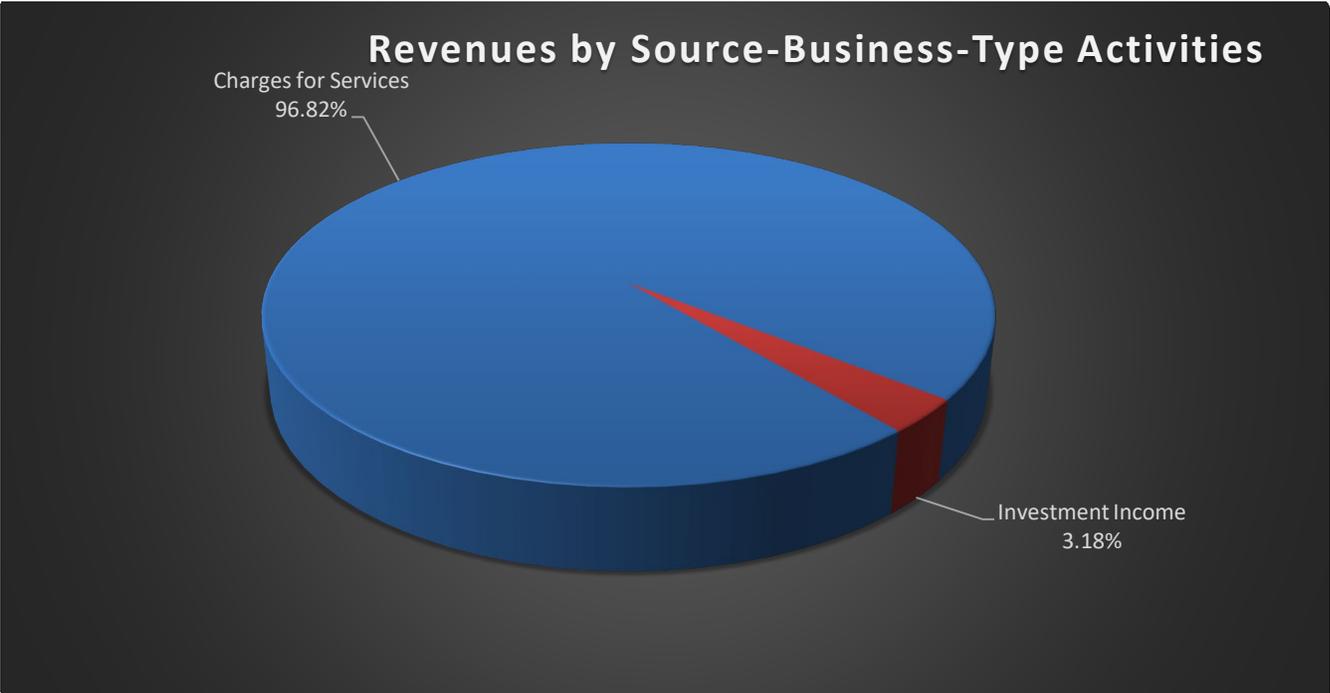
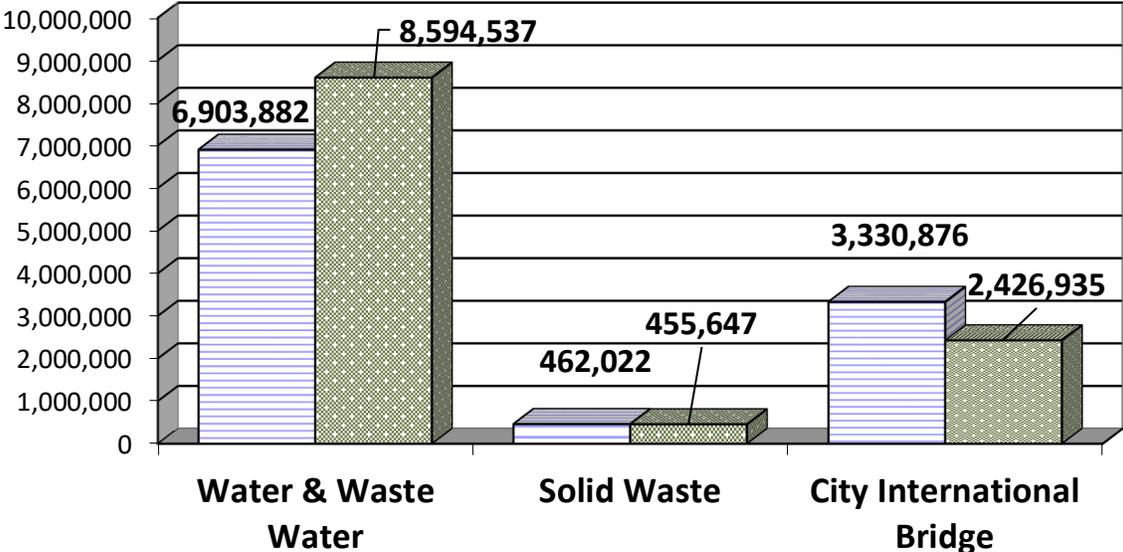


Revenues by Source-Governmental Activities



Business-type activities. Business-type activities increased the City of Donna’s net position by \$ 1,694,360. Operating revenues increased by \$168,592 and expenses decreased by \$278,698 compared to the prior year.

Expenses and Program Revenues-Business Type Activities



Financial Analysis of the Government's Funds

The City of Donna uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Donna's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Donna's financing requirements. In particular, unreserved undesignated fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$38,438,293 an increase of \$2,571,733. A positive amount of \$3,188,012 constitutes unassigned fund balance for all governmental funds. Good financial management indicates that the City should maintain an unassigned fund balance on a continuing basis in order to have working capital to operate the City and as a reserve hedge against emergencies. The remainder of the fund balance of \$35,250,281 is restricted for debt service, capital projects, fire equipment and law enforcement.

The General Fund is the chief operating fund of the City of Donna. At the end of the 2024 fiscal year unreserved undesignated fund balance of the General Fund was \$3,183,866. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved undesignated fund balance and total fund balance to total fund expenditures. At the end of 2024 unreserved undesignated fund balance represents a positive 17% of total General Fund appropriations for fiscal year 2024. During the 2024 fiscal year the General fund's fund balance decreased by \$263,182.

The Debt Service Fund has a total fund balance of \$1,857,566 all of which is reserved for the payment of debt service. There was a net increase in fund balance in the Debt Service fund during fiscal year 2024 of \$40,383. The Debt Service fund was budgeted with a surplus of \$51,260.

Proprietary funds. The City of Donna's proprietary funds provide the same type of information found in the governmental-wide financial statements, but in more detail.

The combined unrestricted net position balance of (\$2,781,524) in 2024 is comprised of the respective proprietary funds as follows; Water and Sewer Fund (\$62,780), City International Bridge Fund (\$3,074,197) and Brush Collections Fund \$355,453. Please refer to the discussion of these amounts under the government-wide financial analysis above. The City International Bridge went into operation on December 14, 2010.

General Fund Budgetary Highlights

The original General Fund budget increased by \$2,446,938 (Appropriations) or 17 % compared to last fiscal year.

Capital Assets

The City of Donna's investment in capital assets for its governmental and business type activities as of September 30, 2024 is \$75,064,942.(net of accumulated depreciation on the business-type activities capital assets). This investment in capital assets includes land, buildings and improvements, machinery and equipment, streets, a waterworks system, a sanitary sewer system and the development of an international bridge with related service assets. The overall increase in the City of Donna's investment in capital assets for the current year was 7.9%. The current year depreciation expense for business-type activities was \$3,328,269 for the Water and Sewer Fund, International Bridge Fund and Brush Collection Fund. The City inventoried all capital assets in 2017-2018. In 2018, the City of Donna achieved an unmodified (formerly unqualified) opinion for the first time since incorporation in 1908.

Additional information on the City of Donna's capital assets can be found in Note H of this report.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 4,501,372	\$ 2,601,372	\$ 1,719,699	\$ 1,704,699	\$ 6,221,070	\$ 4,306,071
Buildings	878,418	900,301	8,185,978	6,209,221	9,064,396	7,109,522
Improvements other than buildings	1,845,028	1,436,961	2,140,497	2,245,262	3,985,525	3,682,223
Infrastructure	7,890,873	7,484,916	33,472,523	35,673,844	41,363,396	43,158,760
Furniture and equipment	5,379,379	4,560,634	5,711,965	3,847,348	11,091,344	8,407,982
Other developments in progress	451,214	-	2,887,996	2,887,996	3,339,210	2,887,996
Total	<u>\$20,946,284</u>	<u>\$16,984,184</u>	<u>\$54,118,658</u>	<u>\$52,568,370</u>	<u>\$75,064,941</u>	<u>\$69,552,554</u>

Debt Administration

The City of Donna's total long-term debt for its governmental and business-type activities as of September 30, 2024, amounts to \$73,335,870.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds - net	\$ 35,092,520	\$30,864,920	\$ 16,307,000	\$ 15,113,214	\$51,399,520	\$ 45,978,134
Premiums on Debt	1,254,425	1,062,939	618,163	445,397	1,872,588	1,508,336
Private Placement PPFCO's	4,990,000	5,090,000	-	-	4,990,000	5,090,000
Claims payable	-	-	3,777,795	3,777,795	3,777,795	3,777,795
Notes and Transfers of Ownership Payable	2,449,248	219,258	352,752	471,075	2,802,000	690,333
380 Agreements	3,407,007	2,772,563			3,407,007	2,772,563
Compensated absences	404,009	375,304	81,885	107,931	485,894	483,235
Pension Liability TMRS/TEERS	3,657,718	3,613,054	943,348	943,648	4,601,066	4,556,702
Total	<u>\$ 51,254,927</u>	<u>\$43,998,038</u>	<u>\$ 22,080,943</u>	<u>\$ 20,859,060</u>	<u>\$73,335,870</u>	<u>\$ 64,857,098</u>

The City's total debt increased by a net \$8,478,772 during the current fiscal year. Additional information on the City of Donna's long-term debt can be found in note 3, Section I of this report.

However, since the international bridge opened only as a passenger traffic international bridge, the City's general government Debt Service Fund will be required to continue providing a minimal level of debt service funding for the debts of the international bridge until commercial traffic starts crossing.

Standard and Poor's rating was an "A" on March 5, 2024.

Economic Factors and Next Year's Budgets and Rates

- The assessed taxable valuations used in preparing the 24-25 budgets were up \$84,420,541 or 8.2 % from the prior year.
- The City's tax rate for fiscal year 2024-25 decreased to \$.664694, a 0.1% decrease from prior year.
- In the 2024-25 budget, the General Fund revenues and expenditures are budgeted at a decrease of 14% over 2024 fiscal year. The 2024-2025 General Fund budget is a balanced budget.
- The Sales Tax collected in fiscal year 2023-2024 increased by \$489,234 or 6.9% over 2022-2023 fiscal year.
- The City of Donna completed the construction of the southbound empty commercial traffic facilities in October 2020. The City expects empty southbound commercial traffic to start in 2025. The City of Donna has obtained funding for its Northbound Inspection facility and expects to advertise for construction bids in early 2025.

Request for Information

This financial report is designed to provide a general overview of the City of Donna's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Secretary, 307 12th Street, City of Donna, Texas, 78537.

CITY OF DONNA, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Exhibit 1-A

	Primary Government			Discretely Presented Component Units		
	Governmental	Business-type	Total	Donna Economic Development Corporation	Development Corporation of Donna, Inc.	Tax Increment Reinvestment Zone Number Two
	Activities	Activities		Corporation	Donna, Inc.	Two
ASSETS						
Cash and investments	\$ 8,701,650	\$ 1,691,520	\$ 10,393,170	\$ 517,483	\$ 497,580	\$ 12,557
Receivables, net	2,987,068	1,302,316	4,289,384	317,442	459,775	73,087
Inventories	46,640	196,550	243,190	-	-	-
Restricted cash and investments	28,552,444	-	28,552,444	2,793,119	2,115,065	-
Internal balances	554,487	(554,487)	-	-	-	-
Due from (to) primary government/component unit	55,370	-	55,370	(330,747)	269,127	6,250
Capital assets, net of accumulated depreciation						
Non-depreciable assets	4,952,586	4,607,695	9,560,281	1,408,161	603,332	-
Depreciable assets	15,993,698	49,510,963	65,504,661	32,354	45,434	-
Prepaid expense	-	2,000	2,000	-	-	-
Total assets	61,843,943	56,756,557	118,600,500	4,737,812	3,990,313	91,894
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	-	12,076	12,076	-	-	-
Deferred outflows related to pensions	1,929,383	496,602	2,425,985	15,154	15,338	-
Total deferred outflows of resources	1,929,383	508,678	2,438,061	15,154	15,338	-
LIABILITIES						
Accounts payable	222,301	230,581	452,882	-	-	55,000
Accrued liabilities	396,716	104,404	501,120	152,564	156,938	-
Accrued interest payable	134,179	86,986	221,165	1,223	1,223	-
Unearned revenue	319,926	2,950	322,876	-	-	-
Deposits	83,282	662,391	745,673	-	-	-
Noncurrent liabilities:						
Due within one year	737,937	1,367,512	2,105,449	-	-	-
Due in more than one year	46,859,271	19,820,581	66,679,852	19,163,470	18,990,571	2,410,689
Pension liability	3,657,720	933,352	4,591,072	28,481	28,828	-
Total liabilities	52,411,332	23,208,757	75,620,089	19,345,738	19,177,560	2,465,689
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	36,475	9,814	46,289	299	303	-
Total deferred inflows of resources	36,475	9,814	46,289	299	303	-
NET POSITION						
Investment in capital assets, net of related debt	(23,243,917)	36,828,188	13,584,271	-	-	-
Restricted for:						
Capital projects	28,552,444	-	28,552,444	-	-	-
Law enforcement	54,862	-	54,862	-	-	-
Debt service	2,394,482	-	2,394,482	-	-	-
Tourism	22,919	-	22,919	-	-	-
Unassigned	3,544,729	(2,781,524)	763,205	(14,593,071)	(15,172,212)	(2,373,795)
Total net position (deficit)	\$ 11,325,519	\$ 34,046,664	\$ 45,372,183	\$ (14,593,071)	\$ (15,172,212)	\$ (2,373,795)

The accompanying notes are an integral part of these financial statements.

**CITY OF DONNA, TEXAS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Exhibit 1-B

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position							
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Discretely Presented Component Units			
					Governmental Activities	Business-type Activities	Total	Donna Economic Development Corporation	Development Corporation of Donna, Inc.	Tax Increment Reinvestment Zone Number Two	
Primary government											
Governmental activities:											
General government	\$ 3,349,289	\$ 1,391,895	\$ -	\$ -	\$ (1,957,394)	\$ -	\$ (1,957,394)	\$ -	\$ -	\$ -	
Tourism	7,500	254	-	-	(7,246)	-	(7,246)	-	-	-	
Public safety	6,514,964	754,892	939,739	-	(4,820,333)	-	(4,820,333)	-	-	-	
Public works	4,519,947	909,383	93,200	-	(3,517,364)	-	(3,517,364)	-	-	-	
Health and welfare	775,921	293,035	-	-	(482,886)	-	(482,886)	-	-	-	
Culture and recreation	1,411,730	139,111	14,400	639,450	(618,769)	-	(618,769)	-	-	-	
Interest and fiscal agent fees	1,051,569	-	-	-	(1,051,569)	-	(1,051,569)	-	-	-	
Debt issue cost	129,029	-	-	-	(129,029)	-	(129,029)	-	-	-	
Total governmental activities	<u>17,759,949</u>	<u>3,488,570</u>	<u>1,047,339</u>	<u>639,450</u>	<u>(12,584,590)</u>	<u>-</u>	<u>(12,584,590)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Business-type activities											
Water and sewer	8,594,537	6,903,882	-	-	-	(1,690,655)	(1,690,655)	-	-	-	
International bridge	2,426,935	3,330,876	-	-	-	903,941	903,941	-	-	-	
Brush collections	455,647	462,022	-	-	-	6,375	6,375	-	-	-	
Total business-type activities	<u>11,477,119</u>	<u>10,696,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(780,339)</u>	<u>(780,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total primary government	<u>\$ 29,237,068</u>	<u>\$ 14,185,350</u>	<u>\$ 1,047,339</u>	<u>\$ 639,450</u>	<u>\$ (12,584,590)</u>	<u>\$ (780,339)</u>	<u>\$ (13,364,929)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Discretely Presented Component Units											
Economic development	\$ 3,091,783	\$ -	\$ -	\$ -	-	-	-	(1,537,063)	(1,554,720)	-	
Total component units	<u>\$ 3,091,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,537,063)</u>	<u>\$ (1,554,720)</u>	<u>\$ -</u>	
General revenues:											
Taxes:											
Property taxes, levied for general purposes/tax increment					\$ 5,714,285	\$ -	\$ 5,714,285	\$ -	\$ -	\$ 26,987	
Property taxes, levied for debt service					1,481,453	-	1,481,453	-	-	-	
Sales taxes					2,960,179	-	2,960,179	1,374,083	1,374,083	-	
Franchise and other taxes					1,688,211	-	1,688,211	-	-	-	
Hotel/motel taxes					124,361	-	124,361	-	-	-	
Unrestricted investment earnings					378,991	48,409	427,400	105,143	106,172	-	
Restricted investment earnings					1,281,378	-	1,281,378	-	-	-	
Intergovernmental					73,516	-	73,516	-	-	-	
Contributions					30,000	50,000	80,000	-	-	-	
Miscellaneous revenue					63,579	252,392	315,971	59,165	24,629	-	
Gain on sale of capital asset					38,832	-	38,832	472,672	-	-	
Transfers from (to) primary government					(2,123,898)	2,123,898	-	-	-	-	
Transfers from (to) component unit/primary government					413,502	-	413,502	(206,751)	(206,751)	-	
Total general revenues and transfers					<u>12,124,389</u>	<u>2,474,699</u>	<u>14,599,088</u>	<u>1,804,312</u>	<u>1,298,133</u>	<u>26,987</u>	
Change in net position					(460,201)	1,694,360	1,234,159	267,249	(256,587)	26,987	
Net position - beginning					11,785,720	32,352,304	44,138,024	(14,860,320)	(14,915,625)	(2,400,782)	
Net position - ending					<u>\$ 11,325,519</u>	<u>\$ 34,046,664</u>	<u>\$ 45,372,183</u>	<u>\$ (14,593,071)</u>	<u>\$ (15,172,212)</u>	<u>\$ (2,373,795)</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF DONNA, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

Exhibit 2-A

	<u>General Fund</u>	<u>Debt Service</u>	<u>Northbound Construction</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 1,698,356	\$ 1,523,132	\$ -	\$ 5,480,162	\$ 8,701,650
Restricted cash and investments	-	-	28,552,444	-	28,552,444
Receivables, net					
Property taxes, net	1,224,863	367,217	-	-	1,592,080
Nonproperty taxes	608,709	-	-	-	608,709
Accounts	160,712	-	-	91,305	252,017
Intergovernmental	509,662	-	-	24,600	534,262
Inventories	46,640	-	-	-	46,640
Due from other funds	599,365	301,926	-	88,300	989,591
Due from component units	61,620	-	-	-	61,620
Total assets	<u>\$ 4,909,927</u>	<u>\$ 2,192,275</u>	<u>\$ 28,552,444</u>	<u>\$ 5,684,367</u>	<u>\$ 41,339,013</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 92,975	\$ -	\$ -	\$ 129,326	\$ 222,301
Accrued liabilities	394,482	-	-	2,234	396,716
Due to other funds	-	-	-	435,104	435,104
Due to component units	6,250	-	-	-	6,250
Unearned revenues	-	-	-	319,926	319,926
Deposits	83,282	-	-	-	83,282
Total liabilities	<u>576,989</u>	<u>-</u>	<u>-</u>	<u>886,590</u>	<u>1,463,579</u>
Deferred inflows of resources					
Unavailable revenue - property taxes	1,102,432	334,709	-	-	1,437,141
Total deferred inflows of resources	<u>1,102,432</u>	<u>334,709</u>	<u>-</u>	<u>-</u>	<u>1,437,141</u>
Fund balances:					
Nonspendable:					
Inventories	46,640	-	-	-	46,640
Restricted for:					
Tourism	-	-	-	22,919	22,919
Fire equipment debt service	-	-	-	195,021	195,021
Law enforcement	-	-	-	54,862	54,862
Park improvements	-	-	-	20,085	20,085
Capital projects	-	-	28,552,444	4,500,744	33,053,188
Debt service	-	1,857,566	-	-	1,857,566
Unassigned	3,183,866	-	-	4,146	3,188,012
Total fund balances	<u>3,230,506</u>	<u>1,857,566</u>	<u>28,552,444</u>	<u>4,797,777</u>	<u>38,438,293</u>
Total liabilities and fund balances	<u>\$ 4,909,927</u>	<u>\$ 2,192,275</u>	<u>\$ 28,552,444</u>	<u>\$ 5,684,367</u>	<u>\$ 41,339,013</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF DONNA, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Exhibit 2-B

Fund balances - governmental funds balance sheet	\$	38,438,293
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		20,946,284
Long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds - these result from unavailable tax revenues		1,437,141
Long-term liabilities applicable to the City's governmental activities are not due and payables in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term are reported in the statement of net position. Bond premiums and discounts are also included and are amortized as an adjustment of interest expense in the statement of activities over the remaining life of the debt.		(47,597,208)
Interest accrued in the government-wide financial statements but not in the funds		(134,179)
Included in the noncurrent assets/(liability) is the recognition of the City's net pension asset/(liability) required by GASB 68 in the amount (\$3,468,740), a deferred resource outflows in the amount of \$1,845,589 and a deferred resource inflows in the amount of (\$36,475). This resulted in an increase (decrease) in net position by \$(1,659,626).		(1,659,626)
Included in the noncurrent assets/(liability) is the recognition of the Firemen's net pension asset/(liability) required by GASB 68 in the amount (\$188,980), a deferred resource outflow in the amount of \$83,794 and a deferred resource inflows in the amount of (\$0). This resulted in an increase (decrease) in net position by (\$105,186)		(105,186)
Net position of governmental activities - statement of net position	<u>\$</u>	<u>11,325,519</u>

CITY OF DONNA, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Exhibit 2-C

	<u>General Fund</u>	<u>Debt Service</u>	<u>Northbound Construction</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
REVENUES					
Property taxes	\$ 5,640,184	\$ 1,471,937	\$ -	\$ 124,361	\$ 7,236,482
Nonproperty taxes	5,286,377	-	-	-	5,286,377
Charges for services	2,754,562	-	-	229,997	2,984,559
Fines and forfeitures	121,179	-	-	90,777	211,956
Licenses and permits	292,055	-	-	-	292,055
Intergovernmental revenue	956,272	-	-	804,033	1,760,305
Miscellaneous income	90,017	-	-	30,371	120,388
Interest and investment income	127,705	62,420	1,281,378	188,866	1,660,369
Total revenues	<u>15,268,351</u>	<u>1,534,357</u>	<u>1,281,378</u>	<u>1,468,405</u>	<u>19,552,491</u>
EXPENDITURES					
Current:					
General government	3,222,829	-	-	102,689	3,325,518
Tourism	-	-	-	7,500	7,500
Public safety	6,211,318	-	-	62,449	6,273,767
Public works	3,848,351	-	-	97,462	3,945,813
Health and welfare	698,352	-	-	-	698,352
Culture and recreation	1,232,263	-	-	122,847	1,355,110
Capital outlay	2,842,059	-	-	2,272,814	5,114,873
Debt Service:					
Principal	296,650	527,400	-	-	824,050
Interest and other charges	8,171	1,282,251	-	129,029	1,419,451
Total expenditures	<u>18,359,993</u>	<u>1,809,651</u>	<u>-</u>	<u>2,794,790</u>	<u>22,964,434</u>
Excess (deficiency) of revenues over expenditures	(3,091,642)	(275,294)	1,281,378	(1,326,385)	(3,411,943)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	38,400	-	-	432	38,832
Proceeds from long term debt	1,900,000	-	-	5,133,298	7,033,298
Lease proceeds	621,942	-	-	-	621,942
Transfers in	268,118	315,677	-	-	583,795
Transfers out	-	-	-	(2,294,191)	(2,294,191)
Total other financing sources and uses	<u>2,828,460</u>	<u>315,677</u>	<u>-</u>	<u>2,839,539</u>	<u>5,983,676</u>
Net change in fund balances	(263,182)	40,383	1,281,378	1,513,154	2,571,733
Fund balances - previously presented	3,493,688	1,817,183	27,271,066	162,024	32,743,961
Change within the financial reporting entity (major to non major fund)	-	-	-	3,122,599	3,122,599
Fund balances - ending, as adjusted	<u>\$ 3,230,506</u>	<u>\$ 1,857,566</u>	<u>\$ 28,552,444</u>	<u>\$ 4,797,777</u>	<u>\$ 38,438,293</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DONNA, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

EXHIBIT 2-D

Net change in fund balances - total governmental funds: \$ 2,571,733

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 3,962,100

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund 66,298

Bond premiums, discounts and insurance are recognized in the funds in the year the bonds are sold, but they are amortized over the life of the bonds in the statement of activities. The deferred charge on a refunding is also recorded only in the statement of net position and amortized. This is the net amount of the current year amortization of these bond related items. 286,812

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Interest expense and accrued compensated absences in the statement of activities differs from the amount reported in governmental funds due to the change in accrued interest (76,664)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds but has no effect on net position (8,305,240)

Repayment of bond and notes payable principal is an expenditure in the governmental funds, but the repayment has no effect on net position 834,908

Some pension-related expenses reported in governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds 199,852

Change in net assets of governmental activities \$ (460,201)

CITY OF DONNA, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

EXHIBIT 3-A

	Business-type Activities			
	Major Fund Water and Sewer Fund	Major Fund City International Bridge Fund	Nonmajor Fund Brush Collections	Total Proprietary Funds
ASSETS				
Current assets:				
Cash and investments	\$ 1,151,453	\$ 531,437	\$ 8,630	\$ 1,691,520
Receivables:				
Accounts receivable	1,166,629	-	135,687	1,302,316
Due from other funds	1,000	50,000	321,483	372,483
Inventories	196,550	-	-	196,550
Prepaid expenses	2,000	-	-	2,000
Total current assets	<u>2,517,632</u>	<u>581,437</u>	<u>465,800</u>	<u>3,564,869</u>
Non-current assets:				
Land, plant and equipment, net	33,072,832	17,493,482	3,552,344	54,118,658
Advances to other funds	75,551	-	-	75,551
Total non-current assets	<u>33,148,383</u>	<u>17,493,482</u>	<u>3,552,344</u>	<u>54,194,209</u>
Total assets	<u>35,666,015</u>	<u>18,074,919</u>	<u>4,018,144</u>	<u>57,759,078</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on debt refunding	12,076	-	-	12,076
Deferred outflow related to pensions	357,834	114,260	24,508	496,602
Total deferred outflows of resources	<u>369,910</u>	<u>114,260</u>	<u>24,508</u>	<u>508,678</u>
LIABILITIES				
Current liabilities:				
Accounts payable	54,763	160,385	15,433	230,581
Accrued liabilities	56,656	25,607	22,141	104,404
Due to other funds	533,818	368,883	24,269	926,970
Deposits	662,391	-	-	662,391
Accrued interest payable	83,588	-	3,398	86,986
Deferred revenue	-	2,950	-	2,950
Bonds payable - current	1,264,480	-	-	1,264,480
Leases payable - current	35,953	-	67,079	103,032
Total current liabilities	<u>2,691,649</u>	<u>557,825</u>	<u>132,320</u>	<u>3,381,794</u>
Non-current liabilities:				
Bonds payable	15,673,239	-	-	15,673,239
Leases payable	51,272	-	198,447	249,719
Claims payable	886,751	2,891,044	-	3,777,795
Compensated absences	68,293	28,467	23,068	119,828
Net pension liability	672,541	214,749	46,062	933,352
Advances from other funds	-	75,551	-	75,551
Total non-current liabilities	<u>17,352,096</u>	<u>3,209,811</u>	<u>267,577</u>	<u>20,829,484</u>
Total liabilities	<u>20,043,745</u>	<u>3,767,636</u>	<u>399,897</u>	<u>24,211,278</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	7,072	2,258	484	9,814
Total deferred inflows of resources	<u>7,072</u>	<u>2,258</u>	<u>484</u>	<u>9,814</u>
NET POSITION				
Investment in capital assets, net of related debt	16,047,888	17,493,482	3,286,818	36,828,188
Unrestricted	(62,780)	(3,074,197)	355,453	(2,781,524)
Total net position	<u>\$ 15,985,108</u>	<u>\$ 14,419,285</u>	<u>\$ 3,642,271</u>	<u>\$ 34,046,664</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DONNA, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

EXHIBIT 3-B

	Business-type Activities			
	Major Fund Water and Sewer Fund	Major Fund City International Bridge Fund	Nonmajor Fund Brush Collections	Total Proprietary Funds
REVENUES				
Charges for services	\$ 6,892,622	\$ 3,302,040	\$ 462,022	\$ 10,656,684
Rent revenue	11,260	28,800	-	40,060
Miscellaneous revenue	-	36	-	36
Total operating revenues	6,903,882	3,330,876	462,022	10,696,780
OPERATING EXPENSES				
Personnel and related services	1,880,437	662,025	135,014	2,677,476
Repairs and maintenance	1,191,212	139,877	68,069	1,399,158
Materials and supplies	300,212	29,560	53,096	382,868
Consultant fees and services	2,357,844	796,037	20,353	3,174,234
Depreciation and amortization	2,358,735	799,436	170,098	3,328,269
Total operating expenses	8,088,440	2,426,935	446,630	10,962,005
OPERATING INCOME (LOSS)	(1,184,558)	903,941	15,392	(265,225)
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	43,593	4,816	-	48,409
Interest expense and other charges	(545,966)	-	(9,017)	(554,983)
Amortization of refunding premiums	39,869	-	-	39,869
Miscellaneous revenue	252,160	97	135	252,392
Total non-operating revenue (expenses)	(210,344)	4,913	(8,882)	(214,313)
Income (loss) before transfers	(1,394,902)	908,854	6,510	(479,538)
Capital contributions	-	-	50,000	50,000
Transfers in	-	-	2,233,257	2,233,257
Transfers out	(2,201)	(107,158)	-	(109,359)
Change in net position	(1,397,103)	801,696	2,289,767	1,694,360
Total net position - beginning	17,382,211	13,617,589	1,352,504	32,352,304
Total net position - ending	\$ 15,985,108	\$ 14,419,285	\$ 3,642,271	\$ 34,046,664

The accompanying notes are an integral part of these financial statements.

CITY OF DONNA, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

EXHIBIT 3-C

	Business-type Activities			
	Major Fund Water and Sewer Fund	Major Fund City International Bridge Fund	Nonmajor Fund Brush Collections	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 6,915,357	\$ 3,336,076	\$ 389,250	\$ 10,640,683
Disbursed for goods and services to suppliers	(3,850,391)	(1,019,406)	(126,085)	(4,995,882)
Disbursed for personnel services	(1,912,075)	(662,447)	(124,523)	(2,699,045)
Net cash provided by operating activities	1,152,891	1,654,223	138,642	2,945,756
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash paid to other funds	(11,921)	(1,517,231)	(57,003)	(1,586,155)
Cash received from other funds	75,000	187,673	2,233,257	2,495,930
Net cash provided (used) by noncapital financing activities	63,079	(1,329,558)	2,176,254	909,775
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(2,595,302)	-	(2,283,257)	(4,878,559)
Contributions	-	-	50,000	50,000
Principal paid on long-term debt	(1,207,478)	-	(83,446)	(1,290,924)
Proceeds from long-term debt	2,592,635	-	-	2,592,635
Interest and bond costs paid on long-term debt	(526,239)	-	(10,084)	(536,323)
Net cash used for capital and related financing activities	(1,736,384)	-	(2,326,787)	(4,063,171)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	43,593	4,913	135	48,641
Miscellaneous revenue	252,160	-	-	252,160
Net cash provided by investing activities	295,753	4,913	135	300,801
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(224,661)	329,578	(11,756)	93,161
CASH AND CASH EQUIVALENTS, BEGINNING	1,376,114	201,859	20,386	1,598,359
CASH AND CASH EQUIVALENTS, ENDING	\$ 1,151,453	\$ 531,437	\$ 8,630	\$ 1,691,520
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,184,558)	\$ 903,941	\$ 15,392	\$ (265,225)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	2,358,735	799,436	170,098	3,328,269
Decrease (increase) in receivables	22,232	2,250	(72,772)	(48,290)
Decrease (increase) in deferred outflows-pension	(44,140)	(14,094)	(3,023)	(61,257)
Increase (decrease) in accounts payable	(1,123)	(53,932)	15,433	(39,622)
Increase (decrease) in accrued liabilities	4,406	9,573	14,996	28,975
Increase (decrease) in unearned revenue	-	2,950	-	2,950
Increase (decrease) in customer deposits	(10,757)	-	-	(10,757)
Increase (decrease) in net pension liability	(7,419)	(2,369)	(508)	(10,296)
Increase (decrease) in deferred inflows-pension	6,566	2,096	449	9,111
Increase (decrease) in compensated absences	8,949	4,372	(1,423)	11,898
Total adjustments	2,337,449	750,282	123,250	3,210,981
Net cash provided by operating activities	\$ 1,152,891	\$ 1,654,223	\$ 138,642	\$ 2,945,756

The accompanying notes are an integral part of these financial statements.

CITY OF DONNA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Donna, Texas (the City), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

REPORTING ENTITY

The City was incorporated in 1908 under the Constitution of the State of Texas. The City's home rule charter was adopted on February 19, 1957, and amended on January 17, 1981, and May 7, 1994. In addition to the power indicated in the City charter, the City may exercise powers enumerated in Chapter 13, Title 28, Article 1175, of the Revised Civil Statutes of the State of Texas of 1925 conferred and granted to home rule cities. The City operates under the Council-Manager form of government and provides a full range of municipal services as authorized by its charter. The services include public safety, public works, culture and recreation, waterworks, and general government.

The accompanying financial statements include financial statements for related organizations in accordance with generally accepted accounting principles. Organizations are included if they are financially accountable to the City, or the nature and significance of their relationship with the City are such that exclusion would cause the financial statements to be misleading or incomplete (discretely presented). Inclusion is determined on the basis of the City's ability to exercise significant influence. Significant influence or accountability is based primarily on its operational or financial relationship with the City (as distinct from legal relationship). The City is financially accountable if it appoints a voting majority of an organization's governing body and is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Governmental discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize their legal separateness from the City.

DISCRETELY PRESENTED COMPONENT UNITS

The Donna Economic Development Corporation and Development Corporation of Donna, Inc.

The Donna Economic Development Corporation (DEDC-4A) and the Development Corporation of Donna, Inc. (DCD-4B) were organized exclusively for the purposes of benefiting and accomplishing public purposes of the City, by promotion and development of commercial, industrial and manufacturing enterprises, and in promoting and encouraging employment and the public welfare for the City by the State Act, Sections 4A and 4B, respectively, as amended. DEDC-4A is governed by a five-member board of directors. DCD-4B is governed by a seven-member board. Each of the boards is appointed by the City Council. Any director of DEDC-4A and DCD-4B may be removed from office by the City Council for cause or at will. Their primary source of revenue is sales tax restricted by State statute that allows for this type of tax and by the City general election that adopted this sales tax.

Exercise of all powers to affect the purposes of the two corporations is subject at all times to the control of the City Council. In addition, the City Council must approve DEDC-4A and DCD-4B budgets and amendments to Bylaws and Articles of Incorporation.

Tax Increment Reinvestment Zone Number Two (TIRZ #2)

The Tax Increment Reinvestment Zone Number Two (TIRZ #2) was created pursuant to Chapter 311 of the Texas Tax Code by and between the City, TIRZ #2, and Rhodes Enterprises, Inc. (the developer and petitioner for creation of the TIRZ #2) to provide property tax increment funding to TIRZ #2 to support qualifying development activities (public improvements) within TIRZ #2 to the extent that property tax increment collections are available. TIRZ #2 is managed by the Zone Board which has all powers allowed under Chapter 311 of the Texas Tax Code to manage TIRZ #2 and carry out the project and finance plan. The costs incurred by the developer are not and shall never become obligations or the debt of any participating entity.

An interlocal agreement provides that the City shall pay all of their respective property tax increment collections from taxpayers within the Tax Increment Zone to the TIRZ #2 and that the County shall pay 50% of all their respective M&O property tax increment collections to TIRZ #2, except that 50% of the M&O property tax increments from the County shall not exceed an M&O tax rate of .5191 cents per \$100 valuation. The tax increment base is \$2,249,946. The City and County participation in this reinvestment zone shall end the earlier of the termination date in 2038 or when they have contributed all of their respective tax increment collections as follows, \$79,665,000 for the City and \$33,818,213 for the County. As per City ordinance, TIRZ #2 is the southern sector of Donna consisting of approximately 1,528 acres. At this time, the project plan approved by City Council is approximately 930 acres in size.

The priority of payment within TIRZ #2 is the payment of debt service on any bonds issued pursuant to 311.015 of the Texas Tax Code; to reimburse eligible initial startup administrative costs of each participating taxing entity; and to reimburse the developer for public improvements, including financing costs, as provided in the Project Plan.

The City has financial accountability because the voting majority of the board members are nominated by the City Council, a financial benefit/burden relationship exists, and the City maintains the ability to impose its will.

These three discretely presented component units do not issue separate financial statements. Each has a year end of September 30.

BLENDED COMPONENT UNIT

Tax Increment Reinvestment Zone Number One

The Tax Increment Reinvestment Zone Number One (TIRZ #1) was created pursuant to Chapter 311 of the Texas Tax Code by and between the City, TIRZ #1, and Garden Valley Homes, LLC (the developer and petitioner for creation of the TIRZ #1) to provide property tax increment funding to TIRZ #1 to support qualifying development activities (public improvements) within TIRZ #1 to the extent that property tax increment collections are available. TIRZ #1 is managed by the Zone Board which has all powers allowed under Chapter 311 of the Texas Tax Code to manage TIRZ #1 and carry out the project and finance plan. The costs incurred by the developer are not and shall never become obligations or the debt of any participating entity.

An interlocal agreement provides that the City shall pay all of their respective property tax increment collections from taxpayers within the Tax Increment Zone to the TIRZ #1 and that the Hidalgo County (the County) shall pay 50% of all of their respective M&O property tax increment collections to TIRZ #1, except that 50% of the M&O tax increments from the County shall not exceed an M&O tax rate of .52 cents per \$100 valuation. The tax increment base is \$420,000. The City and County participation in this reinvestment zone shall end the earlier of the termination date in 2029 or when they have contributed all of their respective tax increment collections as follows: \$1,627,658 for the City and \$970,864 for the County. This entity is presented as a blended component unit, a nonmajor special revenue fund. The City currently has operational responsibilities for this component unit. The entity has a September 30 year end and does not issue separate financial statements.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been removed from the primary government statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes and franchise taxes, special assessments, interest revenue and charges for services. Sales taxes collected and held by the intermediary collecting governments at year-end on behalf of the City also are recognized as revenue. Fines, permits, and licenses revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The following are reported as major governmental funds:

General Fund – This is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term tax supportable general obligation debt of the primary government.

Northbound Construction – This fund is reserved for the construction costs of the northbound inspection facility at the International Bridge.

The following are reported as other nonmajor governmental fund types:

Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). See Supplementary Information for more information.

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes. See Supplementary Information for more information.

The following are reported as major proprietary funds:

Water and Sewer Fund – This fund accounts for the water and sewer services provided to customers. All the capital assets net of related liabilities, along with revenues and expenses of providing these services are accounted for within this fund.

City International Bridge Fund – This fund accounts for the international toll bridge. All the capital assets net of related liabilities, along with revenues and expenses of providing these services are accounted for within this fund.

The following are reported as a nonmajor proprietary fund:

Brush Collections – This fund accounts for the brush collection services to customers. All the capital assets net of related liabilities, along with revenues and expenses of providing these services are accounted for within this fund.

As a general rule the effect of interfund activity has been eliminated from the primary government’s government-wide financial statements. The exception to this general rule are the charges for water and sewer services to the other primary government funds and payment-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Both the government-wide and proprietary fund financial statements apply all applicable GASB pronouncements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources.

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION

Deposits (Cash) and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Money market investments which are short-term, highly liquid debt instruments including commercial paper, banker's acceptances and U.S. Treasury and agency obligations are reported at amortized cost.

The City can legally invest in adequately secured investments in accordance with the Public Funds Investment Act. The City may also participate in any public funds investment pool created under the Interlocal Cooperation Act. Investment in external pools are reported at amortized cost for financial reporting purposes.

The DEDC-4A, DCD-4B, TIRZ #1, and TIRZ #2 funds are authorized to invest in adequately secured investments in accordance with the Public Funds Investment Act.

Investments for the component units are reported at amortized cost if there is an external investment pool, otherwise it is reported as cash and cash equivalents for financial reporting purposes.

Receivables and Payables

Lending/borrowing between funds that results in amounts outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds". "Due to/from other funds" represents the current portion of interfund loans. "Advances to/from other funds" represents the non-current portion of interfund loans. With respect to the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible accounts, as applicable.

Included in accounts receivable of the City's Water and Sewer proprietary fund is an estimated amount for services rendered but not billed as of the close of the year. The receivable was estimated by prorating subsequent cycle billings based on meter readings sent to customers.

Property taxes are levied on October 1st on the assessed value listed as of the prior January 1st for all real and business personal property in the City in conformity with Subtitle E, Texas Property Code. Assessed values are an approximation of market values. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1st of the year following the year in which imposed.

No discounts are offered. On January 1st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Property taxes are prorated between the general and debt service funds based on rates adopted for the year of the levy. Allowances for uncollectible taxes are based on historical experience in collecting property taxes.

Inventories and Prepaid Items

Inventory in the cemetery fund consists of cemetery lots and is valued at cost. Inventories are recorded under the “consumption” method. Under the consumption method, inventory acquisitions are recorded in inventory accounts and charged as expenses (business-type activities) when used. On the government-wide statement of activities consumption of inventory is recorded as an expense.

Prepaid items recorded in both the government-wide and fund financial statements are goods and services that are paid for in advance and are applicable to future accounting periods. Using the consumption method, prepaid items are recorded as expenditures (governmental fund types) or expenses (proprietary fund types) as the goods or services are used. On the government-wide statement of activities consumption of prepaid items is recorded as an expense.

Restricted Assets of the Proprietary Funds and Discretely Presented Component Units

Water and sewer bond ordinances, the international bridge bond ordinance and DEDC-4A and DCD-4B component units’ ordinances require that during the period the bonds are outstanding the City must maintain certain separate accounts and funds to account for the proceeds from the issuance of the bonds and the debt service deposits made from revenues or from bond proceeds. These restricted assets can be used only in accordance with the bond ordinances.

Capital Assets

Capital assets, which include of property, plant and equipment, include land, buildings, improvements other than buildings (e.g., fences, retaining walls, parking lots and landscaping), infrastructure (e.g., streets, sidewalks, water and sewer systems, drainage systems, bridges, lighting systems and similar items), and furniture and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The City defines capital assets, other than infrastructure assets, as assets with an individual cost or fair value of \$5,000 or more and an estimated useful life in excess of one year. The City defines capital defines capital assets other than infrastructure assets, as assets purchased as a group that are significant to the City.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest expense is not allowed to be capitalized on general government capital assets.

Depreciation of capital assets used by proprietary funds is charged as an expense against their operations in the fund financial statements as well as the business-type activities in government-wide Statement of Activities. Capital assets, net of accumulated depreciation, are reported on proprietary funds Statement of Net Position and in the business-type activities column of the government-wide Statement of Net Position.

Depreciation of general government capital assets used by funds categorized as governmental activities is not allowed in the governmental fund financial statements, nor are the capital assets allowed to be reported on the balance sheets in the governmental fund financial statements in connection with their measurement focus. Depreciation of general government capital assets used by funds categorized as governmental activities in the government-wide Statement of Activities is required. Capital assets, net of accumulated depreciation, are required to be reported in the governmental activities' column of the government-wide Statement of Net Position.

The DEDC-4A and DCD-4B component units have depreciable capital assets. Depreciation expense is required in the government-wide Statement of Activities. Capital assets are reported for these component units in the government-wide Statement of Net Position.

Depreciation on governmental capital assets and capital assets in the proprietary funds has been provided using the straight-line method over the estimated useful lives. The estimated useful lives are as follows:

Buildings	40-50 years
Improvements other than buildings	20-25 years
Infrastructure	10-90 years
Furniture and equipment	5-15 years

Leases

Lessee

The City is a lessee for various noncancellable leases vehicles, machinery and equipment. The City recognizes a lease liability and an intangible right-to-use asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial individual value of \$5,000 or more. At the commencement of the lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise

Lessor

With the exception of short-term leases and regulated leases, when the City is a lessor in noncancellable lease arrangements the City recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary fund, and governmental fund financial statements. For short-term leases and excluded regulated leases, lease revenues are recognized as inflows of resources based on the payment provisions of the contract.

At the commencement of a lease, the City initially measures the lease receivable 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 inflows 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 how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is comprised of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements

The City reports a subscription liability and an intangible right-to-use asset (known as the subscription asset) on the government-wide financial statements for a subscription-based information technology arrangement (SBITA). The City's policy is to recognize subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of a subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the SBITA commencement date, plus certain initial direct costs, including development costs. Subsequently, the subscription asset is amortized on a straight-line basis over the SBITA term.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA and any extensions that are deemed certain to be exercised. Subscription payments included in the measurement of the subscription liability are composed of fixed payments to the SBITA vendor.

The city monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities.

Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental/business-type activities or the specific proprietary fund to which each relates, as applicable. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, excluding bond insurance costs, are expensed as incurred.

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

Fund Balance Reporting

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes.

There are two major categories of fund balances, which are nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and long-term receivables. The City has inventories and long-term advances to funds that are considered nonspendable.

In addition to the nonspendable fund balance, there is a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Restricted - Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed - Fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority. The responsibility to commit funds rests with the City Council. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action.

Assigned - Fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The responsibility to assign funds rests with the City Council. The City does not have any assigned fund balances. Unlike commitments, assignments generally only exist temporarily. An additional action does not have to be taken for the removal of an assignment.

Unassigned - Fund balance is not constrained for any particular purpose.

Fund Balance Flow Assumptions

When expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Deferred Outflows of Resources and Deferred Inflows of Resources/Other Assets and Liabilities

Certain defined transactions that do not qualify for treatment as either assets or liabilities are required to be accounted for and reported as either deferred outflows of resources (a separate subheading following assets, but before liabilities) or deferred inflows of resources (a separate subheading following liabilities, but before net position).

Deferred outflows of resources - A consumption of net assets by the government that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expenditure/expenses) until then. It has a positive effect on net position, similar to assets.

Deferred inflows of resources - An acquisition of net assets by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

In the government-wide financial statements, insurance costs arising from the issuance of debt are expensed. Deferred amounts from a refunding of debt (debits) are reported as deferred outflows of resources and deferred amounts from refunding debt (credits) are reported as deferred inflows of resources and amortized over the lesser life of the refunded bonds or refunding debt.

Grant amounts received in advance of meeting timing requirements and advances of revenue from imposed non-exchange transactions such as property taxes or transactions recorded as a receivable prior to the period when resources are required to be used or are available, are reported as deferred inflows of resources at the fund level and are recognized as revenues at the government-wide level.

See below, Pensions regarding pension-related deferred outflows and deferred inflows of resources.

Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the pension plan measured as of the actuarial measurement date. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Recently Implemented Accounting Pronouncements

GASB Statement No. 99, *Omnibus 2022* (GASB 99), enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB statements and 2) accounting and financial reporting for financial guarantees.

Certain requirements of GASB 99, including requirements related to financial guarantees and the classification and reporting of derivative instruments, were effective for fiscal years beginning after June 15, 2023, and were implemented in the City's fiscal year 2024 financial statements. There was no impact to the City's financial statements upon implementation.

GASB Statement No. 100, "*Accounting for Changes and Error Corrections*" – an Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. There was no to the City's financial statements required to be disclosed upon implementation.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The City Council adheres to the following procedures in establishing the budgetary data:

Prior to August 18th of each year, the City Manager is required to submit to City Council a proposed budget for the fiscal year beginning on October 1st. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain taxpayer comments.

Prior to October 1st, the budget is legally enacted by the City Council through passage of an ordinance.

The City Manager is authorized to transfer budgeted amounts between accounts within any department; however, any revisions that alter the total expenditures of any department must be approved by the City Council. The budget amounts shown in the financial statements are the original and final authorized amounts as revised, as applicable, during the year.

Formal budgetary integration is employed as a management control device during the year for the general fund, the debt service fund and certain special revenue and enterprise funds. The special revenue funds for which a budget is adopted are the Hotel Occupancy Tax Fund, the Texas Confiscated Forfeitures and the Fire Equipment Service Fee Fund. A budget is adopted for the City International Bridge Fund, an enterprise fund, for internal use and continuing compliance purposes. A budget is maintained for internal use only for the Water and Sewer fund, an enterprise fund.

All City budgets are adopted on a basis consistent with generally accepted accounting principles.

Annual budgeted expenditures are adopted at the departmental level within funds. As described above, the City Manager is authorized to make transfers within a department. Accordingly, the level at which expenditures cannot legally exceed appropriations is the department level.

Appropriations for annual budgeted funds lapse at year-end.

During the year ended September 30, 2024, expenditures exceeded appropriations as follows in the General Fund:

<u>Department</u>	<u>General Fund Excess Of Expenditures Over Appropriation</u>
City council	\$ 373
City manager	9,133
Municipal court	1,637
Information & technology	15,566
City hall	36,047
Non-departmental	86,702
Police	276,398
Inspections	4,110
City vehicle maintenance	3,471
Community support	14,904
Parks and recreation	60,106
Animal control	26,276
	<u>\$ 534,723</u>

Net Position (Deficits)

The component unit DEDC-4A reflects in the government-wide financial statements a net position deficit of \$14,593,071.

The component unit DCD-4B reflects in the government-wide financial statements a net position deficit of \$15,172,212.

The component unit TIRZ #2 reflects in the government-wide financial statements a net position deficit of \$2,373,795.

NOTE C – DEPOSITS AND INVESTMENTS

Primary Government

Deposits (Cash)

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits, excluding the amount covered by Federal Deposit Insurance Corporation. The City's deposits were fully insured as required by State statutes at September 30, 2024.

At September 30, 2024, the carrying amount of the City's deposits with financial institutions was \$1,491,144 and the bank balance was \$2,128,772. Bank balances of the City were covered by federal deposit insurance or were secured by collateral held by the City's agent in the City's name pursuant to the City's Investment Policy and its Depository Agreement

Investments

At September 30, 2024 the City had the following investments:

	Fair Value	Weighted Average Maturity	Credit Rating
Local Government Investments Cooperative (LOGIC)	\$ 4,267,520	73 days	AAAm
Invesco Treasury Portfolio Trust	14,906,752	29 days	AAAm
Texas National Bank (Investment)	13,635,876	N/A	N/A
Greater State Bank Money Market	3,609,900	N/A	N/A
Greater State Bank Certificate of Deposit	1,000,000	174 days	N/A
Total short-term investments	<u>\$ 37,420,048</u>		

Custodial Credit Risk- Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name. The City's cash deposits at September 30, 2024 and during the year ended September 30, 2024 were covered by federal deposit insurance or were secured by collateral held by the City's agent in the City's name pursuant to the City's Investment Policy and its Depository Agreement.

The LOGIC and Invesco Treasury Portfolio Trust Investments are considered investments on the government- wide statement of net position and the governmental and proprietary fund-level statements.

LOGIC was organized on May 6, 1994, to conform to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

This Act permits the creation of investment pools to which a majority of political subdivisions (local governments) in Texas may delegate, by contract, the authority to make investments purchased with local investment funds and to hold legal title as custodian of the investment securities.

As of the September 30, 2024, the City's external investment pool, LOGIC, met the criteria described in GASB Statement No. 79 and measures all of their investments at amortized costs; therefore, the City has also measured their investments in these external investment pools at amortized cost for financial reporting purposes.

The LOGIC Fund will invest only in authorized investments under the Public Funds Investment Act. The stated objective of the fund is to maintain a stable value of \$1.00 per unit; however, the \$1.00 net position value is not guaranteed or insured by the Fund, its Board, the Co-Administrators, their agents, or any other governmental or other entity.

Invesco Treasury Portfolio Trust is a no-load money market mutual fund. Invesco is an investment company regulated by the SEC. Invesco has a dollar-weighted average stated maturity of 90 days or less and includes in its investment's objectives the maintenance of a stable net position value of \$1 for each share. GASB Statement 31 allows Investment Company money market mutual funds to use amortized cost rather than fair value to report net position to compute share price. The fair value of the City's position in the money market mutual fund is the same as the value of Invesco shares.

The LOGIC and Invesco Treasury Portfolio Trust Investments are stated at amortized cost, which does not vary materially from fair value due to the short-term nature of the investments, unless there is permanent impairment of value in which case the investments are valued at market.

Credit Risk

LOGIC invests in short-term securities including bonds, securities and other obligations of the United States or an agency or instrumentality of the United States, commercial paper, repurchase agreements collateralized by government securities, and SEC registered money market funds rated in the highest rating category by at least one nationally recognized rating service. Certain investments purchased by LOGIC must be rated in the highest rating category for debt obligations by at least two nationally recognized statistical rating organizations (NSROs) or, if unrated, be of comparable quality as determined in accordance with procedures established by LOGIC's Board of Directors.

Per the most recently issued audited financial statements of LOGIC, it only invested in assets, including collateral of underlying repurchase agreements, classified as First Tier Securities and Second Tier Securities as defined by rule 2a-7. Invesco invests in direct obligations of the U.S. Treasury, and in repurchase agreements secured by treasuries.

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. Per the City's investment policy, the City seeks to:

Minimize interest rate risk by structuring investments to meet cash requirements.

Investing operating funds primarily in certificates of deposit, short-term securities, money market mutual funds, or local government investment pools functioning as money market mutual funds.

Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

The City's investments in LOGIC and Invesco are payable on demand and function as money market mutual funds.

The investments in certificates of deposit have varying maturities ranging from less than a month to one year. The City considers these investments to be cash equivalents due to their liquid nature.

Discretely Presented Component Units - DEDC-4A, DCD-4B and TIRZ #2

Deposits for DEDC-4A and DCD-4B are held separately from those of the City's funds. At September 30, 2024, the reported amount of deposits and bank balances for DEDC-4A totaled \$517,483. The reported deposits and bank balances for DCD-4B totaled \$497,580. The reported deposits and bank balances for TIRZ #2 totaled \$12,557.

At September 30, 2024, DEDC-4A and DCD-4B deposits were each covered by federal deposit insurance or were secured by collateral held by the component unit's agent in the component unit's name.

The DEDC-4A's investments at September 30, 2024, are as follows:

<u>Invesco Treasury Portfolio</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>	<u>Credit Rating</u>
Trust	\$2,793,119	29 days	AAAm

The DCD-4B's investments at September 30, 2024, are as follows:

<u>Invesco Treasury Portfolio</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>	<u>Credit Rating</u>
Trust	\$2,115,065	29 days	AAAm

Invesco Treasury Portfolio Trust is a no-load money market mutual fund.

Invesco is an investment company regulated by the SEC. Invesco has a dollar-weighted average stated maturity of 90 days or less and includes in its investment objectives the maintenance of a stable net position value of \$1 for each share. GASB Statement 31 allows Investment Company money market mutual funds to use amortized cost rather than fair value to report net position to compute share price. The fair value of DEDC-4A's and DCB- 4B's position in the money market mutual fund is the same as the value of Invesco shares.

Please refer to the descriptions of concentration of credit risk, interest rate risk, credit risk, and custodial credit risk above relating to the primary government. The DEDC-4A, DCD-4B, TIRZ#1, and TIRZ #2 follow the same policies relating to investments

Reconciliation

The meaning of investments in this note may differ from the meaning of the caption investments in the basic financial statements. A reconciliation of cash and cash equivalents as shown on the Statement of Net Position is as follows:

	Components Units			
	Primary Government	Donna Economic Development Corporation	Develeopment Corporation of Donna	Tax Increment Zone Number Two
Cash on hand	\$ 7,648	\$ -	\$ -	\$ -
Carrying amount deposits	1,517,918	517,483	497,580	12,557
Short-term investments	37,420,048	2,793,119	2,115,065	-
Cah and cash equivalents	<u>\$ 38,945,614</u>	<u>\$ 3,310,602</u>	<u>\$ 2,612,645</u>	<u>\$ 12,557</u>
Cash and cash equivalents	\$ 38,945,614	\$ 3,310,602	\$ 2,612,645	\$ 12,557
Cash and investments - restricted	28,542,627	2,793,119	2,115,065	-
Cash and investments - unrestricted	<u>\$ 10,402,987</u>	<u>\$ 517,483</u>	<u>\$ 4,727,710</u>	<u>\$ 12,557</u>

Virtually all funds of the City International Bridge Fund and both economic development corporations are held in respective trust accounts in connection with the City bond ordinance for the international bridge project and the respective sales tax revenue bond resolutions.

NOTE D – PROPERTY TAXES

The City's property tax is levied each October 1st, on the assessed value listed as of the prior January 1 for all real and business personal property in the City in conformity with Subtitle E, Texas Property Code. Assessed values approximate market values. A receivable for property taxes is recognized and recorded at the levy date. The adjusted assessed value for the roll as of October 1, 2023, upon which the 2024 levy was based, was \$1,047,127,299.

Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1st of the year following the year in which imposed. No discounts are offered. During the fiscal year, 99% of the current year tax levy (October 1, 2023) was collected. The statutory lien date is January 1st.

Taxes are prorated between general and debt service funds based on rates adopted for the year of the levy.

The methods of property assessment and tax collection are determined by Texas statute. The statutes provide for a property tax code, county-wide appraisal districts and certain exemptions from taxation, such as intangible personal property, household goods and family-owned automobiles.

The appraisal of property within the City is the responsibility of the Hidalgo County Appraisal District. The Hidalgo County Appraisal District is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its appraised value.

The tax rate to finance general governmental purposes, other than the payment of principal and interest on tax supported general obligation long-term debt, for the year ended September 30, 2024, was \$.529073 per \$100 assessed valuation. The tax rate for debt service on the principal and interest requirements on general obligation long-term debt, for the fiscal year ended September 30, 2024, was \$.136275 per \$100 of assessed valuation. The combined tax rate for the City is \$.665348 per \$100 of assessed valuation. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy up to \$2.50 per \$100 of assessed valuation for general governmental purposes, including the payment of principal and interest on general obligation long-term debt.

On the modified accrual basis, property taxes that are measurable and available (receivable within the current period and collected within the current period or within 60 days thereafter to be used to pay liabilities of the current period) are recognized as revenue in the year of the levy. Property taxes that are measurable, but not available, are recorded, net of estimated uncollectible amounts, as deferred inflows of resources in the year of levy. Such deferred inflows are recognized as revenue in the fiscal year in which they become available.

NOTE E – RECEIVABLES

Primary Government

Receivables at year end for the primary government’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Nonmajor		City			Total	
	General Fund	Debt Service Fund	Governmental Funds	Water and Sewer Fund	International Bridge Fund		Brush Collections
Property taxes receivable	\$ 1,492,660	\$ 491,507	\$ -	\$ -	\$ -	\$ -	\$ 1,984,167
Other receivables:							
Sales tax receivable	608,709	-	-	-	-	-	608,709
Accounts	160,712	-	91,305	1,276,981	-	158,641	1,687,639
Intergovernmental - grant	509,662	-	24,600	-	-	-	534,262
Gross receivables	2,771,743	491,507	115,905	1,276,981	-	158,641	4,814,777
Less: Allowance for uncollectibles	(267,797)	(124,290)	-	(110,352)	-	(22,954)	(525,393)
Total receivables, net	\$ 2,503,946	\$ 367,217	\$ 115,905	\$ 1,166,629	\$ -	\$ 135,687	\$ 4,289,384

Discretely Presented Component Units

Accounts Receivable

At September 30, 2024, DEDC-4A had \$304,355 in sales tax receivable. DCD-4B had a sales tax receivable of \$304,355. TIRZ #2 had a sales tax receivable of \$73,087.

Loans Receivable

At September 30, 2024 the DEDC-4A had a loan receivable of \$13,087 and the DCD-4B had U.S. Department of Agriculture, Rural Business Enterprise Grant program loans receivable in the amount of \$155,420.

NOTE F – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At the government-wide financial statements, deferred outflows include deferred amounts on refunding of the bonds.

As of September 30, 2024, the various components of deferred outflows and inflows of resources are as follows:

Primary Government

At the fund level financial statements, the City has the following deferred inflows of resources:

	Debt Service		
	General Fund	Fund	Total
Property Taxes, Unavailable	\$ 1,102,432	\$ 334,709	\$ 1,437,141
Totals Exhibit 2-A	<u>\$ 1,102,432</u>	<u>\$ 334,709</u>	<u>\$ 1,437,141</u>

At the government-wide financial statements (Exhibit 1-A), the City reports cumulative deferred amounts on bond refunding as Deferred Outflows of Resources in the amount of \$12,076 of unamortized deferred amounts on bond refunding in business-type activities.

Deferred outflows of resources related to pensions is \$1,929,383 for governmental activities reported at the government-wide financial statements and \$496,602 for business-type activities.

Deferred inflows of resources related to pensions is \$36,475 for governmental activities reported at the government-wide financial statements and \$9,814 for business-type activities.

NOTE G – INTERFUND PAYABLES/RECEIVABLES, ADVANCES AND TRANSFERS

Interfund receivable and payable balances at September 30, 2024 for the primary government were as follows:

Receivable Fund	Payable Fund				Total
	Nonmajor Governmental Funds	Water and Sewer Fund	City International Bridge Fund	Brush Collections Fund	
Governmental funds					
General fund	\$ 434,104	\$ 74,035	\$ 66,957	\$ 24,269	\$ 599,365
Debt service fund	-	-	301,926	-	301,926
Nonmajor governmental funds	-	88,300	-	-	88,300
Proprietary funds					
Water and sewer fund	1,000	-	-	-	1,000
City international bridge fund	-	50,000	-	-	50,000
Brush collections	-	321,483	-	-	321,483
	<u>\$ 435,104</u>	<u>\$ 533,818</u>	<u>\$ 368,883</u>	<u>\$ 24,269</u>	<u>\$ 1,362,074</u>

Due to/from the primary government and component units at September 30, 2024 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>			
	<u>DEDC (4A)</u>	<u>DEDC (4B)</u>	<u>General Fund</u>	<u>Total</u>
Component Units				
DCD (4B)	\$ 271,017	\$ -	\$ -	\$ 271,017
TIRZ Two	-	-	6,250	6,250
General fund	59,730	1,890	-	61,620
	<u>\$ 330,747</u>	<u>\$ 1,890</u>	<u>\$ 6,250</u>	<u>\$ 338,887</u>

The balances generally result from a routine lag between the dates that transactions are recorded in the accounting system and payments between the funds are made. All amounts are scheduled to be repaid within one year.

Certain interfund loans were not expected to be repaid within the next year. These loans are reported as long-term advances. The following advances were made to sustain operations of the City International Bridge Fund, which did not generate revenues to meet operating and debt obligations.

Advances receivable and payable balances at September 30, 2024 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
	<u>City International Bridge Fund</u>	<u>Total</u>
Proprietary Fund		
Water and Sewer Fund	\$ 75,551	\$ 75,551
	<u>\$ 75,551</u>	<u>\$ 75,551</u>

Advances are interfund loans which are not scheduled to be repaid within one year.

Interfund transfers during the year for the primary government were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>				
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Brush Fund</u>	<u>Water Wastewater</u>	
				<u>Impact Fee</u>	<u>Total</u>
Nonmajor Governmental Funds	\$ -	\$ 63,135	\$ 2,233,257	\$ -	\$ 2,296,392
Water and Sewer Fund	-	-	-	2,201	2,201
City International Bridge Fund	107,158	-	-	-	107,158
	<u>\$ 107,158</u>	<u>\$ 63,135</u>	<u>\$ 2,233,257</u>	<u>\$ 2,201</u>	<u>\$ 2,405,751</u>

Interfund transfers during the year for the primary government and component units were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>		
	<u>Debt Service Fund</u>	<u>General Fund</u>	<u>Total</u>
Component Units			
DEDC (4A)	\$ 126,271	\$ 80,480	\$ 206,751
DCD (4B)	126,271	80,480	206,751
	<u>\$ 252,542</u>	<u>\$ 160,960</u>	<u>\$ 413,502</u>

NOTE H – CAPITAL ASSETS

Primary Government

Governmental activities capital asset activity for the fiscal year ended September 30, 2024 was as follows:

Governmental Activities	Balance October 1, 2023	Increases	Decreases	Balance September 30, 2024
Capital assets, not subject to depreciation:				
Land	\$ 2,601,372	\$ 1,900,000	\$ -	\$ 4,501,372
Construction in progress	-	451,214	-	451,214
Total capital assets, not subject to depreciation	2,601,372	2,351,214	-	4,952,586
Capital assets, depreciable				
Buildings	2,400,836	25,000	-	2,425,836
Improvements	2,513,601	553,353	-	3,066,954
Infrastructure	15,672,520	890,944	-	16,563,464
Furniture and equipment	8,461,908	1,286,027	(198,243)	9,549,692
Total capital assets, being depreciated	29,048,865	2,755,324	(198,243)	31,605,946
Less accumulated depreciation				
Buildings	1,500,535	46,883	-	1,547,418
Improvements other than buildings	1,076,640	145,286	-	1,221,926
Infrastructure	8,187,604	484,987	-	8,672,591
Furniture and equipment	3,901,274	467,282	(198,243)	4,170,313
Total accumulated depreciation	14,666,053	1,144,438	(198,243)	15,612,248
Total capital assets, being depreciation, net	14,382,812	1,610,886	-	15,993,698
Governmental activities, capital assets, net	<u>\$ 16,984,184</u>	<u>\$ 3,962,100</u>	<u>\$ -</u>	<u>\$ 20,946,284</u>

Depreciation was charged to Governmental functions as follows:

Governmental Activities	
General government	\$ 24,585
Public safety	353,301
Public works	670,882
Culture and recreation	78,648
Health and welfare	17,022
Total depreciation expense - Governmental Activities	<u>\$ 1,144,438</u>

Business-type activities capital asset activity for the fiscal year ended September 30, 2024 was as follows:

Business-Type Activities	Balance				Balance
	October 1, 2023	Increases	Decreases	Adjustments	September 30, 2024
Capital assets, not subject to depreciation:					
Land	\$ 1,704,699	\$ 15,000	\$ -	\$ -	\$ 1,719,699
Construction in progress	2,887,996	-	-	-	2,887,996
Total capital assets, not subject to depreciation	4,592,695	15,000	-	-	4,607,695
Capital assets, depreciable:					
Buildings	13,557,160	2,337,250	-	-	15,894,410
Improvements other than buildings	3,597,578	-	-	-	3,597,578
Infrastructure	74,413,092	280,882	-	-	74,693,974
Furniture and equipment	6,365,533	2,245,427	-	-	8,610,960
Total capital assets, being depreciation	97,933,363	4,863,559	-	-	102,796,922
Less accumulated depreciation:					
Buildings	7,347,939	360,493	-	-	7,708,432
Improvements other than buildings	1,352,316	104,765	-	-	1,457,081
Infrastructure	38,739,248	2,482,203	-	-	41,221,451
Furniture and equipment	2,518,187	380,808	-	-	2,898,995
Total accumulated depreciation	49,957,690	3,328,269	-	-	53,285,959
Total capital assets, being depreciated, net	47,975,673	1,535,290	-	-	49,510,963
Business-type activities, capital assets, net	\$ 52,568,368	\$ 1,550,290	\$ -	\$ -	\$ 54,118,658

Depreciation expense was charged to Business-Type functions as follows:

Business-Type Activities	
Water and Sewer	\$ 2,358,735
City International Bridge Fund	799,436
Brush Collection	170,098
Total depreciation expense - Business-Type Activities	<u>\$ 3,328,269</u>

Discretely Presented Component Units – DEDC-4A and DCD-4B

A summary of changes in capital assets for the fiscal year ended September 30, 2024 Component Units is as follows:

Component Units	Balance				Balance September 30, 2024
	October 1, 2023	Increases	Decreases	Adjustments	
Capital assets, not subject to depreciation					
Land	\$ 2,887,881	\$ -	\$ (876,388)	\$ -	\$ 2,011,493
Total capital assets, not subject to depreciation	2,887,881	-	(876,388)	-	2,011,493
Capital assets, depreciation					
Buildings	377,207	-	-	-	377,207
Furniture and equipment	78,923	-	-	-	78,923
Total capital assets, being depreciated	456,130	-	-	-	456,130
Less accumulated depreciation					
Buildings	329,914	1,859	-	-	331,773
Furniture and equipment	44,443	2,126	-	-	46,569
Total accumulated depreciation	374,357	3,985	-	-	378,342
Total capital assets, being depreciated, net	81,773	(3,985)	-	-	77,788
Component Units, capital assets, net	\$ 2,969,654	\$ (3,985)	\$ (876,388)	\$ -	\$ 2,089,281

Depreciation expense for the component units for the year ended September 30, 2024 is as follows:

Component Units	
Component Unit - DEDC (4A)	\$ 2,723
Component Unit - DCD (4B)	1,262
Total Component Units depreciation expense	<u>\$ 3,985</u>

NOTE I – LONG TERM DEBT

Primary Government

Combination Tax and Revenue Bonds and General Obligation Refunding Bonds

The City has issued combination tax and revenue bonds, which pledge the full faith and credit of the City as well as the income derived from the acquired or constructed assets to pay debt service.

Combination tax revenue bonds, and general obligation refunding bonds outstanding at September 30, 2024 are as follows:

Series 2012 Limited Tax Refunding Bonds - due in variable annual installments of \$525,000 to \$680,000 through February 1, 2025; interest at 2.84%, payable semi-annually. Approximately 26.40% is accounted for with governmental activities and 73.60% is accounted for with business-type activities. The original issuance amount of these bonds was \$1,260,600 accounted for with governmental activities and \$3,514,400 accounted for with business-type activities.

Series 2015 Certificates of Obligation - due in variable annual installments of \$145,000 to \$310,000 through February 15, 2035; interest at 2.0% to 4.50%, payable semi-annually. The original issuance amount of these bonds was \$4,065,000 accounted for with governmental activities.

Series 2016 Certificates of Obligations – due in variable annual installments of \$50,000 to \$520,000 through February 15, 2036; interest at 2.00% to 4.00%, payable semi-annually. The original issuance amount of these bonds was \$6,000,000. This debt is \$5,000,000 for improvements to the water and new sewer system, and \$1,000,000 for improvements to the international toll bridge. The Bridge portion has been paid off.

Series 2017 Certificate of Obligation - due in variable annual installments through February 15, 2033; interest at 2.00% to 4.00%, payable semi-annually. The original issuance amount of these bonds was \$1,848,000 accounted for with governmental activities and \$7,392,000 accounted for with business-type activities.

Series 2019 Limited Tax Refunding Bonds - due in variable annual installments through February 15, 2034; interest at 2.60%, payable semi-annually. The issuance amount of these bonds was \$4,035,000 accounted in business-type activities.

Series 2022 General Obligation Refunding Bonds – due in variable annual installments through September 15, 2047; interest at 3.61%, payable semi-annually. The original issuance amount of these bonds was \$27, 485,000 accounted for with governmental activities. This debt is for the international bridge toll bridge and related infrastructure.

Series 2022 Public Property Finance Contractual Obligation – due in variable annual installments through September 15, 20436; interest at 4.00%, payable semi-annually. The original issuance amount of these bonds was \$5,190,000 accounted for with governmental activities. This debt is for the purchase of City equipment and vehicles.

Series 2024 Combination Tax and Revenue Bonds - due in variable annual installments through February 15, 2044; interest at 4.00%-5.00%, payable semi-annually. The original issuance amount of these bonds was \$7,655,000 accounted for with governmental activities and \$2,380,000 for business-type activities. This debt is for the design, planning, acquisition, equipping, construction and renovation of public property and related infrastructure.

Utility and Bridge Revenues Pledged

Water and Sewer Fund

The City currently has pledged future water and sewer fund revenues, net of specified operating expenses, to repay approximately \$12.7M in combination tax and revenue bonds issued in varying years. The bonds are payable through 2044. Annual principal and interest payments on the bonds are expected to require approximately 25 percent of net revenues. The changes in bonded debt payable during the year are summarized as follows:

Bond	Balance			Balance		Due Within
	October 1, 2023	Additions	Reductions	September 30, 2024	One Year	
Primary Government						
<i>Governmental Funds</i>						
2012 Limited Tax Refunding Bonds	\$ 337,920	\$ -	\$ (158,400)	\$ 179,520	\$ 179,520	
2015 Certificate of Obligation	2,920,000	-	(190,000)	2,730,000	195,000	
2017 Certificate of Obligation	1,432,000	-	(79,000)	1,353,000	81,000	
2022 Public Property Finance Contractual Obligation	5,090,000	-	(100,000)	4,990,000	100,000	
2022 General Obligation Refunding Bonds (Bridge)	26,175,000	-	-	26,175,000	-	
2024 Combination Tax and Revenue Certificates of Obligation	-	4,655,000	-	4,655,000	-	
Total Governmental Funds Bonds	35,954,920	4,655,000	(527,400)	40,082,520	555,520	
<i>Water and Sewer Fund</i>						
2012 Limited Tax Refunding Bonds	942,080	-	(441,600)	500,480	500,480	
2016 Certificates of Obligation	5,225,000	-	(200,000)	5,025,000	125,000	
2017 Certificates of Obligation	5,728,000	-	(316,000)	5,412,000	324,000	
2019 Limited Tax Refunding Bonds	3,205,000	-	(215,000)	2,990,000	290,000	
2024 Combination Tax and Revenue Certificates of Obligation	-	2,380,000	-	2,380,000	-	
Total Water and Sewer Fund Bonds	15,100,080	2,380,000	(1,172,600)	16,307,480	1,239,480	
Total Primary Government Bonds	\$ 51,055,000	\$ 7,035,000	\$ (1,700,000)	\$ 56,390,000	\$ 1,795,000	

Debt service requirements for the City's bonds are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	555,520	1,257,836	1,264,480	444,382	1,820,000	1,702,218
2026	593,627	1,460,382	1,036,373	527,113	1,630,000	1,987,495
2027	615,935	1,434,628	1,074,065	496,055	1,690,000	1,930,683
2028	1,377,244	1,401,519	1,097,756	463,019	2,475,000	1,864,538
2029-2033	8,274,602	6,168,493	6,435,398	1,686,523	14,710,000	7,855,016
2034-2038	9,270,318	4,545,332	4,284,682	582,299	13,555,000	5,127,631
2039-2043	10,661,642	2,789,664	908,358	150,057	11,570,000	2,939,721
2044-2047	8,733,632	786,113	206,368	4,127	8,940,000	790,240
Total	\$ 40,082,520	\$ 19,843,967	\$ 16,307,480	\$ 4,353,575	\$ 56,390,000	\$ 24,197,542

Notes Payable and Lease Liability

First Capital Equipment Lease - due in quarterly installments of \$30,006 through October 2023; interest at 4.12%. The original lease amount was \$539,340 accounted for with governmental activities.

John Deere Lease - due in annual installments of \$9,484 through July 2024; interest at 5.95%. The original lease amount was \$39,817 accounted for with governmental activities.

First Capital Equipment Lease - due in annual installments of \$17,099 through December 2025; interest at 4.568%. The original lease amount was \$88,000 accounted for with governmental activities.

First Capital Lease - due in annual installments of \$52,465 through October 2026; interest at 3.019%. The original lease amount was \$330,411 accounted for with business type activities' brush collections fund.

First Capital Equipment Lease - due in annual installments of \$103,245 through June 2027; interest at 2.880%. The original lease amount was \$564,759 accounted for with governmental activities and business type activities' water and sewer fund and brush collections fund.

Government Capital Corporation Lease - due in annual installments of \$11,788 through February 2025; interest at 3.469%. The original lease amount was \$52,459 accounted for with business type activities' water and sewer fund.

D&M Leasing Vehicle Lease - due in annual installments of \$65,937 through November 2028; interest at 3.39%. The original lease amount was \$359,125 accounted for with governmental activities.

Ford Pickups Lease - due in monthly installments of \$8,402 through September 2027; interest at 5.87%. The original lease amount was \$262,817 accounted for with governmental activities.

C&C Bell Real Estate LP Note Payable - due in monthly installments of \$13,444 through October 2024 at which point principal and accrued interest are due and payable. During the fiscal year ended September 30, 2024, the boards of the 4A and 4B discretely presented component units voted to repay a portion of the loan with. The 4A and 4B boards agreed to repay \$714,000 each towards the purchase of the C&C Bell property. For the year ended September 30, 2024, the 4A and 4B transferred \$80,480 to the general fund for the purpose of making payments on the note.

The changes in notes and lease liability during the year are summarized as follows:

Notes Payable and Lease Liability	Balance			Balance	
	October 1, 2023	Additions	Reductions	September 30, 2024	Due Within One Year
<i>Governmental Activities</i>					
First Capital Equipment Lease	\$ 29,697	\$ -	\$ (29,697)	\$ -	\$ -
John Deere Lease	8,938	-	(8,938)	-	-
First Capital Equipment Lease	46,944	-	(14,954)	31,990	15,637
First Capital Equipment Lease	133,679	-	(32,003)	101,676	32,930
Ford Pickups Lease	-	359,125	-	359,125	53,749
D&M Leasing Vehicle Lease	-	262,817	-	262,817	80,100
C&C Bell Real Estate LP Note Payable	-	1,700,000	(6,360)	1,693,640	78,421
Total Governmental Activities	-	-	-	-	-
Notes Payable and Lease Liability	219,258	2,321,942	(91,952)	2,449,248	260,837
<i>Water and Sewer Fund</i>					
Government Capital Corporation Lease	22,403	-	(11,010)	11,393	11,393
First Capital Equipment Lease	99,701	-	(23,869)	75,832	24,560
Total Water and Sewer Fund	-	-	-	-	-
Notes Payable and Lease Liability	122,104	-	(34,879)	87,225	35,953
<i>Brush Collections</i>					
First Capital Equipment Lease	154,130	-	(46,546)	107,584	47,960
First Capital Lease	194,841	-	(36,900)	157,941	19,119
Total Brush Collections	-	-	-	-	-
Notes Payable and Lease Liability	348,971	-	(83,446)	265,525	67,079
Total Notes Payable and Lease Liability	\$ 690,333	\$ 2,321,942	\$ (210,277)	\$ 2,801,998	\$ 363,869

Debt service requirements to maturity for the above notes and lease liability are as follows:

Year ending	Governmental Activities		Business-Type Activities		Total Primary Government		
	September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$	260,837	\$ 35,414	\$ 103,032	\$ 10,002	\$ 363,869	\$ 45,416
2026		1,797,694	35,355	164,672	7,887	1,962,366	43,242
2027		178,152	22,584	85,046	1,430	263,198	24,014
2028		51,264	14,673	-	-	51,264	14,673
2029		161,301	6,588	-	-	161,301	6,588
Total	\$	2,449,248	\$ 114,614	\$ 352,750	\$ 19,319	\$ 2,801,998	\$ 133,933

Claims Payable

In 2004, the City entered into an agreement with a consultant to perform services regarding the coordination, planning, development and management of the City's financial applications to the Texas Water Development Board and the Border Environmental Cooperation Commission in order to obtain financing for water and sewer improvements. This agreement stipulated that the consultant would be paid a 10% fee of all grants and loans received by the City. The City was awarded significant grants and a loan in 2008 and 2009, wherein the City was billed a total of \$2,062,513 for these types of fees plus an additional fixed fee contract amount of \$213,733 for other services.

Since the City was unable to pay this, the consultant offered a payment agreement that the City accepted and became effective September 30, 2009.

The payment agreement has no stated interest rate and therefore has been discounted to reflect the present values of the claims payable based on interest rates of debts with comparable terms as shown below.

Claims payable by Water and Sewer Fund to consultant are due in monthly installments of \$20,000 including interest through June 1, 2022 with a payment of \$15,609 including interest due July 1, 2022. These claims payable was discounted to a rate of 3.73%.

In 2015, the City entered into an agreement with a consultant to perform services regarding the coordination, planning, development and management of the City's financial applications to the Texas Transportation Commission in order to obtain financing for the construction of the commercial inspection facilities for southbound bridge improvements. This agreement stipulated that the consultant would be paid a 10% fee of all grants and loans received by the City. The City was awarded significant grants in 2015, wherein the City was billed a total of \$1,000,000, less \$184,000 in fees paid to consultant resulting in an \$816,000 balance. Since the City was unable to pay this, the consultant offered a payment agreement that the City accepted and became effective May 19, 2015.

Claims payable by City International Bridge Fund to consultant are due in monthly payments of interest only of \$1,790 through June 19, 2022, then monthly installments of \$20,000 including interest beginning July 19, 2022 through July 19, 2025, with a payment of \$11,034 including interest due August 19, 2025; interest accruing from May 19, 2015 at 3.00%.

In 2016, the City entered into an agreement with a consultant to perform services regarding the creation of a financial plan for the City to refinance or issue new debt for improvements associated with the Donna International Bridge or the City's capital improvement program. The City refunded prior bond Series 2007 Combination Tax and International Toll Bridge Revenue Certificates of Obligation with Series 2016.

Combination Tax and International Toll Bridge Revenue Refunding Bonds, wherein the City was billed a total of \$1,650,000, less \$50,000 in fees paid to consultant resulting in a \$1,600,000 balance. Since the City was unable to pay this, the consultant offered a payment agreement that the City accepted and became effective February 17, 2016.

The changes in claims payable during the fiscal year ended September 30, 2024, year are summarized as follows:

Claims Payable	Balance			Balance
	October 1, 2023	Additions	Reductions	
<i>Water and Sewer Fund</i>				
W/S Claims by SOS	\$ 886,751	\$ -	\$ -	\$ 886,751
Total Water and Sewer Fund Claims	886,751	-	-	886,751
<i>City International Bridge Fund</i>				
Bridge Success Fee	716,000	-	-	716,000
Bond Refinance and Grant Success Fee	2,175,044	-	-	2,175,044
Total City International Bridge Fund Claims	2,891,044	-	-	2,891,044
Total Claims Payable	\$ 3,777,795	\$ -	\$ -	\$ 3,777,795

Debt service requirements to maturity for the above claims payable are as follows:

Year ending September 30,	Business-Type Activites	
	Principal	Interest
2025	\$ 748,275	\$ 273,325
2026	324,972	66,747
2027	484,738	55,262
2028	496,806	43,194
2029-2033	1,625,003	86,032
2034-2038	98,001	404
Total	\$ 3,777,795	\$ 524,964

DEDC-4A

Bonds outstanding at September 30, 2024 are:

Series 2018 Sales Tax Revenue Bonds – due in variable installments of \$70,000 to \$110,000, through August 1, 2028; interest is 4.49%, payable semi-annually.

Series 2019 Sales Tax Revenue and Refunding Bonds - due in variable installments of \$180,000 to \$265,000 through August 1, 2034; interest is between 4.16% to 4.75%, payable semi-annually.

Series 2023 Sales Tax Revenue Bonds - due in variable installments of \$35,100 to \$421,023 through August 1, 2052; interest is between 5.30% to 6.00%, payable semi-annually.

DEDC-4A	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
2018 Sales Tax Revenue Bonds	\$ 520,000	\$ -	\$ (95,000)	\$ 425,000	\$ 100,000
2019 Sales Tax Refunding Bonds	2,560,000	-	(200,000)	2,360,000	210,000
2023 Sales Tax Revenue Bond	14,360,000	-	-	14,360,000	-
	17,440,000	-	(295,000)	17,145,000	310,000
Less: Discount on Sales Tax Revenue and Refunding Bonds	(20,953)	-	1,905	(19,048)	-
Total Bonds	<u>\$ 17,419,047</u>	<u>\$ -</u>	<u>\$ (293,095)</u>	<u>\$ 17,125,952</u>	<u>\$ 310,000</u>

The bonds payable annual debt service requirements to maturity are:

Year ending September 30,	Principal	Interest	Total
2025	\$ 310,000	\$ 925,556	\$ 1,235,556
2026	320,000	915,333	1,235,333
2027	330,000	904,749	1,234,749
2028	335,000	893,804	1,228,804
2029-2033	1,930,000	4,277,745	6,207,745
2034-2038	2,365,000	3,838,555	6,203,555
2039-2043	3,110,000	3,094,940	6,204,940
2044-2047	4,145,000	2,065,200	6,210,200
2048-2052	4,300,000	4,963,600	9,263,600
Total	<u>\$ 17,145,000</u>	<u>\$ 21,879,482</u>	<u>\$ 39,024,482</u>

DCD-4B

Bonds outstanding at September 30, 2024 are:

DCD-4B	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2023	Due Within One Year
2019 Sales Tax Revenue Refunding Bonds	\$ 2,515,000	\$ -	\$ (195,000)	\$ 2,320,000	\$ 205,000
2023 Sales Tax Revenue Bond	15,000,000	-	(60,000)	14,940,000	55,000
	17,515,000	-	(255,000)	17,260,000	260,000
Less: Discount on Sales Tax Revenue and Refunding Bonds	(30,741)	-	2,794	(27,947)	-
Total Bonds	<u>\$ 17,484,259</u>	<u>\$ -</u>	<u>\$ (252,206)</u>	<u>\$ 17,232,053</u>	<u>\$ 260,000</u>

Series 2009 Sales Tax Revenue and Refunding Bonds - due in variable installments of \$70,000 to \$285,000 through August 1, 2034; interest is between 4.07% to 4.75%, payable semi-annually.

Series 2023 Sales Tax Revenue Bonds - due in variable installments of \$34,923 to \$446,195 through August 1, 2055; interest is between 4.90% to 6.10%, payable semi-annually.

The bonds payable annual debt service requirements to maturity are:

Year ending September 30,	Principal	Interest	Total
2025	\$ 260,000	\$ 952,090	\$ 1,212,090
2026	270,000	943,860	1,213,860
2027	280,000	935,250	1,215,250
2028	290,000	926,260	1,216,260
2029-2033	1,585,000	4,483,765	6,068,765
2034-2038	1,920,000	4,147,765	6,067,765
2039-2043	2,530,000	3,545,165	6,075,165
2044-2047	3,370,000	2,701,385	6,071,385
2048-2052	4,530,000	1,540,555	6,070,555
2053-2057	2,225,000	205,570	2,430,570
Total	<u>\$ 17,260,000</u>	<u>\$ 20,381,665</u>	<u>\$ 37,641,665</u>

Revenues Pledged in Connection with Component Unit Debt DEDC-4A

The City has pledged future sales tax revenues to repay \$17.1 million in sales tax revenue and refunding bonds issued. Proceeds from the bonds provided a refunding of prior bonds and financing for projects related to the bridge projects, industrial park and related infrastructure. The bonds are payable through 2052.

DCD-4B

The City has pledged future sales tax revenues to repay \$17.2 million in sales tax revenue and refunding bondss. Proceeds from the bonds provided a refunding of prior bonds and financing for projects related to the bridge projects, industrial park and related infrastructure. The bonds are payable through 2057. Annual principal and interest payments on the bonds are expected to require 100 percent of net revenues.

Bond Compliance Requirements

The combination tax and revenue bond ordinances require that during the period in which the bonds are outstanding the City must create and maintain certain accounts or funds to receive the proceeds from the sale of the bonds and to account for the revenues, which are pledged to the extent the City elects to not levy a tax. The assets can be used only in accordance with the terms of the bond ordinance and for the specific purpose(s) designated therein. The City is generally required to make a monthly transfer to debt service funds equal to one- twelfth of the annual debt service. The City has complied with these requirements.

The City is also required under its present ordinances to provide certain monthly reports, set aside certain funds for future requirements, submit continuing disclosure reporting and annual financial statements. The City was current on these reporting and funding.

Changes in Long Term Liabilities

Changes in the City's long-term liabilities for the fiscal year ended September 30, 2024 are as follows:

	Balance				Balance	Due Within
	October 1, 2023	Additions	Reductions	Adjustments	September 30, 2024	One Year
<i>Governmental activities</i>						
Bonds Payable						
Bonded debt	\$ 35,954,920	\$ 4,655,000	\$ (527,400)	\$ -	\$ 40,082,520	\$ 555,520
Premium on bonds	1,062,939	478,298	(286,812)	-	1,254,425	-
Total bonds payable	37,017,859	5,133,298	(814,212)	-	41,336,945	555,520
Notes payable and transfers of ownership lease	219,258	2,321,942	(91,952)	-	2,449,248	260,837
380 Agreements	2,772,563	850,000	(215,556)	-	3,407,007	-
Compensated absences	375,304	398,356	(369,651)	-	404,009	-
Net pension liability						
TMRS	3,507,001	-	(38,263)	-	3,468,738	-
Firemen's retirement plan	106,053	82,927	-	-	188,980	-
Total net pension liability	3,613,054	82,927	(38,263)	-	3,657,718	-
Governmental activities long-term liabilities	<u>\$ 43,998,038</u>	<u>\$ 8,786,523</u>	<u>\$ (1,529,634)</u>	<u>\$ -</u>	<u>\$ 51,254,927</u>	<u>\$ 555,520</u>
<i>Business-type activities</i>						
Bonds payable						
Bonded debt	\$ 15,100,080	\$ 2,380,000	\$ (1,172,600)	\$ -	\$ 16,307,480	\$ 1,239,480
Premium on bonds	458,531	212,635	(40,927)	-	630,239	-
Total bonds payable	15,558,611	2,592,635	(1,213,527)	-	16,937,719	1,239,480
Notes payable and transfers of ownership lease	471,075	-	(118,324)	-	352,751	103,032
Claims payable	3,777,795	-	-	-	3,777,795	-
Compensated bsences	107,931	11,897	-	-	119,828	-
Net pension liability - TMRS	943,648	-	(31,746)	-	911,902	-
Business-type activities long-term liabilities	<u>\$ 5,300,449</u>	<u>\$ 11,897</u>	<u>\$ (150,070)</u>	<u>\$ -</u>	<u>\$ 5,162,276</u>	<u>\$ 103,032</u>

NOTE J – OTHER ASSETS AND PAYABLES

Other Non-Current Liabilities – Primary Government and Component Units

380 Agreements

The 380 Agreements are a rebate of the sales taxes generated specifically from the project at a split of 50% to developer and 50% to the City of Donna. There are two (2) agreements (Triveka & Backyard Eatery) that involve property tax abatements.

Governmental Activities	Balance				Balance
	October 1, 2023	Additions	Reductions	Adjustment	September 30, 2024
Walmart	\$ 349,728	\$ -	\$ -	\$ -	\$ 349,728
Shops Lot 9	1,366,565	-	(211,725)	-	1,154,840
Trevika	37,112	-	(3,542)	-	33,570
Shops Lot 10	750,000	-	(289)	-	749,711
Backyard Eatery	19,158	-	-	-	19,158
Kapal	250,000	-	-	-	250,000
Chick-fil-a	-	425,000	-	-	425,000
Cheddar's	-	425,000	-	-	425,000
Total Governmental 380 Agreements	<u>\$ 2,772,563</u>	<u>\$ 850,000</u>	<u>\$ (215,556)</u>	<u>\$ -</u>	<u>\$ 3,407,007</u>

380 Agreements (Continued)

DEDC-4A	Balance				Adjustment	Balance
	October 1, 2023	Additions	Reductions	September 30, 2024		
Walmart	\$ 174,864	\$ -	\$ -	\$ -	\$ 174,864	
Shops Lot 9	683,282	-	(105,863)	-	577,419	
Trevika	-	-	-	-	-	
Shops Lot 10	375,000	-	(144)	-	374,856	
Kapal	125,000	-	-	-	125,000	
Chick-fil-a	-	212,500	-	-	212,500	
Cheddar's	-	562,500	(350,000)	-	212,500	
Total DEDC-4A 380 Agreements	\$ 1,358,146	\$ 775,000	\$ (456,007)	\$ -	\$ 1,677,139	

DCD-4B	Balance				Adjustment	Balance
	October 1, 2023	Additions	Reductions	September 30, 2024		
Walmart	\$ 174,864	\$ -	\$ -	\$ -	\$ 174,864	
Shops Lot 9	683,282	-	(105,863)	-	577,419	
Trevika	-	-	-	-	-	
Shops Lot 10	375,000	-	(144)	-	374,856	
Kapal	125,000	-	-	-	125,000	
Chick-fil-a	-	212,500	-	-	212,500	
Cheddar's	-	212,500	-	-	212,500	
Total DCD-4B 380 Agreements	\$ 1,358,146	\$ 425,000	\$ (106,007)	\$ -	\$ 1,677,139	

DEDC-4A has an outstanding settlement amount of \$279,000. The balance is expected to be paid off in 2038. At September 30, 2024 the balance for compensated absences for the DEDC-4A was \$899.

TIRZ #2 has accrued expenses of \$2,410,689 for completed infrastructure by developers. These amounts will be reimbursed to the extent that future tax increment funding becomes available.

NOTE K – TEXAS MUNICIPAL RETIREMENT SYSTEM BENEFIT PLAN

Plan Description

The City participates as one of 921 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at www.tmr.org.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the city- financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

Employees covered by benefit terms

At the December 31, 2023, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	45
Inactive employees entitled to but not yet receiving benefits	101
Active employees	<u>159</u>
Total	<u><u>305</u></u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.91% and 10.80% in calendar years 2023 and 2024, respectively. The City’s contributions to TMRS for the year ended September 30, 2024, were \$1,067,752, and were equal to the required contributions.

Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2023, for TMRS and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability at December 31, 2023 actuarial valuations was determined using the following actuarial assumptions:

Inflation	2.5% per year
Investment rate of return	2.5% per year, adjusted down for population declines, if any
Overall payroll growth	6.75%, net pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 3-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long -Term Expected Real Rate of Return (Arithmetic)
Global Equity	35%	7.7%
Core Fixed Income	6%	4.9%
Non-Core Fixed Income	20%	8.7%
Other Public and Private Markets	12%	8.1%
Real Estate	12%	5.8%
Hedge Funds	5%	6.9%
Private Equity	10%	11.8%
Total	100%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Schedule of Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2022	\$ 17,024,312	\$ 12,515,720	\$ 4,508,592
Service cost	1,295,264	-	1,295,264
Interest (on the Total Pension Liability)	1,173,281	-	1,173,281
Change in benefit terms including substantively automatic status	-	-	-
Difference between expected and actual experience	632,109	-	632,109
Contributions - employer	-	999,387	(999,387)
Contributions - employee	-	641,220	(641,220)
Net investment income	-	1,457,297	(1,457,297)
Change in assumption	(61,221)	-	(61,221)
Benefit payments, including refunds of employee contributions	(580,010)	(580,010)	-
Administrative expenses	-	(9,215)	9,215
Other	-	(64)	64
Net change in total pension liability	2,459,423	2,508,615	(49,192)
Balance at December 31, 2023	\$ 19,483,735	\$ 15,024,335	\$ 4,459,400

Net pension liability amount is in the primary government and component units on the statement of net position. The City's portion of the liability is \$4,402,091 and the component units are \$57,309.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's net pension liability for the TMRS pension, calculated using the discount rate of 6.75%, as well as what the City's net pension liability and proportionate share of the net pension liability allocated would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 7,604,964	\$ 4,459,400	\$ 1,890,498

City's net pension liability Total net pension liability

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2024, the City recognized pension expense of \$298,336 for the TMRS pension plan. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to TMRS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 818,551	\$ (713)
Changes in actuarial assumptions	-	(46,178)
Difference between projected and actual investment earnings	272,992	-
Contributions subsequent to the measurement date	<u>1,281,139</u>	<u>-</u>
	<u>\$ 2,372,682</u>	<u>\$ (46,891)</u>

The city includes contributions made subsequent to the measurement date of December 31, 2023, through the City’s fiscal year end of September 30, 2024, as deferred outflows resources.

\$1,281,139 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year end September 30</u>	Net Deferred Outflows (Inflows) of Resources
2025	\$ 374,362
2026	381,221
2027	401,743
2028	(112,674)
	<u>\$ 1,044,652</u>

NOTE L – FIREMEN’S PENSION PLAN

Plan Description

The Texas Emergency Services Retirement System (TESRS) administers a cost-sharing multiple employer pension system (the System) established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. Direct financial activity for the System is classified in the financial statements as pension trust funds. The System issues a stand-alone financial report that is available to the public at www.tesrs.org.

Of the nine-member state board of trustees, at least five trustees must be active members of the pension system, one of whom must represent emergency medical services personnel. One trustee may be a retiree of the pension system, and three trustees must be persons who have experience in the fields of finance, securities investment, or pension administration. At August 31, 2024, there were 241 fire and/or emergency services member departments participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department.

Benefits Provided

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount or continuing monthly payments to a member's surviving spouse and dependent children.

Covered Membership

On August 31, 2024, the pension system membership consisted of:

Retirees and beneficiaries currently receiving benefits	4,122
Terminated members entitled to but not yet receiving benefits	1,806
Active employees	3,394

Contribution Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities.

The state is required to contribute an amount necessary to make the System "actuarially sound" each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The board rule defining contributions was amended effective July 27, 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the state are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percent of the Part One portion (not to exceed 15%), is to be actuarially adjusted every two years based on the most recent actuarial valuation. Based on the August 31, 2024 actuarial valuation, the Part Two contributions are not required for an adequate contribution arrangement.

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to 15 years of credit for prior service per member. Prior service must have occurred before the department began participation in the System.

A small subset of participating departments have a different contribution arrangement which is being phased out over time. In this arrangement, contributions made in addition to the monthly contributions for active members, are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when their respective departments merged into the System. There is no actuarial impact associated with this arrangement as the pay-as-you-go contributions made by these governing bodies are always equal to benefit payments paid by the System.

Contributions Required and Contributions Made:

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions are set by board rule, and there is no maximum contribution rate. For the fiscal year ending September 30, 2024, total contributions of \$9,027 were paid into TESRS by the City.

The purpose of the biennial actuarial valuation is to determine if the contribution arrangement is adequate to pay the benefits that are promised. Actuarial assumptions are disclosed in Section I(B)(1).

The most recently completed biennial actuarial valuation as of August 31, 2024 stated that TESRS has an adequate contribution arrangement for the benefit provisions recognized in the valuation based on the expected total contributions, including the expected contributions both from the governing body of each participating department and from the state. The expected contributions from the state are state appropriations equal to (1) the maximum annual contribution (one-third of all contributions to TESRS by governing bodies of participating departments in a year) as needed in accordance with state law governing TESRS and (2) approximately \$675,000 each year to pay for part of the System’s administrative expenses.

Net Pension Liability

The System’s net pension liability was measured as of August 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2024.

Total pension liability	\$ 432,684
Plan fiduciary net pension	<u>243,703</u>
City's net pension liability	<u><u>\$ 188,981</u></u>
Plan fiduciary net position as a percentage of the total pension liability	56.3%

Actuarial Assumptions

The total pension liability in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	N/A
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Municipal bond rate	3.87%
Discount rate	5.38%

Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projection scale MP-2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (currently 4.60%) and by adding expected inflation (2.75%). In addition, the final 7.25% assumption was selected by rounding down. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long -Term Expected Real Rate of Return
Equities		
Large cap domestic	20%	5.71%
Small/mid cap domestic	10%	5.98%
Developed international	15%	6.19%
Emerging markets	5%	7.38%
Global infrastructure	5%	6.63%
Real estate	10%	4.50%
Multi asset income	5%	3.75%
Fixed income	30%	1.97%
Cash	0%	0.00%
Total	100%	
Weighted average		4.60%

Discount Rate

The discount rate used to measure the total pension liability was 5.38%. No projection of cash flows was used to determine the discount rate because the August 31, 2024 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method, the pension plan’s fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability for the Firemen’s Relief pension, calculated using the discount rate of 5.38%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease in Discount Rate (4.38%)	Discount Rate (5.38%)	1% Increase in Discount Rate (6.38%)
City's net pension liability - TESRS	\$ 260,810	\$ 188,981	\$ 132,275

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2024, the City reported its proportionate share of TESRS’ deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 6,328	\$ -
Changes in actuarial assumptions	67,319	-
Difference between projected and actual investment earnings	<u>10,148</u>	<u>-</u>
	<u>\$ 83,795</u>	<u>\$ -</u>

The deferred outflows and (inflows) of resources related to pensions will be amortized and recognized in pension expenses as follows:

Year end September 30	Net Deferred Outflows (Inflows) of Resources
2025	\$ 49,758
2026	37,076
2027	(1,130)
2028	<u>(1,909)</u>
	<u>\$ 83,795</u>

NOTE M – CONSTRUCTION AND IMPROVEMENT COMMITMENTS

At September 30, 2024, the City had the following contractual commitments outstanding:

The City and Donna International Bridge Project

The City’s subsidiary corporations issued sales tax revenue bonds in the spring of 2023 to finance a portion of the Phase #2 Project.

\$14,360,000 from the Donna Economic Development Corporation Sales Tax Revenue Bonds, Taxable Series 2023
 \$15,000,000 from the Development Corporation of Donna, Inc. Sales Tax Revenue Bonds, Taxable Series 2023

During the fiscal year ended September 30, 2023, the City transferred the funds into the Northbound Construction capital projects fund. As of September 30, 2024, the balance of cash and investments in that fund was \$28,552,444 which is all committed for the international bridge project.

NOTE N – FUND BALANCES

The City has classified its fund balances with the following hierarchy:

Nonspendable: The City’s nonspendable fund balances totaled \$46,640 represented in inventory.

Spendable: The City has classified the spendable fund balances as Restricted and Unassigned and considered each to have been spent when expenditures are incurred. The City currently has no funds classified as *Assigned*.

Restricted for Federal and State Programs, Debt Service, Tax Increment and Capital Projects:

Federal Laws, Texas Statutes and local ordinances require that certain revenues be specifically designated for the purposes as determined by state and local regulations, debt service, and capital projects. The funds have been included in the restricted category of fund balance. The restricted fund balances totaled \$33,346,075 which represented local and state funds and \$1,857,566 in debt service.

Unassigned:

The unassigned fund balances totaled \$3,183,866 in the general fund and \$4,146 in other governmental funds.

NOTE O – CONTINGENCIES

Litigation

The City maintains general liability and automotive liability insurance in addition to contractor, law enforcement and public officials' policies designed to minimize the City's exposure to claims. The extent to which insurance coverage may satisfy claims, if any, is not known. The City is in active litigation in several suits which it intends to vigorously defend.

The City participates periodically in Federal and State assisted grant programs. The principal grant programs the City currently participates in are with the Community Development Block Grant and the Disaster Recovery Texas CDBG. Under the terms of the Community Development Block Grant, Hidalgo County (the County) includes the surface area and population of the City of Donna in its application to the Department of Housing and Urban Development. Consequently, the County is the grantee of these funds. Also, the County assumes responsibility for the eligibility of activities, environmental assessments, awarding of contracts, approval and payment for completed contracts, project close out, and audits for the projects. The City's grant programs are subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

City International Bridge Fund

All financial projections for the City International Bridge Fund operations were based on having both passenger and commercial traffic. The projections for a combination of both passenger and commercial traffic indicated that in the near term the international bridge would have been a self- supporting operation. However, since the bridge opened in December 2010 as a passenger traffic only international bridge, the City has and will have to continue providing a significant level of debt service funding for the debts of the international bridge with a levy of taxes and assistance from other funds of the City.

NOTE P – SUBSEQUENT EVENTS

On October 1, 2024, the City issued Certificates of Obligation, Series 2024 in the amount of \$2,305,000. The amortization/repayment period is 30 years, and the repayment sources are the City's Debt Service (I&S) property tax rate. The purpose of the bonds is to make permanent improvements for public progress to include designing, constructing, renovating, improving, upgrading, updating, acquiring and equipping the Donna International Bridge including any required facilities.

On October 15, 2024, extended its note payable with C&C Bell Real Estate LP to October 31, 2025. The payment terms remained the same with the full principal balance and accrued interest due on October 31, 2025.

CITY OF DONNA, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

EXHIBIT 5-A

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Property taxes	\$ 5,730,483	\$ 5,730,483	\$ 5,640,184	\$ (90,299)
Nonproperty taxes	5,395,916	5,395,916	5,286,377	(109,539)
Charges for services	2,916,560	2,916,560	2,754,562	(161,998)
Fines and forfeitures	134,833	134,833	121,179	(13,654)
Licenses and permits	256,450	256,450	292,055	35,605
Intergovernmental revenue	488,213	488,213	956,272	468,059
Miscellaneous income	197,900	197,900	90,017	(107,883)
Interest and investment income	-	-	127,705	127,705
Total revenues	<u>15,120,355</u>	<u>15,120,355</u>	<u>15,268,351</u>	<u>147,996</u>
EXPENDITURES				
General government:				
City council	35,210	35,210	35,583	(373)
City manager	344,340	344,340	353,473	(9,133)
Municipal court	263,968	263,968	265,605	(1,637)
Finance	783,508	783,508	769,052	14,456
Information & technology	339,015	339,015	354,581	(15,566)
City hall	188,061	188,061	224,108	(36,047)
City secretary	157,079	157,079	139,167	17,912
Tax assessor collector	184,360	184,360	181,163	3,197
Planning and development	175,812	175,812	146,762	29,050
Non-departmental	666,633	666,633	753,335	(86,702)
Total general government	<u>3,137,986</u>	<u>3,137,986</u>	<u>3,222,829</u>	<u>(84,843)</u>
Public safety:				
Police	4,879,322	4,879,322	5,155,720	(276,398)
Fire	1,171,018	1,244,127	936,979	307,148
Inspections	114,509	114,509	118,619	(4,110)
Total public safety	<u>6,164,849</u>	<u>6,237,958</u>	<u>6,211,318</u>	<u>26,640</u>
Public works:				
Public works department	2,392,135	2,785,820	2,283,022	502,798
City vehicle maintenance	89,670	89,670	93,141	(3,471)
Sanitation	978,152	978,152	972,592	5,560
Street and roadways	741,662	741,662	499,596	242,066
Total public works	<u>4,201,619</u>	<u>4,595,304</u>	<u>3,848,351</u>	<u>746,953</u>
Culture and recreation:				
Community support	38,000	38,000	52,904	(14,904)
Parks and recreation	577,892	577,892	637,998	(60,106)
Swimming pool	112,006	112,006	91,690	20,316
Library	484,605	484,605	449,671	34,934
Total culture and recreation	<u>1,212,503</u>	<u>1,212,503</u>	<u>1,232,263</u>	<u>(19,760)</u>
Health and welfare:				
Code enforcement and health inspections	282,901	282,901	281,845	1,056
Animal control	307,006	307,006	333,282	(26,276)
Cemetery	76,285	494,285	83,225	411,060
Total health and welfare	<u>666,192</u>	<u>1,084,192</u>	<u>698,352</u>	<u>385,840</u>

CITY OF DONNA, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Capital outlay	-	-	2,842,059	(2,842,059)
Debt Service:				
Principal	82,751	82,751	296,650	(213,899)
Interest and other charges	6,613	6,613	8,171	(1,558)
Total debt service	<u>89,364</u>	<u>89,364</u>	<u>304,821</u>	<u>(215,457)</u>
Total expenditures	<u>15,472,513</u>	<u>16,357,307</u>	<u>18,359,993</u>	<u>(2,002,686)</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURE	(352,158)	(1,236,952)	(3,091,642)	1,854,690
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	34,560	38,400	(3,840)
Proceeds from long term debt	-	-	1,900,000	(1,900,000)
Lease proceeds	-	-	621,942	(621,942)
Other use	245,000	850,234	-	850,234
Transfers in	107,158	-	268,118	(268,118)
Transfers out	-	-	-	-
Total other financing sources and uses	<u>352,158</u>	<u>884,794</u>	<u>2,828,460</u>	<u>(1,943,666)</u>
Net change in fund balances	-	(352,158)	(263,182)	(88,976)
Fund balances - beginning	<u>3,493,688</u>	<u>3,493,688</u>	<u>3,493,688</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,493,688</u>	<u>\$ 3,141,530</u>	<u>\$ 3,230,506</u>	<u>\$ (88,976)</u>

**CITY OF DONNA, TEXAS
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

1. Budgetary Expenditures in Excess of Appropriations

During the year ended September 30, 2024, expenditures exceeded appropriations as follows in the General Fund.

Department	General Fund Excess Of Expenditures Over Appropriation
City council	\$ 373
City manager	9,133
Municipal court	1,637
Information & technology	15,566
City hall	36,047
Non-departmental	86,702
Police	276,398
Inspections	4,110
City vehicle maintenance	3,471
Community support	14,904
Parks and recreation	60,106
Animal control	26,276
	\$ 534,723

City hall – The department ended the fiscal year over budget due to custodial services being higher than budgeted.

Parks and recreation – The department ended the fiscal year over budget due to utility costs being higher than budgeted.

2. Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF DONNA, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

EXHIBIT 5-B

	Plan Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Total pension liability										
Service cost	\$ 1,295,264	\$ 1,279,790	\$1,015,082	\$880,735	\$847,124	\$790,000	\$567,001	\$ 546,200	\$ 352,384	\$208,287
Interest (on the total pension liability)	1,173,281	1,011,928	903,604	814,221	711,120	643,876	529,082	477,136	413,029	334,029
Change in benefit terms	-	-	-	-	-	934,668	-	-	498,676	635,673
Difference between expected and actual experience	623,109	611,044	55,642	(11,289)	152,450	(104,734)	(18,136)	82,844	260,094	183,965
Changes of assumptions	(61,221)	-	-	-	126,333	-	-	-	243,482	-
Benefit payments, including refunds of employee contributions	(580,010)	(460,149)	(543,634)	(309,661)	(343,154)	(379,827)	(467,109)	(226,986)	(168,272)	(168,599)
Net change in total pension liability	2,450,423	2,902,762	1,974,328	1,683,667	1,837,027	2,263,810	1,077,947	1,106,180	1,767,665	1,361,954
Total pension liability - beginning	17,024,312	14,581,699	13,150,965	11,776,959	10,283,086	8,399,103	7,788,265	6,909,071	5,309,678	4,116,323
Total pension liability - ending (a)	\$ 19,474,735	\$ 17,484,461	\$ 15,125,293	\$ 13,460,626	\$ 12,120,113	\$ 10,662,913	\$ 8,866,212	\$ 8,015,251	\$ 7,077,343	\$ 5,478,277
B. Plan fiduciary net position										
Contributions - employer	\$ 999,387	\$ 983,259	\$789,191	\$684,222	\$655,367	\$495,296	\$405,473	\$ 329,520	\$ 197,480	\$76,494
Contributions - employee	641,220	623,419	497,241	431,431	409,239	337,967	284,212	285,881	202,753	177,894
Net Investment Income	1,457,297	(898,711)	1,333,219	664,578	1,075,485	(200,772)	788,860	335,867	6,982	251,448
Benefit payments, including refunds of employee contributions	(580,010)	(460,149)	(543,634)	(309,661)	(343,154)	(379,827)	(467,109)	(226,986)	(168,272)	(168,599)
Administrative expenses	(9,215)	(7,748)	(6,150)	(4,288)	(6,062)	(3,874)	(4,083)	(3,789)	(4,250)	(2,624)
Other	(64)	9,246	42	(167)	(182)	(202)	(207)	(204)	(210)	(216)
Net change in plan fiduciary net position	2,508,615	249,316	2,069,909	1,466,282	1,790,875	248,790	1,007,353	720,493	234,693	334,613
Plan fiduciary net position - beginning	12,515,720	12,266,406	10,196,498	8,730,383	6,939,690	6,691,102	5,683,956	4,963,667	4,729,184	4,394,788
Plan fiduciary net position - ending (b)	\$ 15,024,335	\$ 12,515,722	\$ 12,266,407	\$ 10,196,665	\$ 8,730,565	\$ 6,939,892	\$ 6,691,309	\$ 5,684,160	\$ 4,963,877	\$ 4,729,401
C. Net pension liability - ending (a) - (b)	\$ 4,450,400	\$ 4,968,739	\$ 2,858,886	\$ 3,263,961	\$ 3,389,548	\$ 3,723,021	\$ 2,174,903	\$ 2,331,091	\$ 2,113,466	\$ 748,876
D. Plan fiduciary net position as a percentage of total pension liability	77.11%	73.52%	84.12%	77.53%	74.13%	67.49%	79.66%	72.98%	71.84%	89.07%
E. Covered employee payroll	\$ 9,160,283	\$ 8,905,986	\$7,103,443	\$6,163,299	\$6,082,718	\$5,482,305	\$4,736,848	\$ 4,636,673	\$ 4,055,057	\$3,557,888
F. Net position liability as a percentage of covered employee payroll	48.68%	50.62%	32.59%	47.94%	50.09%	60.99%	36.06%	45.38%	47.97%	16.32%

**CITY OF DONNA, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

EXHIBIT 5-C

	Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contribution	\$1,067,752	\$1,062,317	\$853,691	\$727,398	\$674,856	\$616,810	\$447,760	\$383,354	\$ 160,460	\$160,460
Contributions in relation to the actuarially determined contribution	(1,067,752)	(1,062,317)	(853,691)	(727,398)	(674,856)	(616,810)	(447,760)	(383,354)	(160,460)	(160,460)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	\$ 9,859,474	\$ 9,701,854	\$ 7,725,046	\$ 6,553,876	\$ 6,082,718	\$ 5,825,341	\$ 5,226,060	\$ 4,686,623	\$ 3,899,718	\$ 3,899,718
Contributions as a percentage of covered employee payroll	10.83%	10.95%	11.05%	11.10%	11.09%	10.59%	8.57%	8.18%	4.11%	4.11%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization period	21 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of period 2022.

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates projected on a fully generational basis by the most recent Scale MP-21021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes There were no benefit changes during the year.

CITY OF DONNA, TEXAS
SCHEDULE OF CHANGES IN NET POSITION LIABILITY
AND RELATED RATIOS
FIREMEN'S RELIEF AND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

EXHIBIT 5-D

	Plan Year Ended August 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Total pension liability										
Service cost	\$ 2,855	\$ 3,974	\$ 3,439	\$ 2,661	\$ 4,292	\$ 2,687	\$ 3,012	\$ 3,792	\$ 318	\$ -
Interest (on the total pension liability)	22,158	29,902	25,404	19,017	25,298	15,196	18,719	22,534	1,203	1,224
Changes of benefit terms	3,767	-	5,369	-	6,875	-	5,340	-	-	-
Difference between expected and actual experience	10,234	-	5,506	-	(4,520)	-	(171)	-	1,096	921
Changes of assumptions	108,873	-	(727)	-	(156)	-	-	-	-	-
Benefit payments, including refund of employee contributions	(15,585)	(20,902)	(17,572)	(12,712)	(15,828)	(9,262)	(11,037)	(11,977)	(2,400)	(2,300)
Net change in total pension liability	132,303	12,974	21,419	8,966	15,961	8,621	15,863	14,349	217	(155)
Total pension liability - beginning	418,145	405,170	344,061	257,253	330,052	198,021	244,040	292,959	29,772	29,927
Total pension liability - ending (a)	<u>\$ 550,448</u>	<u>\$ 418,145</u>	<u>\$ 365,480</u>	<u>\$ 266,219</u>	<u>\$ 346,013</u>	<u>\$ 206,642</u>	<u>\$ 259,903</u>	<u>\$ 307,308</u>	<u>\$ 29,989</u>	<u>\$ 29,772</u>
B. Plan fiduciary net position										
Contributions - employer	\$ 9,072	\$ 9,154	\$ 8,948	\$ 652	\$ 8,637	\$ 5,012	\$ 7,747	\$ 11,929	\$ -	\$ -
Contributions - State	2,275	3,094	2,791	2,273	3,057	1,914	2,514	3,770	-	-
Net Investment Income	54,150	16,959	(39,213)	38,132	28,041	1,642	21,383	23,268	2,400	2,500
Benefit payments, including refunds of employee contributions	(15,585)	(20,902)	(17,572)	(12,712)	(15,828)	(9,262)	(11,037)	(11,977)	(2,400)	(2,300)
Administrative expenses	(536)	(858)	(534)	(459)	(737)	(327)	(299)	(439)	-	-
Other	-	-	-	-	-	-	-	-	(250)	-
Net change in plan fiduciary net position	49,377	7,447	(45,580)	27,886	23,170	(1,021)	20,308	26,551	(250)	200
Plan fiduciary net position - beginning	312,091	304,644	320,383	214,143	264,858	166,844	198,676	223,634	1,016	816
Plan fiduciary net position - ending (b)	<u>\$ 361,468</u>	<u>\$ 312,091</u>	<u>\$ 274,803</u>	<u>\$ 242,029</u>	<u>\$ 288,028</u>	<u>\$ 165,823</u>	<u>\$ 218,984</u>	<u>\$ 250,185</u>	<u>\$ 766</u>	<u>\$ 1,016</u>
C. Net pension liability - ending (a) - (b)	<u>\$ 188,980</u>	<u>\$ 106,053</u>	<u>\$ 90,677</u>	<u>\$ 24,190</u>	<u>\$ 57,985</u>	<u>\$ 40,819</u>	<u>\$ 40,919</u>	<u>\$ 57,123</u>	<u>\$ 29,223</u>	<u>\$ 28,756</u>
D. Plan fiduciary net position as a percentage of total pension liability	65.67%	74.64%	75.19%	93.12%	83.24%	80.25%	84.26%	81.41%	2.55%	3.41%
E. Number of Active Members	6	8	7	8	8	8	8	8		
F. System's Net Pension Liability per Active Member	\$31,497	\$12,949	\$12,143	\$2,290	\$6,938	\$7,657	\$5,846	\$5,932		

**CITY OF DONNA, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREMEN'S RELIEF AND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

EXHIBIT 5-E

	Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contribution	\$1,067,752	\$1,062,317	\$853,691	\$727,398	\$674,856	\$616,810	\$447,760	\$383,354	\$ 160,460	\$160,460
Contributions in relation to the actuarially determined contribution	(1,067,752)	(1,062,317)	(853,691)	(727,398)	(674,856)	(616,810)	(447,760)	(383,354)	(160,460)	(160,460)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	\$ 9,859,474	\$ 9,701,854	\$ 7,725,046	\$ 6,553,876	\$ 6,082,718	\$ 5,825,341	\$ 5,226,060	\$ 4,686,623	\$ 3,899,718	\$ 3,899,718
Contributions as a percentage of covered employee payroll	10.83%	10.95%	11.05%	11.10%	11.09%	10.59%	8.57%	8.18%	4.11%	4.11%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level dollar
Remaining Amortization period	30 years
Asset Valuation Method	Market value adjusted for unrecognized gains and losses from prior years
Inflation	3.0%
Salary Increases	N/A
Investment Rate of Return	7.5 percent, net of pension plan investment expense, including inflation
Retirement Age	Experience-based table of rates that vary by age.
Mortality	Experience-based table of rates that vary by age.

**CITY OF DONNA, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for resources legally restricted to expend for specific purposes. A special revenue fund continues in existence as long as governmental resources are allocated to its specific purposes. Included in the Special Revenue Funds are:

Hotel Occupancy Tax Fund accounts for the accumulation of resources from the Hotel Occupancy Tax levied by the City. These monies are to be spent to promote the progress, development and growth of tourism development of the City within the guidelines set forth on disposition of revenues collected under the authority of the Texas Hotel Occupancy Tax Act. The City ordinance levying this tax provides that these monies are to be spent for activities and/or facilities that will attract nonpermanent visitors to the City.

Fire Equipment Service Fee Fund accounts for the accumulation of resources from the City Ordinance establishing and fixing a monthly charge to defray costs for the acquisition of firefighting equipment.

Texas Confiscated Forfeitures Fund accounts for monies obtained through forfeited “contraband” provisions pursuant to Chapter 59 of the Texas Code of Criminal Procedure. The City’s share of adjudicated forfeitures are to be used solely for law enforcement purposes as provided by Article 59.06 of the Code.

American Rescue Plan Act Fund accounts for the infusion of resources to the City to help reverse the negative impacts of the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Tax Note Equipment Fund is used to account for the proceeds of tax notes issued for the purchase of various equipment.

Parks Improvement Fee Fund accounts for fees collected under the City ordinance establishing and fixing a charge for the purpose of improvements to City parks.

Urban County CDBG Program Fund accounts for funds received from the federal government by Hidalgo County and administered by Hidalgo County on behalf of the City.

Wastewater Impact Fee Fund accounts for a fee charged to new development of offset increase demand on existing water and wastewater system.

Tax Increment Reinvestment Zone One (TIRZ #1) is a reinvestment zone created by the City pursuant to Chapter 311 of the Texas Tax Code to provide property.

CAPITAL PROJECTS FUNDS

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those by financed proprietary funds and trust funds. The City has the following capital projects funds:

GLO System Improvements Fund is used to account for the \$1,000,000 grant received from the General Land Office specifically for rehabilitating our city lift stations.

PPFCO Series 2022 CAP Fund – This fund accounts for resources for the acquisition and/or construction of major facilities and/or assets.

Water and Wastewater Impact Fee – is used to account for the proceeds of water and wastewater impact fees.

**CITY OF DONNA, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

EXHIBIT 6-A

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 568,934	\$ 4,911,228	\$ 5,480,162
Receivables, net			
Accounts	30,755	60,550	91,305
Intergovernmental	-	24,600	24,600
Due from other funds	88,300	-	88,300
Total assets	\$ 687,989	\$ 4,996,378	\$ 5,684,367
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 621	\$ 128,705	\$ 129,326
Accrued liabilities	2,234	-	2,234
Due to other funds	68,175	366,929	435,104
Unearned revenues	319,926	-	319,926
Total liabilities	390,956	495,634	886,590
 Fund balances:			
Restricted for:			
Tourism	22,919	-	22,919
Fire equipment debt service	195,021	-	195,021
Law enforcement	54,862	-	54,862
Park improvements	20,085	-	20,085
Capital projects	-	4,500,744	4,500,744
Unassigned	4,146	-	4,146
Total fund balances	297,033	4,500,744	4,797,777
Total liabilities and fund balances	\$ 687,989	\$ 4,996,378	\$ 5,684,367

**CITY OF DONNA, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

EXHIBIT 6-B

	<u>Nonmajor Special Revenue</u>	<u>Nonmajor Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Property taxes	\$ 124,361	\$ -	\$ 124,361
Fees and fines	229,997	-	229,997
Licenses and permits	90,777	-	90,777
Charges for services	650,283	153,750	804,033
Investment earnings	30,371	-	30,371
Miscellaneous	2,140	186,726	188,866
Total revenues	<u>1,127,929</u>	<u>340,476</u>	<u>1,468,405</u>
EXPENDITURES			
Current:			
General government	102,689	-	102,689
Public safety	7,500	-	7,500
Highways and roads	62,449	-	62,449
Health and sanitation	-	97,462	97,462
Education	122,847	-	122,847
Capital Outlay	634,732	1,638,082	2,272,814
Debt Service			
Interest and other charges	-	129,029	129,029
Total expenditures	<u>930,217</u>	<u>1,864,573</u>	<u>2,794,790</u>
Excess (deficiency) of revenues over expenditures	<u>197,712</u>	<u>(1,524,097)</u>	<u>(1,326,385)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	432	-	432
Proceeds from long term debt	-	5,133,298	5,133,298
Transfers out	(63,135)	(2,231,056)	(2,294,191)
Total other financing sources and uses	<u>(62,703)</u>	<u>2,902,242</u>	<u>2,839,539</u>
Net change in fund balances	135,009	1,378,145	1,513,154
Fund balances - previously presented	162,024	-	162,024
Change within the financial reporting entity (major to non major fund)	-	3,122,599	3,122,599
Fund balances - ending, as adjusted	<u>\$ 297,033</u>	<u>\$ 4,500,744</u>	<u>\$ 4,797,777</u>

**CITY OF DONNA, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2024**

EXHIBIT 6-C

	<u>Hotel Occupancy Tax</u>	<u>Fire Equipment Service Fee</u>	<u>Texas Confiscated Forfeitures</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Water and Waste Impact Fee</u>	<u>Parks Improvement Fee</u>	<u>Tax Increment Reinvestment Zone One</u>	<u>Total Nonmajor Special Revenue Funds</u>
ASSETS								
Cash and investments	\$ 35,464	\$ 96,510	\$ 92,303	\$ 319,926	\$ 4,280	\$ 20,085	\$ 366	\$ 568,934
Receivables, net								
Accounts	20,114	10,641	-	-	-	-	-	30,755
Due from other funds	-	88,300	-	-	-	-	-	88,300
Total assets	<u>\$ 55,578</u>	<u>\$ 195,451</u>	<u>\$ 92,303</u>	<u>\$ 319,926</u>	<u>\$ 4,280</u>	<u>\$ 20,085</u>	<u>\$ 366</u>	<u>\$ 687,989</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	191	430	-	-	-	-	-	621
Accrued liabilities	2,234	-	-	-	-	-	-	2,234
Due to other funds	30,234	-	37,441	-	500	-	-	68,175
Unearned revenues	-	-	-	319,926	-	-	-	319,926
Total liabilities	<u>32,659</u>	<u>430</u>	<u>37,441</u>	<u>319,926</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>390,956</u>
Fund balances:								
Restricted for:								
Tourism	22,919	-	-	-	-	-	-	22,919
Fire equipment debt service	-	195,021	-	-	-	-	-	195,021
Law enforcement	-	-	54,862	-	-	-	-	54,862
Park improvements	-	-	-	-	-	20,085	-	20,085
Unassigned	-	-	-	-	3,780	-	366	4,146
Total fund balances	<u>22,919</u>	<u>195,021</u>	<u>54,862</u>	<u>-</u>	<u>3,780</u>	<u>20,085</u>	<u>366</u>	<u>297,033</u>
Total liabilities and fund balances	<u>\$ 55,578</u>	<u>\$ 195,451</u>	<u>\$ 92,303</u>	<u>\$ 319,926</u>	<u>\$ 4,280</u>	<u>\$ 20,085</u>	<u>\$ 366</u>	<u>\$ 687,989</u>

**CITY OF DONNA, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

EXHIBIT 6-D

	Hotel Occupancy Tax	Fire Equipment Service Fee	Texas Confiscated Forfeitures	American Rescue Plan Act (ARPA)	Water and Waste Impact Fee	Parks Improvement Fee	Tax Increment Reinvestment Zone One	Total Nonmajor Special Revenue Funds
REVENUES								
Property taxes	\$ 124,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,361
Charges for services	254	163,793	-	-	3,800	62,150	-	229,997
Fines and forfeitures	-	-	90,777	-	-	-	-	90,777
Intergovernmental revenue	10,833	-	-	639,450	-	-	-	650,283
Miscellaneous income	371	30,000	-	-	-	-	-	30,371
Interest and investment income	76	2,024	39	-	-	-	1	2,140
Total revenues	<u>135,895</u>	<u>195,817</u>	<u>90,816</u>	<u>639,450</u>	<u>3,800</u>	<u>62,150</u>	<u>1</u>	<u>1,127,929</u>
EXPENDITURES								
Current:								
General government	97,597	-	-	-	-	92	5,000	102,689
Tourism	7,500	-	-	-	-	-	-	7,500
Public safety	4,214	35,255	22,980	-	-	-	-	62,449
Culture and recreation	-	-	-	4,718	-	118,129	-	122,847
Capital Outlay	-	-	-	634,732	-	-	-	634,732
Total expenditures	<u>109,311</u>	<u>35,255</u>	<u>22,980</u>	<u>639,450</u>	<u>-</u>	<u>118,221</u>	<u>5,000</u>	<u>930,217</u>
Excess (deficiency) of revenues over expenditures	26,584	160,562	67,836	-	3,800	(56,071)	(4,999)	197,712
OTHER FINANCING SOURCES (USES)								
Sale of capital assets	-	-	432	-	-	-	-	432
Transfers out	-	(63,135)	-	-	-	-	-	(63,135)
Total other financing sources and uses	<u>-</u>	<u>(63,135)</u>	<u>432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62,703)</u>
Net change in fund balances	26,584	97,427	68,268	-	3,800	(56,071)	(4,999)	135,009
Fund balances - beginning	(3,665)	97,594	(13,406)	-	(20)	76,156	5,365	162,024
Fund balances - ending	<u>\$ 22,919</u>	<u>\$ 195,021</u>	<u>\$ 54,862</u>	<u>\$ -</u>	<u>\$ 3,780</u>	<u>\$ 20,085</u>	<u>\$ 366</u>	<u>\$ 297,033</u>

**CITY OF DONNA, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2024**

EXHIBIT 6-E

	GLO System Improvements	PPFCO Series 2022 CAP	Water Wastewater Impact Fee	Total Nonmajor Capital Projects Funds
ASSETS				
Cash and investments	\$ 500	\$ 1,045,630	\$ 3,865,098	\$ 4,911,228
Receivables, net				
Accounts	-	-	60,550	60,550
Intergovernmental	24,600	-	-	24,600
Total assets	\$ 25,100	\$ 1,045,630	\$ 3,925,648	\$ 4,996,378
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 24,600	\$ 104,105	\$ -	\$ 128,705
Due to other funds	500	-	366,429	366,929
Total liabilities	25,100	104,105	366,429	495,634
 Fund balances:				
Restricted for:				
Capital projects	-	941,525	3,559,219	4,500,744
Total fund balances	-	941,525	3,559,219	4,500,744
Total liabilities and fund balances	\$ 25,100	\$ 1,045,630	\$ 3,925,648	\$ 4,996,378

**CITY OF DONNA, TEXAS
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

EXHIBIT-6F

	<u>GLO System Improvements</u>	<u>PPFCO Series 2022 CAP</u>	<u>Water Wastewater Impact Fee</u>	<u>Total Nonmajor Capital Projects Funds</u>
REVENUES				
Intergovernmental revenue	\$ 93,200	\$ -	\$ 60,550	\$ 153,750
Interest and investment income	-	116,571	70,155	186,726
Total revenues	<u>93,200</u>	<u>116,571</u>	<u>130,705</u>	<u>340,476</u>
EXPENDITURES				
Current:				
Public works	93,200	-	4,262	97,462
Capital Outlay	-	64,388	1,573,694	1,638,082
Debt Service				
Interest and other charges	-	-	129,029	129,029
Total expenditures	<u>93,200</u>	<u>64,388</u>	<u>1,706,985</u>	<u>1,864,573</u>
Excess (deficiency) of revenues over expenditures	-	52,183	(1,576,280)	(1,524,097)
OTHER FINANCING SOURCES (USES)				
Proceeds from long term debt	-	-	5,133,298	5,133,298
Transfers out	-	(2,233,257)	2,201	(2,231,056)
Total other financing sources and uses	<u>-</u>	<u>(2,233,257)</u>	<u>5,135,499</u>	<u>2,902,242</u>
Net change in fund balances	-	(2,181,074)	3,559,219	1,378,145
Fund balances - previously presented	-	-	-	-
Change within the financial reporting entity (major to non major fund)	-	3,122,599	-	3,122,599
Fund balances - ending, as adjusted	<u>\$ -</u>	<u>\$ 941,525</u>	<u>\$ 3,559,219</u>	<u>\$ 4,500,744</u>

**CITY OF DONNA, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

EXHIBIT 7-A

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 1,508,775	\$ 1,508,775	\$ 1,471,937	\$ (36,838)
Interest and investment income	30,946	30,946	62,420	31,474
Total revenues	1,539,721	1,539,721	1,534,357	(5,364)
EXPENDITURES				
Debt Service:				
Principal	527,400	527,400	527,400	-
Interest and other charges	1,276,736	1,276,736	1,282,251	(5,515)
Total debt service	1,804,136	1,804,136	1,809,651	(5,515)
Total expenditures	1,804,136	1,804,136	1,809,651	(5,515)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURE	(264,415)	(264,415)	(275,294)	10,879
OTHER FINANCING SOURCES (USES)				
Transfers in	315,675	315,675	315,677	(2)
Total other financing sources and uses	315,675	315,675	315,677	(2)
Net change in fund balances	51,260	51,260	40,383	10,877
Fund balances - beginning	1,817,183	1,817,183	1,817,183	-
Fund balances - ending	\$ 1,868,443	\$ 1,868,443	\$ 1,857,566	\$ 10,877

**CITY OF DONNA, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

The Continuing Financial Disclosure Tables portion of the Statistical section presents various financial data originally in debt official statements. The City is required to update the financial tables originally distributed in debt official statements. The financial tables that follow are updated through September 30, 2024. The financial information is also sent to the Electronic Municipal Market Access (EMMA) website, the official repository for information on municipal bonds.

**CITY OF DONNA, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 1

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities				
Net investments in capital assets	\$ 24,886,384	\$ 25,485,725	\$ 4,223,363	\$ 7,276,162
Restricted	5,481,325	5,720,759	3,197,909	3,184,403
Unrestricted	839,100	1,680,992	3,310,863	457,033
Total governmental activities net position	<u>31,206,809</u>	<u>32,887,476</u>	<u>10,732,135</u>	<u>10,917,598</u>
Business-type activities				
Net investments in capital assets	36,392,353	34,591,149	34,591,149	39,229,693
Restricted	3,143,902	9,674,905	9,671,905	2,219,457
Unrestricted	<u>(8,600,817)</u>	<u>(16,939,208)</u>	<u>(24,196,514)</u>	<u>(24,255,971)</u>
Total business-type activities net position	<u>30,935,438</u>	<u>27,326,846</u>	<u>20,066,540</u>	<u>17,193,179</u>
Primary government				
Net investments in capital assets	61,278,737	60,076,874	38,814,512	46,505,855
Restricted	8,625,227	15,395,664	12,869,814	5,403,860
Unrestricted (deficit)	<u>(7,761,716)</u>	<u>(15,258,216)</u>	<u>(20,885,651)</u>	<u>(23,798,938)</u>
Total primary government activities net position	<u>\$ 62,142,247</u>	<u>\$ 60,214,322</u>	<u>\$ 30,798,675</u>	<u>\$ 28,110,777</u>

TABLE 1
(continued)

2019	2020	2021	2022	2023	2024
\$ 6,993,089	\$ 5,817,612	\$ 7,473,275	\$ (23,404,679)	\$ (23,025,496)	\$ (23,243,917)
266,867	2,574,074	165,887	6,973,124	32,278,089	31,024,707
1,824,364	2,668,478	5,357,321	3,844,375	2,533,127	3,544,729
<u>9,084,320</u>	<u>11,060,164</u>	<u>12,996,483</u>	<u>(12,587,180)</u>	<u>11,785,720</u>	<u>11,325,519</u>
44,354,918	44,354,918	18,223,937	18,223,937	18,223,937	36,828,188
1,836,197	1,836,197	-	-	-	-
<u>(31,165,371)</u>	<u>(31,764,959)</u>	<u>(5,031,690)</u>	<u>14,253,414</u>	<u>14,128,367</u>	<u>(2,781,524)</u>
<u>15,025,744</u>	<u>14,426,156</u>	<u>13,192,247</u>	<u>32,477,351</u>	<u>32,352,304</u>	<u>34,046,664</u>
51,348,007	50,172,530	25,697,212	(5,180,742)	(4,801,559)	13,584,271
2,103,064	4,410,271	165,887	6,973,124	32,278,089	31,024,707
<u>(29,341,007)</u>	<u>(29,096,481)</u>	<u>325,631</u>	<u>18,097,789</u>	<u>16,661,494</u>	<u>763,205</u>
<u>\$ 24,110,064</u>	<u>\$ 25,486,320</u>	<u>\$ 26,188,730</u>	<u>\$ 19,890,171</u>	<u>\$ 44,138,024</u>	<u>\$ 45,372,183</u>

**CITY OF DONNA, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 2

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
EXPENSES				
Governmental activities				
General government	\$ 2,423,156	\$ 2,973,410	\$ 2,396,171	\$ 2,655,049
Public Safety	2,675,445	2,936,275	3,521,271	3,534,571
Public Works	2,276,526	2,202,414	2,318,032	3,624,035
Health and welfare	231,283	279,247	1,182,640	796,618
Culture and recreation	723,354	840,311	353,023	365,175
Economic development	9,000	632,000	-	-
Tourism development	231,556	207,043	-	-
Interest and Fiscal Agent Fees	117,228	1,189,004	1,885,115	1,630,176
Debt Issue cost	-	-	-	-
Total governmental activities expenses	<u>8,687,548</u>	<u>11,259,703</u>	<u>11,656,252</u>	<u>12,605,624</u>
Business-type activities				
Water and sewer	5,806,462	5,764,408	9,351,572	6,583,271
International Bridge	4,488,981	3,589,093	2,724,840	1,996,385
Brush Collection	-	-	-	-
Total business-type activities	<u>10,295,443</u>	<u>9,353,501</u>	<u>12,076,411</u>	<u>8,579,657</u>
Total primary government expenses	<u>\$ 18,982,991</u>	<u>\$ 20,613,204</u>	<u>\$ 23,732,663</u>	<u>\$ 21,185,281</u>
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 1,065,606	\$ 867,737	\$ 2,005,593	\$ 2,306,326
Public Safety	346,296	308,271	92,712	152,941
Public Works	1,020,698	1,023,099	248,615	248,615
Culture and recreation	60,321	44,927	14,983	68,645
Health and welfare	52,586	56,099	-	-
Economic development	-	-	-	-
Interest on Long Term Debt	254,763	255,756	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>2,800,271</u>	<u>2,555,889</u>	<u>2,361,902</u>	<u>2,776,527</u>
Business-type activities				
Charges for services				
Water and sewer	5,045,190	5,054,315	5,237,910	4,608,339
International Bridge	1,734,996	1,980,468	2,205,195	2,414,556
Brush Collections	-	-	-	-
Operating grants and contributions	-	753,684	-	-
Capital grants and contributions	432,157	-	59,552	-
Total business-type activities program revenues	<u>7,212,344</u>	<u>7,788,466</u>	<u>7,502,657</u>	<u>7,022,895</u>
Total primary government program revenues	<u>\$ 10,012,615</u>	<u>\$ 10,344,355</u>	<u>\$ 9,864,559</u>	<u>\$ 9,799,422</u>

TABLE 2
(continued)

2019	2020	2021	2022	2023	2024
\$ 2,688,139	\$ 3,225,235	\$ 2,567,053	\$ 5,430,882	\$ 5,481,856	\$ 3,349,289
4,247,051	4,083,960	4,309,957	5,168,342	6,064,098	6,514,964
3,747,715	3,910,665	4,003,988	4,137,370	4,829,356	4,519,947
1,015,067	532,138	783,442	446,345	637,009	775,921
396,328	329,714	431,480	983,925	1,482,248	1,411,730
-	-	-	-	-	-
-	302,008	178,588	622,233	7,965	7,500
272,612	263,091	255,087	910,600	1,233,322	1,051,569
-	-	-	-	733,890	129,029
<u>12,366,912</u>	<u>12,646,811</u>	<u>12,529,595</u>	<u>17,699,697</u>	<u>20,469,744</u>	<u>17,759,949</u>
6,863,105	6,842,476	7,014,916	7,728,362	8,646,598	8,594,537
3,373,337	3,351,392	3,311,948	8,571,236	2,720,746	2,426,935
-	-	2,010	141,192	388,473	455,647
<u>10,236,442</u>	<u>10,193,868</u>	<u>10,328,874</u>	<u>16,440,790</u>	<u>11,755,817</u>	<u>11,477,119</u>
<u>\$ 22,603,354</u>	<u>\$ 22,840,679</u>	<u>\$ 22,858,469</u>	<u>\$ 34,140,487</u>	<u>\$ 32,225,561</u>	<u>\$ 29,237,068</u>
\$ 2,479,445	\$ 2,688,968	\$ 3,512,675	\$ 3,241,762	\$ 3,504,910	\$ 1,391,895
134,825	237,600	-	-	-	754,892
247,203	-	-	-	-	909,383
14,937	14,959	-	-	-	139,111
-	-	-	-	-	293,035
-	-	-	-	-	254
-	-	-	-	-	-
-	1,566,252	840,339	2,631,564.00	1,605,610	1,686,789
-	-	-	-	-	-
<u>2,876,410</u>	<u>4,507,778</u>	<u>4,353,014</u>	<u>5,873,326</u>	<u>5,110,520</u>	<u>5,175,359</u>
4,655,536	4,880,132	5,864,531	6,693,058	7,067,121	6,903,882
2,323,632	1,601,587	1,600,760	2,347,337	2,949,659	3,330,876
-	-	26,573	398,214	327,537	462,022
-	-	4,787	-	-	-
10,714	-	-	-	-	-
<u>6,989,882</u>	<u>6,481,719</u>	<u>7,496,651</u>	<u>9,438,609</u>	<u>10,344,317</u>	<u>10,696,780</u>
<u>\$ 9,866,292</u>	<u>\$ 10,989,497</u>	<u>\$ 11,849,665</u>	<u>\$ 15,311,935</u>	<u>\$ 15,454,837</u>	<u>\$ 15,872,139</u>

TABLE 2
(continued)

	<u>2015</u>	<u>2015</u>	<u>2017</u>	<u>2018</u>
NET (EXPENSES)/PROGRAM REVENUES				
Governmental activities	\$ (5,887,277)	\$ (8,703,814)	\$ (9,294,350)	\$ (9,829,097)
Business-type activities	<u>(3,083,099)</u>	<u>(1,565,035)</u>	<u>(4,573,754)</u>	<u>(1,556,762)</u>
Total primary government net expenses	<u>\$ (8,970,376)</u>	<u>\$ (10,268,849)</u>	<u>\$ (13,868,104)</u>	<u>\$ (11,385,859)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
GOVERNMENTAL ACTIVITIES				
Taxes				
Property taxes	\$ 5,574,392	\$ 5,338,779	\$ 5,215,690	\$ 5,177,715
Sales taxes	1,252,446	1,415,593	1,461,161	1,677,546
Franchise taxes	775,496	908,670	917,579	917,579
Hotel occupancy tax	119,071	139,300	140,980	118,465
Investment earnings	3,994	12,338	60,419	93,633
Contributions	-	-	-	-
Miscellaneous	87,101	192,322	43,365	122,679
Special item	-	-	-	-
Transfers	(1,610,089)	2,377,478	721,780	1,906,943
Transfers from component unit	-	-	-	-
Total governmental activities	<u>6,202,410</u>	<u>10,384,479</u>	<u>8,560,974</u>	<u>10,014,561</u>
Business type activities				
Investment earnings	21,157	53,921	71,515	42,557
Contributions	-	-	-	-
Miscellaneous	26,589	-	19,469	268,421
Special items	-	-	-	-
Transfers	<u>1,610,089</u>	<u>(2,097,479)</u>	<u>(2,638,566)</u>	<u>(1,627,578)</u>
Total business -type activities	<u>1,657,835</u>	<u>(2,043,558)</u>	<u>(2,547,582)</u>	<u>(1,316,600)</u>
Total primary government	<u>\$ 7,860,245</u>	<u>\$ 8,340,921</u>	<u>\$ 6,013,392</u>	<u>\$ 8,697,960</u>
CHANGES IN NET POSITION				
Governmental activities	\$ 315,133	\$ 1,680,665	\$ (733,376)	\$ 185,464
Business- type activities	<u>(1,425,264)</u>	<u>(3,608,593)</u>	<u>(7,121,336)</u>	<u>(2,873,362)</u>
Total primary government	<u>\$ (1,110,132)</u>	<u>\$ (1,927,928)</u>	<u>\$ (7,854,713)</u>	<u>\$ (2,687,898)</u>

TABLE 2
(continued)

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2023</u>
\$ (9,490,502)	\$ (8,139,033)	\$ (8,176,581)	\$ (11,826,371)	\$ (15,359,224)	\$ (12,584,590)
(3,246,560)	(3,712,149)	(2,832,223)	(7,002,181)	(1,411,500)	(780,339)
<u>\$ (12,737,062)</u>	<u>\$ (11,851,182)</u>	<u>\$ (11,008,804)</u>	<u>\$ (18,828,552)</u>	<u>\$ (16,770,724)</u>	<u>\$ (13,364,929)</u>
\$ 5,281,998	\$ 5,450,826	\$ 6,217,376	\$ 6,448,669	\$ 6,868,018	\$ 7,195,738
1,812,547	2,125,248	2,545,393	3,790,287	4,330,777	2,960,179
961,712	970,218	970,218	970,218	970,218	1,900,167
132,860	109,589	141,802	133,783	127,602	124,361
100,619	71,840	67,277	56,510	587,465	1,699,201
-	-	-	-	333,180	103,516
43,706	52,561	1,043,666	74,449	256,620	63,579
-	-	-	(26,994,187)	-	-
(126,495)	2,386,995	(704,334)	1,763,018	(903,641)	(2,123,898)
-	-	-	-	27,814,101	252,542
<u>8,206,948</u>	<u>11,167,277</u>	<u>10,281,398</u>	<u>(13,757,253)</u>	<u>40,384,340</u>	<u>12,175,385</u>
58,656	-	1,291	9,280	23,615	48,409
-	-	-	-	286,086	50,000
752,640	6,100	144,986	227,126	224,971	252,392
-	4,304,373	-	27,223,511	903,641	0
266,495	(2,246,997)	958,001	(1,380,938)	-	2,123,898
<u>1,077,791</u>	<u>2,063,476</u>	<u>1,104,278</u>	<u>26,078,979</u>	<u>1,438,313</u>	<u>2,474,699</u>
<u>\$ 9,284,739</u>	<u>\$ 13,230,753</u>	<u>\$ 11,385,676</u>	<u>\$ 12,321,726</u>	<u>\$ 41,822,653</u>	<u>\$ 14,650,084</u>
\$ (1,283,555)	\$ 3,028,244	\$ 2,104,817	\$ (25,583,624)	\$ 25,025,116	\$ (409,205)
(2,168,769)	(1,648,673)	(1,727,947)	19,076,796	26,811	1,694,360
<u>\$ (3,452,324)</u>	<u>\$ 1,379,571</u>	<u>\$ 376,870</u>	<u>\$ (6,506,828)</u>	<u>\$ 25,051,927</u>	<u>\$ 1,285,155</u>

CITY OF DONNA, TEXAS
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

TABLE 3

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues				
Property taxes	\$ 7,885,911	\$ 7,854,097	\$ 7,754,697	\$ 7,945,925
Nonproperty taxes	-	-	-	-
Charges for Services	1,427,198	1,717,025	1,757,255	1,927,564
Fines and Forfeitures	137,876	197,220	112,585	189,504
Licenses and Permits	134,150	123,668	132,297	186,350
Intergovernmental	1,055,328	462,983	359,766	473,109
Miscellaneous income	137,820	170,719	60,419	93,547
Investment Earnings	3,994	12,338	39,680	93,633
Total revenues	<u>10,782,277</u>	<u>10,538,050</u>	<u>10,216,699</u>	<u>10,909,633</u>
Expenditures				
General Government	2,542,486	2,093,850	2,358,471	2,617,688
Tourism	231,556	532,522	-	-
Public Safety	2,800,668	3,028,591	3,346,955	3,311,500
Public Works	2,151,430	2,033,080	1,984,262	3,211,853
Health and Welfare	250,941	279,247	1,179,068	788,046
Culture and Recreation	785,679	808,693	284,427	288,628
Capital Outlay	2,624,627	2,318,183	3,470,039	3,230,235
Debt Service:				
Principal	473,227	552,616	302,161	521,138
Interest	272,411	1,160,861	1,755,084	1,664,416
Issuance charges	-	-	134,509	-
Total Expenditures	<u>12,133,024</u>	<u>12,807,642</u>	<u>14,814,974</u>	<u>15,633,504</u>
Excess of revenues over (under) expenditures	(1,350,747)	(2,269,592)	(4,598,275)	(4,723,871)
Other Financing Sources (Uses)				
Transfers in	256,393	3,296,932	1,939,643	2,159,935
Transfers out	(1,866,483)	(919,454)	(1,217,863)	(252,992)
Bond proceeds	4,875,401	-	1,988,781	-
Lease/Loan proceeds	760,000	-	-	105,986
Transfer (out) to component unit/primary government	-	-	-	-
Sale of Capital Assets	-	-	-	-
Other	-	-	3,685	24,527
Total other financing sources (uses)	<u>4,025,312</u>	<u>2,377,478</u>	<u>2,714,246</u>	<u>2,037,456</u>
Net change in fund balances	<u>\$ 2,674,564</u>	<u>\$ 107,886</u>	<u>\$ (1,884,029)</u>	<u>\$ (2,686,415)</u>
Debt service as a percentage of noncapital expenditures	8.04%	17.21%	18.35%	17.62%

TABLE 3
(continued)

2019	2020	2021	2022	2023	2024
\$ 7,393,901	\$ 8,859,342	\$ 9,681,315	\$ 9,776,475	\$ 6,824,947	\$ 7,236,482
-	-	-	-	5,294,302	5,286,377
2,030,994	2,364,805	3,058,420	2,650,965	3,079,797	2,984,559
179,470	182,195	152,661	120,608	164,656	211,956
141,632	141,968	301,594	314,176	260,457	292,055
154,000	1,818,811	840,339	598,973	1,605,610	1,760,305
90,016	50,483	989,322	15,976	256,620	120,388
26,083	71,840	67,277	47,891	587,465	1,660,369
<u>10,016,096</u>	<u>13,489,445</u>	<u>15,090,928</u>	<u>13,525,064</u>	<u>18,073,854</u>	<u>19,552,491</u>
2,441,057	3,183,944	2,521,446	2,760,465	4,257,873	3,325,518
-	302,008	178,588	-	7,965	7,500
3,449,858	3,729,219	4,034,189	4,992,787	5,615,610	6,273,767
2,981,093	3,367,448	3,477,852	3,678,667	4,143,300	3,945,813
296,213	521,686	769,536	445,648	612,153	698,352
794,612	254,318	354,808	922,312	1,388,558	1,355,110
681,253	594,911	1,937,755	170,387	1,666,022	5,114,873
200,658	704,646	796,429	558,722	795,662	824,050
37,810	284,873	276,305	28,209	1,316,323	1,419,451
-	-	-	-	733,890	-
<u>10,882,554</u>	<u>12,943,053</u>	<u>14,346,908</u>	<u>13,557,197</u>	<u>20,537,356</u>	<u>22,964,434</u>
(866,458)	546,392	744,020	(32,133)	(2,463,502)	(3,411,943)
-	3,125,431	317,030	403,857	62,615	422,835
-	(738,436)	(1,021,364)	(25,219)	(62,615)	(2,294,191)
-	-	-	-	29,360,000	7,033,298
579,157	452,291	194,824	-	-	621,942
-	-	-	-	(2,449,540)	-
-	-	-	-	10,758	38,832
11,725	4,830	86,305	16,276	-	-
<u>590,882</u>	<u>2,844,116</u>	<u>(423,205)</u>	<u>394,914</u>	<u>26,921,218</u>	<u>5,822,716</u>
<u>\$ (275,576)</u>	<u>\$ 3,390,508</u>	<u>\$ 320,815</u>	<u>\$ 362,781</u>	<u>\$ 24,457,716</u>	<u>\$ 2,410,773</u>
2.34%	8.21%	8.77%	4.38%	11.65%	12.57%

CITY OF DONNA, TEXAS
FUND BALANCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

TABLE 4

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund				
Restricted:				
Nonspendable	\$ 170,460	\$ 4,285	\$ 31,352	\$ 61,733
Unassigned	2,636,498	2,590,168	2,692,718	2,717,629
Total General Fund	<u>2,806,958</u>	<u>2,594,453</u>	<u>2,724,070</u>	<u>2,779,362</u>
All Other Governmental Funds				
Restricted reported in special revenue funds	-	-	-	-
Unassigned reported in special revenue funds	-	-	-	-
Restricted, reported in debt service fund	2,765,496	3,179,016	413,305	(11,169)
Restricted, reported in capital project funds	2,157,526	2,064,395	2,816,460	499,226
Total all other governmental funds	<u>\$4,923,022</u>	<u>\$5,243,411</u>	<u>\$3,229,765</u>	<u>\$ 488,057</u>

Note: The City implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions" fiscal year 2011.

TABLE 4
(continued)

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 19,392	\$ 12,405	\$ 16,146	\$ 30,571	\$ 21,372	\$ 46,640
2,484,394	3,529,814	4,030,591	4,378,947	3,472,315	3,183,866
<u>2,503,786</u>	<u>3,542,219</u>	<u>4,046,737</u>	<u>4,409,518</u>	<u>3,493,687</u>	<u>3,230,506</u>
-	-	-	-	156,679	292,887
(44,867)	7,767	7,767	171,767	5,345	4,146
2,577,379	2,371,081	2,481,331	1,723,086	1,817,182	1,857,566
(2,278,891)	234,615	2,848	5,248,491	30,393,665	33,053,188
<u>\$ 253,621</u>	<u>\$2,613,463</u>	<u>\$2,491,946</u>	<u>\$7,143,344</u>	<u>\$32,372,871</u>	<u>\$35,207,787</u>

**CITY OF DONNA, TEXAS
GOVERNMENT WIDE EXPENSES BY FUNCTION
FISCAL YEAR ENDED
(Unaudited)**

TABLE 5

Fiscal Year	General Government	Public Safety	Public Works	Health and Welfare	Culture and Recreation	Economic Development	Tourism
2015	2,423,156	2,675,445	2,276,526	231,283	723,354	9,000	231,556
2016	2,973,410	2,936,275	2,202,414	279,247	840,311	632,000	207,043
2017	2,396,171	3,521,271	2,318,032	1,182,640	353,023	-	-
2018	2,655,049	3,534,571	3,624,035	796,618	365,175	1,616,096	-
2019	2,688,139	4,247,051	3,747,715	1,015,067	396,328	1,044,613	-
2020	3,225,235	4,083,960	3,910,665	532,138	329,714	-	302,008
2021	2,567,053	4,309,957	4,003,988	783,442	431,480	-	178,588
2022	5,430,882	5,168,342	4,137,370	446,345	983,925	-	8,675
2023	5,481,856	6,064,098	4,829,356	637,009	1,482,248	-	7,965
2024	3,349,286	6,514,964	4,519,947	775,921	1,411,730	-	7,500

Source: Audit Exhibit 1-B

**TABLE 5
(continued)**

Interest & Fiscal Agent Fees	Debt Issuance Cost	Water and Sewer	City International Bridge Fund	Brush Collections	Totals
117,228	-	5,806,462	4,488,981	-	18,982,991
1,189,004	-	5,764,408	3,589,093	-	20,613,205
1,885,115	-	9,351,572	2,724,840	-	23,732,663
1,630,176	-	6,583,271	1,996,385	-	22,801,376
272,612	-	6,863,105	3,373,337	-	23,647,967
263,091	-	6,842,476	3,351,392	-	22,840,679
255,087	-	7,014,916	3,311,948	2,010	22,858,469
1,524,158	-	7,728,362	8,571,236	141,192	34,140,487
1,233,322	733,890	8,646,598	2,720,746	388,473	32,225,562
1,051,569	129,029	8,594,537	2,426,935	455,647	29,237,068

**CITY OF DONNA, TEXAS
GOVERNMENT WIDE REVENUES
FISCAL YEAR ENDED
(Unaudited)**

TABLE 6

Fiscal Year	Program Revenues			General Revenues					Totals
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Interest	Contributions	Miscellaneous	Transfers	
2015	9,155,567	424,890	432,157	7,721,405	25,151	-	113,690	-	17,872,860
2016	9,120,940	469,733	753,684	7,802,342	66,258	-	192,322	-	18,405,279
2017	9,445,242	359,766	59,552	7,735,410	131,934	-	62,834	-	17,794,738
2018	9,245,658	473,109	80,655	7,891,305	136,190	-	670,465	-	18,497,382
2019	9,458,613	396,965	10,714	8,189,117	100,619	-	43,706	-	18,199,734
2020	9,170,687	1,818,811	-	8,655,881	77,940	-	4,356,934	139,998	24,220,251
2021	11,004,539	845,126	-	9,874,789	68,568	-	1,188,652	253,667	23,235,341
2022	12,680,371	2,631,564	-	11,209,174	65,790	-	301,575	382,080	27,270,554
2023	13,849,227	1,605,610	-	12,169,013	611,080	619,266	481,591	27,814,101	57,149,888
2024	14,185,350	1,047,339	639,450	11,968,489	1,597,535	80,000	315,971	413,502	30,247,636

Source: Audit Exhibit 1-B

**CITY OF DONNA, TEXAS
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

Table 7

Fiscal Year	Taxes	Charges for Services	Fines and Forfeitures	Licenses and Permits	Inter-governmental Revenues	Misc. Income	Interest and Other	Totals (Excluding Other Sources)
2015	5,648,581	1,355,187	137,876	134,150	800,564	-	93,491	8,169,849
2016	6,472,993	1,646,066	190,470	123,668	199,890	-	112,917	8,746,005
2017	7,754,697	1,757,255	112,585	132,297	359,766	-	100,099	10,216,699
2018	7,144,525	1,853,071	187,932	186,350	224,494	-	113,683	9,710,055
2019	8,236,530	2,106,228	231,585	141,632	396,965	-	207,520	11,320,460
2020	8,859,342	2,364,805	182,195	141,968	1,818,811	-	122,323	13,489,444
2021	8,391,548	2,962,485	130,237	301,594	815,782	-	1,056,115	13,657,761
2022	9,776,475	2,650,965	120,608	314,176	598,973	-	63,867	13,525,064
2023	10,440,683	2,949,629	127,887	260,457	528,489	115,246	93,905	14,516,296
2024	10,926,561	2,754,562	121,179	292,055	956,272	90,017	127,705	15,268,351

Source: Audit Exhibit 2-C

**CITY OF DONNA, TEXAS
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

TABLE 8

Fiscal Year	General Government	Public Safety	Public Works	Health & Welfare	Culture and Recreation	Capital Outlay	Debt Service	Totals
2015	2,533,486	2,800,668	2,151,430	250,941	785,679	-	122,187	8,644,393
2016	2,030,020	3,028,591	2,033,080	279,247	808,693	-	185,179	8,364,812
2017	2,358,471	3,346,955	1,984,262	284,427	1,179,068	-	2,191,754	11,344,936
2018	2,571,612	3,180,302	3,211,853	288,628	752,492	213,134	109,470	10,327,491
2019	2,441,057	3,449,858	2,981,093	296,213	794,612	681,253	238,468	10,882,554
2020	3,174,999	3,666,777	3,359,882	254,318	521,686	528,431	277,958	11,784,051
2021	2,515,873	3,997,801	3,462,201	347,824	769,536	1,926,383	368,054	13,387,672
2022	2,760,465	4,992,787	3,678,667	445,648	922,312	170,387	586,931	13,557,197
2023	3,086,022	5,565,847	4,143,300	612,153	1,358,343	309,128	291,693	15,366,486
2024	3,222,829	6,211,318	3,848,351	698,352	1,232,263	2,842,059	304,821	18,359,993

**CITY OF DONNA, TEXAS
WATER AND SEWER FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

TABLE 9

Fiscal Year	Water Sales	Sewer Sales	Penalties	Provision for Bad Debt	Rent Revenue	Misc. Charges	Interest/ Discounts/ Other	Intergovernmental Revenue	Contributions	Transfers In	Totals
2015	2,763,986	1,951,688	172,605	(27,001)	-	183,911	47,746	-	-	-	5,092,936
2016	2,795,157	1,965,695	162,657	(86,632)	-	217,438	265,909	-	-	-	5,320,224
2017	2,980,511	2,163,878	156,083	(74,261)	-	9,504	34,230	-	-	392,650	5,662,595
2018	2,519,671	1,971,600	166,322	(64,148)	-	181,063	123,203	-	-	-	4,897,712
2019	2,605,690	1,988,240	208,905	(42,880)	-	53,380	65,828	-	-	-	4,879,163
2020	2,719,289	2,094,155	105,617	-	-	42,449	6,094	-	-	-	4,967,604
2021	3,159,847	2,323,003	219,530	-	-	296,573	11,556	-	-	158,000	6,168,509
2022	3,922,525	3,270,106	294,198	(199,004)	-	25,680	1,807,684	-	-	2,848	9,124,037
2023	3,947,919	3,041,494	206,926	(26,897)	11,039	17,051	57,244	93,566	286,086	-	7,634,428
2024	3,919,287	2,925,517	329,949	(36,240)	11,260	7,419	43,593	-	-	(2,201)	7,198,584

Source: Schedule 3-B

**CITY OF DONNA, TEXAS
WATER AND SEWER FUND EXPENSES BY FUNCTION
AND TRANSFERS OUT
LAST TEN FISCAL YEARS
(Unaudited)**

TABLE 10

Fiscal Year	Water Distribution	Sewer Collection	Waste Water Treatment	Water/Sewer Billing	Water Treatment	Engineering Services
2015	36,593	160,441	316,077	777,330	523,488	-
2016	420,779	476,074	567,204	781,037	866,057	-
2017	571,420	356,007	728,848	673,465	892,367	74,394
2018	494,982	497,592	607,992	775,500	874,452	-
2019	508,609	397,000	647,213	264,641	1,710,073	-
2020	608,368	420,854	638,490	972,475	1,102,476	-
2021	659,090	567,549	687,225	244,892	984,696	-
2022	545,031	477,655	1,242,660	275,685	1,244,264	-
2023	710,477	626,997	1,117,473	332,133	1,665,388	211,113
2024	702,458	635,609	1,235,206	658,625	1,701,418	

Source: Exhibit 3-B

**TABLE 10
(continued)**

<u>Administrative</u>	<u>Water/Sewer Operations Contractor</u>	<u>Debt Interest and Fees</u>	<u>Non- Departmental</u>	<u>Depreciation and Amortization</u>	<u>Transfers Out</u>	<u>Totals</u>
213,484	1,831,144	384,453	-	1,563,451	-	5,806,462
494,397	-	397,004	-	1,761,856	1,000,000	6,764,408
412,338	-	584,239	-	5,021,607	2,376,788	11,691,472
416,908	-	771,505	-	2,144,338	977,808	7,561,077
237,141	-	1,996,315	-	-	616,209	6,377,202
210,274	-	527,308	-	2,362,231	6,570,127	13,412,603
270,322	-	506,677	737,240	2,369,636	600,283	7,627,609
267,655	-	481,062	941,798	2,252,293	1,015,832	8,743,935
457,764	-	508,791	770,314	2,279,800	-	8,680,251
420,000	-	506,097	370,176	2,358,735	-	8,588,324

**CITY OF DONNA, TEXAS
PROPERTY TAX RATES AND ASSESSED VALUES
LAST TEN FISCAL YEARS
(Unaudited)**

TABLE 11

Fiscal Year	Tax Levy Year	General Fund	Debt Service Fund	Total	Assessed Values
2015	2014	0.762395	0.380026	1.142421	440,108,919
2016	2015	0.791292	0.191536	0.982828	499,942,898
2017	2016	0.740318	0.139682	0.880000	547,177,570
2018	2017	0.725352	0.073503	0.798855	614,694,339
2019	2018	0.711131	0.087724	0.798855	620,957,884
2020	2019	0.693987	0.094868	0.788855	668,255,430
2021	2020	0.638454	0.150401	0.788855	708,843,203
2022	2021	0.602621	0.175917	0.778538	756,328,814
2023	2022	0.578346	0.169591	0.747937	876,001,059
2024	2023	0.529073	0.136275	0.665348	1,047,127,299

**CITY OF DONNA, TEXAS
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Unaudited)**

TABLE 12

Fiscal Year	City Of Donna			Overlapping Rates				South Texas CCD Tax Rate	Total Direct & OVLP Rates
	General Fund	Debt Service Fund	Total	Hidalgo County Tax Rate	Donna ISD Tax Rate	HCID #1 Tax Rate	* DID #1 ** Tax Rate		
2015	0.762395	0.380026	1.142421	0.590000	1.258200	0.0957000	0.2100000	0.1850000	3.481321
2016	0.791292	0.191536	0.982828	0.590000	1.258200	0.0951000	0.2100000	0.1850000	3.321128
2017	0.740318	0.139682	0.880000	0.590000	1.258200	0.0951000	0.2100000	0.1400000	3.173300
2018	0.725352	0.073503	0.798855	0.580000	1.258200	0.0951000	0.2100000	0.1850000	3.127155
2019	0.711131	0.087724	0.798855	0.575000	1.226700	0.1051000	0.2100000	0.1733000	3.088955
2020	0.693987	0.094868	0.788855	0.575000	1.130400	0.1026000	0.2100000	0.1718000	2.978655
2021	0.638454	0.150401	0.788855	0.575000	1.130400	0.1026000	0.2100000	0.1718000	2.978655
2022	0.602621	0.175917	0.778538	0.575000	1.199000	0.1264000	0.2100000	0.1715000	3.060438
2023	0.578346	0.169591	0.747937	0.575000	1.119900	0.1264000	0.2100000	0.1615000	2.940737
2024	0.529073	0.136275	0.665348	0.575000	1.102800	0.1123000	0.2100000	0.1620000	2.827448

* **HCID #1 Hidalgo County Irrigation District #1**

* * **DID #1 Donna Irrigation District #1**

<http://www.hidalgoad.org/rates.html>

**CITY OF DONNA, TEXAS
SCHEDULE OF INSURANCE IN FORCE
SEPTEMBER 30, 2024
(Unaudited)**

TABLE 13

<u>Type of coverage</u>	<u>Insurer</u>	<u>Policy Number</u>	<u>Policy From</u>	<u>Period To</u>
Real and Personal Property	Texas Municipal League Intergovernmental Risk Pool (TML-IRP)	9424	10/1/2023	9/30/2024
General Liability	TML-IRP	9424	10/1/2023	9/30/2024
Errors and Omissions	TML-IRP	9424	10/1/2023	9/30/2024
Automobile Liability	TML-IRP	9424	10/1/2023	9/30/2024
Automobile Physical Damage	TML-IRP	9424	10/1/2023	9/30/2024
Mobile Equipment	TML-IRP	9424	10/1/2023	9/30/2024
Boiler & Machinery	TML-IRP	9424	10/1/2023	9/30/2024
Workers' Compensation	TML-IRP	9424	10/1/2023	9/30/2024
Law Enforcement Liability	TML-IRP	9424	10/1/2023	9/30/2024
Public Employee Dishonesty	TML-IRP	9424	10/1/2023	9/30/2024
Forgery or Alteration	TML-IRP	9424	10/1/2023	9/30/2024
Computer Fraud	TML-IRP	9424	10/1/2023	9/30/2024
Tax Assessor/Collector Surety Bond	Victor Insurance Managers Inc.	61BSBBX5218	10/1/2023	9/30/2024

Note 1: Liability Insurance Annual Aggregate \$1,000,000.00

**TABLE 13
(continued)**

<u>Details and Coverage</u>	<u>Per Occur Liability Limits</u>	<u>Annual Premium</u>
Fire, windstorm, valuable papers, accounts receivable, data processing equipment	37,945,460	\$ 97,592
General, products, personal	1,000,000	7,504
Public officials and employee liability, claims made	1,000,000	12,803
All owned and leased vehicles	1,000,000	48,140
Schedule of vehicles	1,000,000	29,544
Schedule of Mobile equipment	2,241,162	9,497
Replacement cost	100,000	INCLUDED
Includes volunteer firemen	N/A	303,800
Law enforcement liability	1,000,000	30,795
Public officials and employee dishonesty, claims made	100,000	1,463
Loss resulting from forgery, alteration of covered documents	100,000	1,227
Loss of money, securities and property	100,000	1,227
Employee Dishonesty	100,000	<u>1,463</u>
Total		\$ <u>545,055</u>

**CITY OF DONNA, TEXAS
VALUATION, EXEMPTION AND DEBT OBLIGATIONS**

TABLE 14

2024 Market Valuation Established by Hidalgo County Appraisal District (1)	\$	1,379,626,668
Less Exemptions/Reductions at 100% Market Value:		
Over 65 and Disabled		4,504,603
Disabled Veterans Exemptions		10,748,644
Productivity Loss		50,604,591
Abatement Value Loss		32,833,097
Exempt Property		152,800,599
CHODO (Partial)		5,809,965
Freeport		12,380,290
Value Loss to 10% Cap		77,874,109
		347,555,898
2024 Net Taxable Assessed Valuation		1,032,070,770
General Obligation Debt Payable from Ad Valorem Taxes (as of September 30, 2024)		
Limited Tax Refunding Bonds, Series 2012		680,000
2015 Certificate of Obligations		2,730,000
2016 Certificates of Obligation		5,025,000
2017 Certificates of obligation		6,765,000
2019 Lmt Tax Refunding		2,990,000
2022 PPFCO'S		4,990,000
2022 G O Refunding		26,175,000
2024 Comb. Tax & Refunding CO's		7,035,000
Funded Debt Payable from Ad Valorem Taxes		56,390,000
Less: Self-supporting Debt (2)		
Limited Tax Refunding Bonds, Series 2012		500,480
2016 Certificates of Obligation		5,025,000
2017 Certificates of Obligation		5,412,000
2019 Limited Tax Refunding		2,990,000
2024 Comb. Tax & Refunding CO's		2,380,000
		16,307,480
Net Funded Debt Payable from Ad Valorem Taxes	\$	51,055,000
Interest and Sinking Fund Balance (as of September 30, 2024)	\$	1,857,566
Ratio Funded Debt to Net Taxable Assessed Valuation		5.46%
2024 Estimated Population -	17,157	
Per Capita Taxable Assessed Valuation -	\$60,155	
Per Capita Funded Debt -	\$3,287	

(1) Preliminary values, subject to change. Texas Comptroller of Public Accounts, Property Tax Division.

(2) This amount is self-supporting debt of the Water and Sewer Fund.

**CITY OF DONNA, TEXAS
TAXABLE ASSESSED VALUATION BY CATEGORY**

TABLE 15

Taxable Appraised Value For Fiscal Year Ended September 30,										
Category	2024		2023		2022		2021		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	(1) Amount	% of Total
Real, Residential, Single-Family	\$ 521,997,657	42.67%	\$ 435,025,628	41.25%	\$376,784,775	35.72%	\$328,061,122	37.01%	\$302,157,252	35.75%
Real, Residential, Multi-Family	40,805,091	3.34%	33,645,134	3.19%	27,709,417	2.63%	26,395,628	2.98%	24,864,853	2.94%
Real, Vacant Lots/Tracts	52,887,636	4.32%	43,202,732	4.10%	34,861,505	3.31%	44,261,873	4.99%	37,347,650	4.42%
Real, Acreage (Land Only)	1,597,728	0.13%	1,392,672	0.13%	1,320,607	0.13%	1,139,815	0.13%	1,407,579	0.17%
Real, Farm and Ranch Improvements	8,952,344	0.73%	8,099,981	0.77%	7,174,749	0.68%	203,533	0.02%	5,412,452	0.64%
Real, Commercial	236,314,383	19.32%	217,856,058	20.66%	179,859,818	17.05%	193,391,250	21.82%	184,291,018	21.80%
Real, Industrial	23,542,605	1.92%	8,319,904	0.79%	8,300,499	0.79%	8,246,993	0.93%	8,209,147	0.97%
Real and Tangible Personal, Utilities	21,336,164	1.74%	18,524,207	1.76%	15,029,517	1.42%	13,848,687	1.56%	15,511,840	1.84%
Tangible Personal, Commercial	79,114,782	6.47%	71,832,806	6.81%	70,387,532	6.67%	63,335,655	7.15%	59,386,628	7.03%
Tangible Personal, Industrial	3,572,512	0.29%	3,823,832	0.36%	3,834,582	0.36%	3,403,142	0.38%	4,772,018	0.56%
Tangible Personal, Mobile Homes	25,714,479	2.10%	19,964,434	1.89%	19,664,998	1.86%	17,066,782	1.93%	15,098,052	1.79%
Tangible Personal, Other	387,338	0.03%	310,425	0.03%	318,912	0.03%	-	0.00%	285,491	0.03%
Residential Inventory	31,300	0.00%	979,877	0.09%	-	0.00%	142,709	0.02%	529,741	0.06%
Special Inventory	15,816,751	1.29%	13,023,369	1.23%	11,081,903	1.05%	9,346,014	1.05%	8,981,709	1.06%
Total Exempt Property	191,382,220	15.64%	178,705,564	16.94%	174,712,008	16.56%	177,461,045	20.02%	176,941,760	20.93%
Total Appraised Value Before Exempti	1,223,452,990	100%	1,054,706,623	100%	931,040,822	88%	886,304,248	100%	845,197,190	100%
Less: Total Exemptions/Reductions	(191,382,220)		(178,705,564)		(174,712,008)		(177,461,045)		(176,941,760)	
Taxable Assessed Valuation	\$ 1,032,070,770		\$ 876,001,059		\$756,328,814		\$708,843,203		\$668,255,430	

Category	2019		2018		2017		2016		2015	
	(1) Amount	% of Total	(1) Amount	% of Total	(1) Amount	% of Total	(1) Amount	% of Total	(1) Amount	% of Total
Real, Residential, Single-Family	\$ 285,500,740	34.78%	\$ 285,715,761	34.35%	\$257,449,645	31.34%	\$263,974,593	38.32%	\$232,715,920	37.66%
Real, Residential, Multi-Family	22,708,216	2.76%	22,662,177	2.72%	17,624,811	2.15%	16,745,089	2.43%	15,553,440	2.52%
Real, Vacant Lots/Tracts	38,964,821	4.47%	36,724,640	4.42%	34,999,359	4.26%	34,078,081	4.95%	28,894,099	4.68%
Real, Acreage (Land Only)	31,181,613	3.90%	32,005,712	3.85%	34,446,966	4.19%	35,302,387	5.12%	29,269,963	4.74%
Real, Farm and Ranch Improvements	4,537,858	0.53%	4,316,576	0.52%	4,177,140	0.51%	3,810,198	0.55%	1,725,635	0.28%
Real, Commercial	172,996,168	19.39%	159,270,946	19.15%	143,116,996	17.42%	114,814,401	16.67%	97,476,460	15.77%
Real, Industrial	8,318,925	0.93%	7,650,342	0.92%	7,048,036	0.86%	6,406,260	0.93%	5,320,988	0.86%
Vehicles	13,990,663	1.65%	13,590,483	1.63%	10,686,308	1.30%	9,602,363	1.39%	9,068,913	1.47%
Real and Tangible Personal, Utilities	56,581,181	6.78%	55,731,957	6.70%	53,623,429	6.53%	33,660,310	4.89%	32,060,521	5.19%
Tangible Personal, Commercial	4,871,655	0.48%	3,936,664	0.47%	3,696,110	0.45%	3,756,615	0.55%	4,021,892	0.65%
Tangible Personal, Industrial	16,371,508	2.09%	17,155,113	2.06%	16,831,327	2.05%	17,228,199	2.50%	17,260,965	2.79%
Tangible Personal, Mobile Homes	-	0.00%	-	0.00%	-	0.00%	-	0.00%	261,069	0.04%
Tangible Personal, Other	129,644	0.02%	141,832	0.02%	141,832	0.02%	959,510	0.14%	1,418,732	0.23%
Residential Inventory	6,669,409	2.75%	22,567,107	2.71%	5,042,275	0.61%	4,777,819	0.69%	3,957,785	0.64%
Special Inventory	168,966,237	19.49%	160,100,643	19.25%	152,692,288	18.59%	143,730,746	20.87%	139,013,094	22.49%
Total Appraised Value Before Exempti	831,788,638	100%	821,569,953	99%	741,576,522	90%	688,846,571	100%	618,019,474	100%
Less: Total Exemptions/Reductions	(210,830,754)		(194,398,952)		(194,398,952)		(188,903,673)		(177,910,555)	
Taxable Assessed Valuation	\$ 620,957,884		\$ 627,171,001		\$547,177,570		\$499,942,898		\$440,108,919	

(1) Preliminary values, subject to change. Texas Comptroller of Public Accounts, Property Tax Division.

Sources: City of Donna Property Tax Department

**CITY OF DONNA, TEXAS
VALUE AND FUNDED DEBT HISTORY**

TABLE 16

Fiscal Year	Tax Year	Estimated Population	Taxable Assessed Valuation (1)	Per Capita Taxable Assessed Valuation	Gross Funded Tax Debt	Ratio Funded Debt to Taxable Assessed Valuation	Gross Per Capita Funded Tax Debt
2015	2014	27,528	440,108,919	15,988	44,645,000	10.14%	1,622
2016	2015	27,528	499,942,898	18,161	48,697,032	9.74%	1,769
2017	2016	27,528	547,177,570	19,877	55,808,200	10.20%	2,027
2018	2017	28,079	614,694,339	21,892	54,003,200	8.79%	1,923
2019	2018	28,360	620,957,884	21,896	52,210,000	8.41%	1,841
2020	2019	28,360	668,255,430	16,409	50,185,000	7.51%	1,770
2021	2020	16,475	708,843,203	43,025	48,095,000	6.78%	2,919
2022	2021	16,821	756,328,814	44,963	52,695,000	6.97%	3,133
2023	2022	16,821	876,001,059	52,078	51,055,000	5.83%	3,035
2024	2023	17,157	1,032,070,770	60,155	56,390,000	5.46%	3,287

(1) The valuations shown are the Total Taxable Assessed Valuations reported annually in September to the Property Tax Board. The valuations are subject to change during the ensuing year due to settlement of contested valuations, etc.

Sources: City of Donna Property Tax Division

**CITY OF DONNA, TEXAS
TAX RATE, LEVY & COLLECTIONS HISTORY**

TABLE 17

Fiscal Year Ending	Tax Year	General Fund	Debt Service	Total Tax Rate	Tax Levy (1)	% Current Collections	% Total Collections
2015	2014	0.762395	0.380026	1.142421	5,027,897	95.00%	116.00%
2016	2015	0.791292	0.191536	0.982828	4,913,579	92.00%	112.00%
2017	2016	0.740318	0.139682	0.880000	4,815,162	91.00%	111.00%
2018	2017	0.725352	0.073503	0.798855	4,910,516	90.00%	110.00%
2019	2018	0.711131	0.087724	0.798855	4,960,553	92.00%	110.00%
2020	2019	0.693987	0.094868	0.788855	5,274,566	92.00%	105.00%
2021	2020	0.638454	0.150401	0.788855	5,591,745	94.00%	108.00%
2022	2021	0.602621	0.175917	0.778538	5,888,307	97.00%	111.00%
2023	2022	0.578346	0.169591	0.747937	6,412,419	97.00%	111.00%
2024	2023	0.529073	0.136275	0.665348	7,020,081	94.00%	104.00%

(1) The levies shown are those reported annually in September to the State Property Tax Board. The levies are subject to change during the ensuing year due to settlement of contested valuations, etc.

Sources: City of Donna Property Tax Collection Department

**CITY OF DONNA, TEXAS
PRINCIPAL TAXPAYERS
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2024
(Unaudited)**

TABLE 18

Taxpayer	2024			2015		
	Taxable Assessed Valuation	Ranked	% of TTL Taxable Assessed Valuation	Taxable Assessed Valuation	Ranked	% of Taxable Assessed Valuation
AEP Texas Inc.	\$ 23,189,411	1	2.25%	\$14,268,191	1	0.00%
MHCVictoria Palms LLC.	13,770,788	2	1.33%	10,012,500	2	2.28%
Shops at 493 Lot 9 Ltd.	11,419,546	3	1.11%			-
Packaging Corp. of America	11,680,554	4	1.13%	3,359,021	5	0.76%
AEP Texas Inc.	8,664,250	5	0.84%	4,492,090	4	1.02%
Rentals Donna Park One LLC	6,567,891	6	0.64%			-
Loves Travel Stops	6,482,782	7	0.63%			-
Ron Hoover Companies of South T	5,850,000	8	0.57%			-
Martinez Dimas Sr.	5,602,035	9	0.54%			-
Wal-Mart Real Estate Business	5,465,482	10	0.53%			-
W Silver Recycling, Inc.	-		-	5,203,249	3	1.18%
BH Hester Donna, LLC.	-		-	2,701,123	6	0.61%
Securecare Moveit Mcallen, LLC	-		-	2,576,124	7	0.59%
H E Butt Grocery Company	-		-	2,528,525	8	0.57%
Insight Investments	-		-	2,477,055	9	0.56%
Paramount Citrus Packing LLC	-		-	2,308,887	10	0.52%
	-		-			0.00%
Totals	\$ 98,692,739		9.56%	\$49,926,765		8.10%
2024TOTAL TAXABLE:	1,032,070,770			440,108,919		

Source: Hidalgo County Appraisal District

**CITY OF DONNA, TEXAS
TAX SUPPORTED DEBT SERVICE REQUIREMENTS**

TABLE 19

Fiscal Year Ending 9/30	Existing Outstanding Gross Funded Debt			% of Principal Retired
	Principal	Interest	Requirements	
9/30/2025	1,820,000	1,702,218	3,991,331	
9/30/2026	1,630,000	1,987,495	3,617,495	
9/30/2027	1,690,000	1,930,683	3,620,682	
9/30/2028	2,475,000	1,864,538	4,339,537	14%
9/30/2029	2,565,000	1,779,474	4,344,472	
9/30/2030	2,870,000	1,687,279	4,557,280	
9/30/2031	2,975,000	1,579,744	4,554,745	
9/30/2032	3,095,000	1,462,832	4,557,832	34%
9/30/2033	3,205,000	1,345,687	4,550,687	
9/30/2034	3,050,000	1,231,160	4,281,159	
9/30/2035	3,070,000	1,123,842	4,193,842	
9/30/2036	2,855,000	1,016,004	3,871,004	
9/30/2037	2,520,000	918,264	3,438,264	60%
9/30/2038	2,060,000	838,361	2,898,362	
9/30/2039	2,145,000	759,413	2,904,412	
9/30/2040	2,225,000	677,314	2,902,314	
9/30/2041	2,310,000	592,021	2,902,022	
9/30/2042	2,400,000	501,154	2,901,154	80%
9/30/2043	2,490,000	409,819	2,899,820	
9/30/2044	2,580,000	317,912	2,897,911	
9/30/2045	2,045,000	233,412	2,278,412	
9/30/2046	2,120,000	158,360	2,278,361	
9/30/2047	2,195,000	80,556	2,275,557	100%
	<u>\$ 56,390,000</u>	<u>\$ 24,197,542</u>	<u>\$ 81,056,650</u>	

Source: City of Donna debt schedules

TABLE 20

**CITY OF DONNA, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT TABLE
SEPTEMBER 30, 2024**

<u>Taxing Jurisdiction</u>	<u>Debt Outstanding 9/30/2024</u>	<u>Estimated % Applicable</u>	<u>City's Overlapping Bonded Debt</u>
<u>Overlapping:</u>			
Donna Independent School District	\$ 160,590,000	38.80%	\$ 62,308,920
Hidalgo County	379,475,000	1.98%	7,513,605
Hidalgo County Drainage District No. 1	249,590,000	2.06%	5,141,554
South Texas College	85,419,693	1.86%	<u>1,588,806</u>
Total Overlapping Debt			76,552,885
 <u>Direct Debt</u>			
City of Donna		100.00%	<u>56,390,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 132,942,885</u></u>

Total Direct and overlapping Debt % of A. V. 11.82%
Total Direct and Overlapping Debt per Capita: \$ 7,770
** Gross Debt. Please note that some debt may be supported by other revenues and thus be considered self-supporting debt. Using Gross debt may overstate the actual amount of debt supported by ad valorem taxes*

Source: The Municipal Advisory Council of Texas

TABLE 21

CITY OF DONNA, TEXAS
GENERAL FUND REVENUES, EXPENDITURES 5 YEAR HISTORY

Revenues	Fiscal Year Ended September 30,					
	2024	2023	2022	2021	2020	2019
Taxes	\$ 10,926,561	\$ 10,440,683	\$ 9,776,475	\$ 8,391,548	\$ 7,963,906	\$ 8,236,530
Licenses and Permits	292,055	260,457	314,176	301,594	141,968	141,632
Charges for Service	2,754,562	2,949,629	2,650,965	2,962,485	2,272,675	2,106,228
Fines and Forfeitures	121,179	127,887	120,608	130,237	97,337	231,585
Intergovernmental	956,272	528,489	598,973	815,782	1,818,811	396,965
Interest and Investment Income	127,705	93,905	47,891	66,993	28,822	100,619
Miscellaneous Income	90,017	115,246	15,976	989,122	35,507	106,901
Total Revenues	15,268,351	14,516,296	13,525,064	13,657,761	12,359,026	11,320,460
Expenditures						
Current:						
General Government	3,222,829	3,086,022	2,760,465	2,515,873	3,174,999	2,448,057
Public Safety	6,211,318	5,565,847	4,995,832	3,997,801	3,666,777	3,632,363
Public Works	3,848,351	4,143,300	3,678,667	3,462,201	3,888,313	2,981,093
Culture and Recreation	1,232,263	1,358,343	922,312	347,824	254,318	296,213
Health and Welfare	698,352	612,153	445,648	769,536	521,686	925,954
Capital Outlay	2,842,059	309,128	167,342	1,926,383	-	-
Debt Service:						
Principal Retirements	135,690	276,302	558,722	330,989	245,086	639,258
Interest and Fiscal Agent Fee	8,171	15,391	28,209	37,065	32,872	300,763
Total Expenditures	18,199,033	15,366,486	13,557,197	13,387,672	11,784,051	11,223,701
Excess/(Deficiency) of Revenues Over (Under) Expenditures	(2,930,682)	(850,190)	(32,133)	270,089	574,975	96,759
Other Financing Sources/Uses						
Operating Transfers In	107,158	-	403,857	6	-	70,000
Operating Transfers Out	-	-	(25,219)	(158,000)	-	(196,495)
Sale of Capital Assets	38,400	7,383	-	45,265	440,767	-
Other Revenues	-	-	-	36,570	-	-
Loan and Lease Proceeds	2,521,942	-	16,276	194,824	14,924	595,922
Total Other Financing Sources/Uses	2,667,500	7,383	394,914	118,665	455,691	469,427
NET CHANGE IN FUND BALANCE	(263,182)	(842,807)	362,781	388,754	1,030,666	566,186
FUND BALANCE BEGINNING	3,493,688	4,409,518	4,046,737	3,534,452	2,503,786	3,267,419
Prior Period Adjustment		(73,024)	-	123,531	-	-
Fund Balance Ending	\$ 3,230,506	\$ 3,493,687	\$ 4,409,518	\$ 4,046,737	\$ 3,534,452	\$ 3,833,605

Source: City of Donna, TX Annual Financial Reports
Refer to Audit Table 3, Table 4 or Exhibit 2-C

**CITY OF DONNA, TEXAS
MUNICIPAL SALES TAX HISTORY**

TABLE 22

Fiscal Year Ended 9/30	Total Collected	% of Ad Valorem Tax Levy	Assessed Valuation Equivalent of Tax Rate	Total Collections Per Capita
2015	2,572,857	51.17%	0.5846	93
2016	3,009,181	61.24%	0.6019	109
2017	3,112,382	64.64%	0.5688	113
2018	3,385,282	68.94%	0.5507	117
2019	3,893,356	78.49%	0.6270	137
2020	4,504,818	85.41%	0.6741	275
2021	5,249,818	93.89%	0.7406	319
2022	6,261,087	106.33%	0.8278	372
2023	7,131,123	111.21%	0.8141	424
2024	7,620,358	109.38%	0.7384	444

Source: City of Donna Finance Department
Annual Financial Report

**CITY OF DONNA, TEXAS
CURRENT INVESTMENTS**

TABLE 23

The City's cash and temporary investments at September 30, 2024 are shown below:

Name	Carrying Amount	Market Value
Non-Interest Bearing Cash Accounts	\$ 1,525,566	\$ 1,525,566
Local Government Investments Cooperative (LOGIC)	4,267,520	4,267,520
Invesco Treasury Portfolio Trust	14,906,752	14,906,752
Texas National Bank (Investment)	13,635,876	13,635,876
Greater State Bank Money Market	3,609,900	3,609,900
Greater State Bank Certificate of Deposit	1,000,000	1,000,000
Total	\$ 38,945,614	\$38,945,614

(1) Local Government Investment Cooperative ("LOGIC" or the "Cooperative") is organized under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, which permits the creation of investment pools to which a majority of political subdivisions in Texas may delegate the authority to make investment purchases and sales with local investment funds and to hold legal title as custodian of the investment securities.

**CITY OF DONNA, TEXAS
PRINCIPAL EMPLOYERS
FOR FISCAL YEAR ENDING 2023 AND 2024**

TABLE 24

Employer	2024		2015	
	Employees	Rank	Employees	Rank
Donna ISD	2,360	1	2,481	1
Walmart Supercenter	300	2	-	-
City of Donna	162	3	120	4
Idea College Prep	118	4	170	3
Donna Medical Clinic	102	5	-	-
Ace Hardware	100	6	-	-
The Stronghold Games	100	7	-	-
Southern Steel Fabricators	99	8	-	-
Magic Valley Produce	76	9	-	-
Whataburger	71	10	58	10
A&E Health Services, Inc	-	-	507	2
HEB Food Store	-	-	115	5
Bland Distribution	-	-	100	6
Paramount Citrus	-	-	79	7
Victoria Palms Resort	-	-	71	8
McDonalds	-	-	60	9
Total	3,488		3,761	

Source: TWC

Source: DEDC

**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 Honorable Mayor and Members
Of the City Council
City of Donna, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Donna, Texas (the “City”), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 City'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.

JGV CPA Firm PLLC

Houston, Texas
March 28, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and Members
of the City Council
City of Donna, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Donna, Texas's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

JGV CPA Firm PLLC

Houston, Texas
March 28, 2025

**CITY OF DONNA, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
U.S. Department of Treasury	
<i>American Rescue Plan Act of 2021 - Coronavirus Local Fiscal Recovery Fund (COVID-19)</i>	21.027
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$ 750,000
Auditee qualified as low risk auditee?	Yes

CITY OF DONNA, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

II. Financial Statement Findings

None reported.

III. Federal Awards Findings and Questioned Costs

None reported.

IV. Schedule of Prior Audit Findings and Questioned Costs



Corrective Action Plan

Finding 2023-001

Significant Deficiency-- Control Over Documentation of Credit Card Transactions

Individual responsible for corrective action:

David R. Vasquez, Director of Finance
Maria Rodriguez, Accounts Payable

Date corrective action will be implemented:

March 2024

Corrective action plan:

The City of Donna has implemented more stringent credit card procedures. Below is the list of procedures to be followed by all city employees:

- Only one designated employee from each department is allowed to check out credit cards.
- All credit card purchases require director's approval beforehand.
- A credit card purchase form must be completed to include copies of receipts submitted to Finance.
- Receipts are to be provided immediately after purchase to the Finance Department.
- If prior purchase is pending receipts, then the credit card will not be allowed to be checked out by said department.
- All procurement policies are expected to be followed.

Finding 2023-002

Performance Reporting

Federal Program: American Relief Plan Act (ARPA) ALN 21.027
Federal Agency: U.S. Department of Treasury
Federal Award Year: 2021
Type of Finding: Significant Deficiency in Internal Control Over Compliance and Noncompliance

Individual responsible for corrective action:

David R. Vasquez, Director of Finance
Margaret Lopez, Grants Administrator/Accountant

Date corrective action will be implemented:

March 2024

Corrective action plan:

The City will ensure grant reporting is completed in a timely manner. The Grant administrator will provide a list of all due dates for each grant. Finance will periodically monitor grants to ensure timely reporting. Grant administrator will provide confirmation of each grant filed.

The prior fiscal year findings were not identified for the fiscal year ended September 30, 2024.

CITY OF DONNA, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor Pass-Through Grantor/Program Title	Federal Assistance Listing Numbers	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice:			
<i>Direct Grants</i>			
COPS Hiring Grant	16.71	N/A	\$ 45,246
EBM Justice Assistance Grant (JAG)	16.71	N/A	14,914
Total Direct Grants			<u>60,160</u>
<i>Passed through Hidalgo County</i>			
First Responder Mental Health Outreach	16.575	15POVC-22-GG-0807-ASSI	7,605
Total passed through Hidalgo County			<u>7,605</u>
<i>Passed through Texas Office of the Governor</i>			
Crime Victim Liaison	16.575	3801605	52,683
Total passed through Texas Office of the Governor			<u>52,683</u>
Total U.S. Department of Justice			120,448
U.S. Department of the Treasury:			
<i>Passed through Texas Department of Emergency Management</i>			
American Rescue Plan Act of 2021 - Coronavirus Local Fiscal Recovery Fund (COVID-19)	21.027	17460006905009	639,450
Total U.S. Department of Treasury			639,450
U.S. Department of Housing and Urban Development			
<i>Passed through Texas General Land Office</i>			
Community Development Block Grants/State's Program (2018 or 2019) Mitigation Program	14.228	23-152-005-E156	93,200
Total U.S. Department of Housing and Urban Development			93,200
U.S. Department of Homeland Security			
<i>Passed through Texas Office of the Governor</i>			
Hidalgo-2023 OPSF	97.067	EMW-2023-SS-00025	112,461
Hidalgo-LETPA Project	97.067	EMW-2023-SS-00025	119,194
Total U.S. Department of Homeland Security			231,655
Total Expenditures of Federal Awards			<u>\$ 1,084,753</u>

CITY OF DONNA, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. GENERAL

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal award programs of the City of Donna, Texas (the “City”) for the year ended September 30, 2024. The City’s reporting entity is defined in Note 1 of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING AND PRESENTATION

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The City’s significant accounting policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements.

The Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some of the amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

3. PASS-THROUGH EXPENDITURES

None of the federal programs expended by the City were provided to subrecipients.

4. INDIRECT COSTS

The City did not elect to use the de minimis cost rate of 10% as described at 2 CFR §200.414(f) - Indirect (F&A) costs.