



## Anzalduas International Crossing

**Financial Statements  
And Report of Independent Certified Public Accountants  
September 30, 2021 and 2020**



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## Independent Auditor's Report

To the Board of Trustees  
Anzalduas International Crossing

### Report on the Financial Statements

We have audited the accompanying financial statements of the Anzalduas International Crossing (the Bridge) as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Bridge's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Anzalduas International Crossing as of September 30, 2021 and 2020, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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### **Emphasis of Matter**

#### Financial Reporting Unit

As discussed in Note 1, the financial statements present only the Bridge and do not purport to, and do not, present fairly the financial position of the City of McAllen, as of September 30, 2021 and 2020, the changes in its financial position or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### Required Supplementary Information

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

#### Supplementary Information

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

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

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

The Board of Trustees  
Anzalduas International Crossing

We have also audited the financial statements of McAllen International Toll Bridge as of and for the years ended September 30, 2021 and 2020, and have issued our report thereon dated February 11, 2022 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on those financial statements as a whole. Such information, which is included in the supplemental combining schedules of this report, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare those financial statements. The information has been subjected to the auditing procedures applied in that audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to those financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2022, on our consideration of the Bridge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bridge's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
February 11, 2022

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## Management's Discussion and Analysis (Unaudited)

September 30, 2021

This discussion and analysis is intended to provide an overview of the Anzalduas International Crossing's (Anzalduas Bridge) financial performance for the fiscal years ending September 30, 2021 and 2020 and the related effect on its financial condition. Please read it in conjunction with the basic financial statements, which follow and include the notes thereto, which are necessary for a complete understanding of the data contained in the financial statements. Following the notes to the financial statements is certain supplementary information.

**ANZALDUAS BRIDGE OPERATIONAL HIGHLIGHTS**

As shown on the Statement of Revenues, Expenses, and Changes in Net Position, operating loss amounted to \$2.18M. Net position for FY 2021 decreased by \$251K, resulting in a deficit ending net position of \$2.10M.

The southbound car crossings at Anzalduas increased by 0.11% from last year's crossing, while bus crossings decreased by 0.84% from last year. In August 2016, the Anzalduas Bridge began accepting the southbound crossings of trucks with empty cargo. For FY 20-21, empty truck traffic increased by 42.45% from FY 19-20. The table below reflects the activities for southbound traffic.

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

Category	FY 20-21	FY 19-20	(Decrease)	(Decrease)
Cars	724,838	724,046	792	0.11%
Trucks - empties	27,577	19,359	8,218	42.45%
Buses	1,184	1,194	(10)	-0.84%
Passengers in cars	1,812,095	1,810,115	1,980	0.11%

**Overview of the Financial Statements**

The financial statements include the Statement of Net Position, Statement of Revenue, Expenses and Changes in Net Position, and the Statement of Cash Flows for the current fiscal year ending September 30, 2021 as well as the previous fiscal year.

**Required Financial Statements**

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

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

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

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

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

September 30, 2021

**FINANCIAL POSITION SUMMARY**

Net position, and its components, over time serve as a meaningful measure of the Anzalduas Bridge's financial position. As of September 30, 2021, net position amounted to a deficit of \$2.10M. Total liabilities, which consist of current, restricted, and long-term liabilities, decreased by \$3.79M combined when comparing FY 19-20 to FY 20-21.

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

**Condensed Statements of Net Position**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS:</b>			
Current assets	\$ 2,730,532	\$ 2,266,182	\$ 2,361,975
Noncurrent restricted assets	2,754,407	5,917,400	2,469,893
Net capital assets	<u>37,647,809</u>	<u>39,014,815</u>	<u>40,523,924</u>
<b>Total assets</b>	<u>43,132,748</u>	<u>47,198,397</u>	<u>45,355,792</u>
Deferred outflows of resources	<u>21,872</u>	<u>24,055</u>	<u>95,214</u>
<b>Total assets and deferred outflows of resources</b>	<u><u>43,154,620</u></u>	<u><u>47,222,452</u></u>	<u><u>45,451,006</u></u>
<b>LIABILITIES:</b>			
Current liabilities	2,124,526	2,152,865	1,732,964
Other non current liabilities	<u>42,834,353</u>	<u>46,598,831</u>	<u>45,361,294</u>
<b>Total liabilities</b>	<u>44,958,879</u>	<u>48,751,696</u>	<u>47,094,258</u>
Deferred inflows of resources	<u>293,373</u>	<u>317,722</u>	<u>313,481</u>
<b>Total liabilities and deferred inflows of resources</b>	<u><u>45,252,252</u></u>	<u><u>49,069,418</u></u>	<u><u>47,407,739</u></u>
<b>NET POSITION:</b>			
Net investment in capital assets	13,240,604	12,750,544	12,456,044
Restricted for:			
Capital projects	1,286,740	860,413	988,325
Debt service	1,502,646	1,425,199	1,338,478
Distribution of net surplus revenues	-	491,253	-
Unrestricted	<u>(18,127,622)</u>	<u>(17,374,375)</u>	<u>(16,739,580)</u>
<b>Total net position</b>	<u><u>\$ (2,097,632)</u></u>	<u><u>\$ (1,846,966)</u></u>	<u><u>\$ (1,956,733)</u></u>

## Management's Discussion and Analysis (Unaudited)

September 30, 2021

## Revenues, Expenses and Changes in Net Position

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

Statements of Revenues, Expenses,  
and Changes in Net Position

	2021	2020	2019
Operating revenues:			
Charges for services	\$ 3,064,295	\$ 2,898,204	\$ 3,702,402
Rentals	12,735	12,205	16,967
Other	58,651	70,475	91,923
Total operating revenues	<u>3,135,681</u>	<u>2,980,884</u>	<u>3,811,292</u>
Operating expenses:			
Salaries, wages, and employee benefits	350,279	362,382	441,886
Supplies	10,437	14,379	12,385
Contractual and other services	3,487,293	337,270	349,284
Repairs and maintenance	34,256	60,631	49,558
Depreciation and amortization	1,429,963	1,476,747	1,541,397
Total operating expenses	<u>5,312,228</u>	<u>2,251,410</u>	<u>2,394,510</u>
Operating income (loss)	<u>(2,176,547)</u>	<u>729,474</u>	<u>1,416,782</u>
Nonoperating revenues (expenses):			
Investment earnings	14,656	64,051	103,835
Interest expense	(975,858)	(1,026,825)	(1,072,333)
Interest on board advances	(758,926)	(726,727)	(692,142)
Bond related charges-issuance cost	262,068	263,608	261,329
Gain (loss) on sale of capital assets	-	(7,000)	-
Other	(95,065)	(17,431)	-
Total nonoperating expenses, net	<u>(1,553,125)</u>	<u>(1,450,324)</u>	<u>(1,399,311)</u>
Income (loss) before contributions and transfers	<u>(3,729,672)</u>	<u>(720,850)</u>	<u>17,471</u>
Capital contributions	2,635,200	-	2,185
Transfers in	846,642	842,725	844,742
Transfers out	(2,836)	(12,108)	(27,600)
Changes in net position	<u>(250,666)</u>	<u>109,767</u>	<u>836,798</u>
Total net position at beginning of year	<u>(1,846,966)</u>	<u>(1,956,733)</u>	<u>(2,793,531)</u>
Total net position at end of year	<u>\$ (2,097,632)</u>	<u>\$ (1,846,966)</u>	<u>\$ (1,956,733)</u>

## Management's Discussion and Analysis (Unaudited)

September 30, 2021

**TOLL RATES**

The toll rates adopted by the board of trustees on southbound crossings into Mexico are the following:

Category	FY 20-21	FY 19-20
Cars	\$3.50	\$3.50
Trucks (Depending on # of Axles)	\$10.25 - \$23.00	\$10.25 - \$23.00
Buses (Depending on # of Axles)	\$7.00 - \$9.00	\$7.00 - \$9.00
Motorcycles	\$3.50	\$3.50
Extra Axle	\$3.00	\$3.00

**REVENUES**

The forecast for toll revenues was estimated at \$3.0M. Actual toll revenues came in at \$3.1M, which included southbound commercial truck tolls of \$475.3K. Other operating income decreased by 11.8K as a result of insurance recoveries and other miscellaneous income received in FY 19-20. Rental income remained steady at \$12.7K for FY 20-21 due to agreements with RBT and UETA. Investment income decreased by 49.4K in FY 20-21 as compared to the previous year as a result of a decrease in interest rates. Other changes in net position include a net transfer from the Hidalgo Bridge Fund in the amount of \$846.6K, creating a difference of \$4K when compared to FY 19-20. This transfer supported debt service requirements of Refunding Series 2017B bonds.

**EXPENSES**

In FY 20-21, operating expenses came in at \$5.3M including depreciation and amortization in the amount of \$1.4M. In FY 19-20, operating expenses were \$2.3M including depreciation and amortization in the amount of \$1.5M. The increase in operating expenses was due to project expenses related to the northbound passenger inspection station. All nonoperating expenses were relatively flat.

**CAPITAL ASSETS AND DEBT ADMINISTRATION***Capital Assets*

Total capital assets net of depreciation at September 30, 2021 were reported at \$37.6M. At September 30, 2020, total capital assets net of depreciation were reported at \$39.0M. The decrease of 1.4M in net capital assets over the previous year is a result of an increase in accumulated depreciation.

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

## Management's Discussion and Analysis (Unaudited)

September 30, 2021

The table below reflects capital assets for the Anzalduas Bridge:

	FY 20-21	FY 19-20	FY 18-19
Capital assets not being depreciated:			
Land	\$ 2,922,772	\$ 2,922,772	\$ 2,922,772
Construction in progress	338,651	503,132	564,194
Capital assets:			
Buildings and systems	10,429,987	10,429,987	10,415,087
Improvements other than buildings	40,729,289	40,513,317	40,505,317
Machinery and equipment	1,053,075	1,041,609	1,035,809
Total capital assets	55,473,774	55,410,817	55,443,179
Less accumulated depreciation	(17,825,965)	(16,396,002)	(14,919,255)
Total capital assets, net	\$ 37,647,809	\$ 39,014,815	\$ 40,523,924

**Debt**

At the end of this fiscal year, the Anzalduas Bridge had 22.5M in revenue bonds. Last fiscal year, the Anzalduas Bridge had 24.1M in revenue bonds. These bonds have a rating of "A" from FitchRatings as well as Standard & Poors. The proceeds, as well as other sources of funding, were used to construct the bridge structure, including all related infrastructure and facilities.

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

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

During the fiscal year 2022 budget process, the elected and appointed officials considered many factors affecting bridge crossings. With the impact of COVID-19 and a freeze on nonessential travel from Mexico, Bridge management prepared the annual budget conservatively. Budget revenues and expenses remained flat and there was no increase to toll rates.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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

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# **BASIC FINANCIAL STATEMENTS**

**Statements of Net Position**  
**September 30, 2021 and 2020**

	2021	2020
<b>ASSETS</b>		
Current assets:		
Cash	\$ 140,274	\$ 132,868
Certificate of deposit	-	1,023,040
Investments	2,400,651	1,110,203
Receivables, net:		
Accrued interest	-	71
Due from other governments	58,400	383,771
Restricted assets:		
Cash and cash equivalents	131,207	298,776
Total current assets	2,730,532	2,948,729
Noncurrent assets:		
Restricted assets:		
Investments	2,754,407	2,108,401
Other	-	3,126,452
Total noncurrent restricted assets	2,754,407	5,234,853
Capital assets:		
Land	2,922,772	2,922,772
Buildings and systems	10,429,987	10,429,987
Improvements other than buildings	40,729,289	40,513,317
Machinery and equipment	1,053,075	1,041,609
Construction in progress	338,651	503,132
Less accumulated depreciation and amortization	(17,825,965)	(16,396,002)
Total capital assets (net of accumulated depreciation and amortization)	37,647,809	39,014,815
Total noncurrent assets	40,402,216	44,249,668
Total assets	43,132,748	47,198,397
Deferred outflows of resources		
Deferred charges - pensions	21,872	24,055
Total deferred outflows of resources	21,872	24,055
Total assets and deferred outflows of resources	\$ 43,154,620	\$ 47,222,452

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

**Statements of Net Position**  
**September 30, 2021 and 2020**

	2021	2020
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 29,645	\$ 62,883
Accrued expenses	200,023	250,966
Compensated absences	9,452	6,519
Current portion of revenue bonds	1,885,406	1,832,497
Total current liabilities	2,124,526	2,152,865
Other noncurrent liabilities:		
Revenue bonds, net of current portion	22,263,809	24,149,215
Compensated absences	12,209	-
Unearned revenues	-	2,635,200
Board advances	20,472,774	19,713,848
TMRS net pension liability	85,561	100,568
Total other noncurrent liabilities	42,834,353	46,598,831
Total liabilities	44,958,879	48,751,696
Deferred inflows of resources		
Deferred inflows of resources - refunding	257,989	282,560
Deferred inflows of resources - pension	35,384	35,162
Total deferred inflows of resources	293,373	317,722
Total liabilities and deferred inflows of resources	45,252,252	49,069,418
<b>NET POSITION</b>		
Net investments in capital assets	13,240,604	12,750,544
Restricted for:		
Capital projects	1,286,740	860,413
Debt service	1,502,646	1,425,199
Distribution of net surplus revenues	-	491,253
Unrestricted	(18,127,622)	(17,374,375)
Total net position	(2,097,632)	(1,846,966)
Total liabilities, deferred inflows of resources and net position	\$ 43,154,620	\$ 47,222,452

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

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**Statements of Revenues, Expenses, and Changes in Net Position**  
**Years Ended September 30, 2021 and 2020**

	2021	2020
<b>Operating revenues</b>		
Charges for services	\$ 3,064,295	\$ 2,898,204
Rentals	12,735	12,205
Other	58,651	70,475
Total operating revenues	3,135,681	2,980,884
<b>Operating expenses</b>		
Salaries, wages and employee benefits	350,279	362,383
Supplies	10,437	14,379
Contractual and other services	3,487,293	337,270
Repairs and maintenance	34,256	60,631
Depreciation and amortization	1,429,963	1,476,747
Total operating expenses	5,312,228	2,251,410
Operating income (loss)	(2,176,547)	729,474
<b>Nonoperating revenues (expenses)</b>		
Investment earnings	14,656	64,051
Interest expense	(975,858)	(1,026,825)
Interest on board advances	(758,926)	(726,727)
Bond related charges--issuance cost	262,068	263,608
Gain (loss) on sale of capital assets	-	(7,000)
Other	(95,065)	(17,431)
Net nonoperating expenses	(1,553,125)	(1,450,324)
Loss before contributions and transfers	(3,729,672)	(720,850)
Capital contributions	2,635,200	-
Transfers in	846,642	842,725
Transfers out	(2,836)	(12,108)
Change in net position	(250,666)	109,767
Total net position-beginning	(1,846,966)	(1,956,733)
Total net position-ending	\$ (2,097,632)	\$ (1,846,966)

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

**Statements of Cash Flows**  
**Years Ended September 30, 2021 and 2020**

	2021	2020
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	\$ 3,135,681	\$ 2,980,884
Payments to employees	(346,034)	(325,079)
Payments to suppliers	(582,168)	(3,414,798)
Net cash provided (used) by operating activities	2,207,479	(758,993)
<b>Cash Flows From Noncapital Financing Activities</b>		
Transfers from other funds	846,642	842,725
Transfers to other funds	(2,836)	(12,108)
Subsidy from federal grant	325,371	2,251,429
Net cash provided by noncapital financing activities	1,169,177	3,082,046
<b>Cash Flows From Capital and Related Financing Activities</b>		
Purchases of capital assets	(62,957)	(35,700)
Proceeds from sale of capital assets	-	61,062
Principal repayments-bonds and notes	(1,595,000)	(1,540,000)
Interest paid	(980,175)	(1,030,975)
Net cash used by capital and related financing activities	(2,638,132)	(2,545,613)
<b>Cash Flows From Investing Activities</b>		
Proceeds from sales and maturities of investments	5,781,493	6,649,766
Purchase of investments	(6,694,907)	(6,277,632)
Receipt of interest	14,727	64,234
Net cash provided (used) by investing activities	(898,687)	436,368
Net increase (decrease) in cash	(160,163)	213,808
Cash at beginning of year	431,644	217,836
Cash at end of year	\$ 271,481	\$ 431,644

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

**Statements of Cash Flows**  
**Years Ended September 30, 2021 and 2020**

	2021	2020
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>		
Operating income (loss)	\$ (2,176,547)	\$ 729,474
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	1,429,963	1,476,747
(Increase) decrease in deferred contributions	3,126,452	(3,126,452)
(Increase) decrease in deferred outflows of resources	2,183	71,159
Increase (decrease) in deferred inflows of resources	222	28,811
Changes in assets and liabilities:		
Increase (decrease) in accounts payable	(176,634)	123,935
Increase (decrease) in compensated absences payable	15,142	(11,542)
Increase (decrease) in accrued liabilities	1,705	1,730
Increase (decrease) in net pension liability	(15,007)	(52,855)
	4,384,026	(1,488,467)
Total adjustments		
Net cash provided (used) by operating activities	\$ 2,207,479	\$ (758,993)
<b>Reconciliation to statement of net position:</b>		
Cash	\$ 140,274	\$ 132,868
Cash restricted	131,207	298,776
Total cash	\$ 271,481	\$ 431,644

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

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

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

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

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

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

*Basis of Accounting*

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

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

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

Restricted cash and investments represent interest-bearing checking accounts and investments that are restricted for debt service and capital improvements. Per bond ordinance, a contingency fund was established and funded at the rate of \$3,750 per month until the fund reached \$500,000. As of September 30, 2021, the contingency fund has a balance of \$508,774. These restricted accounts are requirements of bond ordinances related to the revenues bonds outstanding. Net position is restricted to the extent of such legally imposed restrictions.

*Capital Assets*

Capital assets which include property, equipment and infrastructure are defined as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are capitalized because they are used in operations to provide services. Capital assets are recorded at cost if purchased or constructed. Net interest cost prior to October 1, 2020 pertaining to qualifying assets which are related to construction in progress is capitalized.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Depreciation expense for the year ended September 30, 2021 was \$1.4M (\$1.5M in 2020). The estimated useful lives for depreciation provision will be as follows:

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

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

*Long-Term Obligations*

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

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

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

According to the 2003 Agreement, the amount that may be spent from that fund for expenses relating to the obtaining of the Anzalduas Bridge Presidential Permit and for the design or construction costs, operation expenses of the Anzalduas Bridge, and initial debt service on bonds related to the Anzalduas Bridge is limited to no more than \$6,000,000. This advance is to be repaid with interest accruing at the interest rate on bonds issued to finance the Anzalduas Bridge, from the net revenues of the Anzalduas Bridge, after all bond ordinance requirements have been met. As of September 30, 2021, the Anzalduas Special and Start Up Fund advance payable to the Hidalgo Bridge amounts to \$15,935,434 (\$15,199,134 in 2020), of which the City of McAllen's portion is \$10,198,678 and the City of Hidalgo's portion is \$5,736,756. During this fiscal year, the balance was increased by accrued interest in the amount of \$736,300. No board advances were made during the year.

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

*Board Advances Payable from Anzalduas International Crossing to McAllen International Toll Bridge.*

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

As of September 30, 2021 the board advances payable to the Hidalgo Bridge amounts to \$4,537,340 (\$4,514,714 in 2020), of which the City of McAllen's portion is \$2,903,898 and the City of Hidalgo's portion is \$1,633,442. During this fiscal year, the balance was increased by accrued interest of \$22,626. No board advances were made during the year.

*Board Advance "B"*

During this fiscal year, the Hidalgo Bridge also transferred \$846,642 (\$842,725 in 2020) to the Anzalduas Bridge in support of the Refunding Series 2017 B bond debt service requirements. The 2003 Agreement provides that advances will accrue interest at a rate equal to the City of McAllen's bank depository rate. This advance is deducted from the City of McAllen's share of unallocated net surplus revenues of the Hidalgo Bridge. The City of Mission is responsible for repaying directly to the City of McAllen for its prorata share from its share of the net revenues of the Anzalduas Bridge after all bond ordinance requirements have been met and the Anzalduas Special and Start Up Fund advance and the board advances for Refunding Series 2017 A have been paid.

As of September 30, 2021 the board advance owed by the City of Mission to the City of McAllen amounts to \$4,151,465, increasing from \$3,840,779 for the year ended September 30, 2020. This board advance is recorded in the General fund of the City of McAllen.

*Bond Premium*

Bond premium is amortized using the effective interest method.

*Accumulated Unpaid Compensated Absences*

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

*Cash and Cash Equivalents*

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

**NOTE 2 - CASH AND INVESTMENTS**

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

**Investments**

*Fair Value Measurement*

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

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

There were no government security investments or certificates of deposit for the year ended September 30, 2021. Investments at fair value, as of September 30, 2020 were as follows:

Investments by fair value level	2020		Fair Value Measurements Using		
	Carrying Value	Fair Value	(Level 1)	(Level 2)	(Level 3)
United States government agency securities	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of deposit	\$ 1,023,040	\$ 1,023,040	\$ -	\$ 1,023,040	\$ -
Total investments by fair value level	\$ 1,023,040	\$ 1,023,040	\$ -	\$ 1,023,040	\$ -

The total amount excludes investments in local government pools which are reported at amortized cost. These investments total \$5,155,058 and \$3,218,604 as of September 30, 2021 and September 30, 2020 respectively.

*Public Funds Investment Pools*

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

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

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

*Interest rate risk.* The investment policy states that no investment shall exceed seven years in maturity. By limiting the exposure of its investments by less than one year, the Anzalduas Bridge reduces its risk to the rising interest rates. The table that follows reflects the allocation of the investment portfolio at September 30, 2021.

*Credit risk.* As of September 30, 2021 and 2020, the investments in the TexPool Prime investment pool are rated AAAM by Standards and Poor's. The City's investment policy limits authorized investments to local government investment pools of political subdivisions in the State of Texas that invest in instruments and follow practices allowed by current law and that maintains as an investments objective a \$1.00 net asset value, certificates of deposits, U.S. Treasuries and U.S. government agencies, commercial paper, no-load mutual funds, money market mutual funds, municipal bonds, and full collateralized repurchase agreements.

*Concentration of credit risk.* The Anzalduas Bridge investment holdings at September 30, 2021 were confined to TexPool Prime. The investment policy is silent in the concentration of holdings in the various types of securities and investments.

**NOTE 3 - CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2021 and September 30, 2020 are presented in the following tables:

	Balance at September 30, 2020	Additions	(Retirement)/ Transfer	Balance at September 30, 2021
Capital assets not being depreciated:				
Land	\$ 2,922,772	\$ -	\$ -	\$ 2,922,772
Construction in progress	503,132	-	(164,481)	338,651
Capital assets:				
Buildings and systems	10,429,987	-	-	10,429,987
Improvements other than buildings	40,513,317	51,491	164,481	40,729,289
Machinery and equipment	1,041,609	11,466	-	1,053,075
Total capital assets	55,410,817	62,957	-	55,473,774
Less accumulated depreciation	(16,396,002)	(1,429,963)	-	(17,825,965)
Net capital assets	<u>\$ 39,014,815</u>	<u>\$ (1,367,006)</u>	<u>\$ -</u>	<u>\$ 37,647,809</u>
	Balance at September 30, 2019	Additions	(Retirement)/ Transfer	Balance at September 30, 2020
Capital assets not being depreciated:				
Land	\$ 2,922,772	\$ -	\$ -	\$ 2,922,772
Construction in progress	564,194	-	(61,062)	503,132
Capital assets:				
Buildings and systems	10,415,087	14,900	-	10,429,987
Improvements other than buildings	40,505,317	15,000	(7,000)	40,513,317
Machinery and equipment	1,035,809	5,800	-	1,041,609
Total capital assets	55,443,179	35,700	(68,062)	55,410,817
Less accumulated depreciation	(14,919,255)	(1,476,747)	-	(16,396,002)
Net capital assets	<u>\$ 40,523,924</u>	<u>\$ (1,441,047)</u>	<u>\$ (68,062)</u>	<u>\$ 39,014,815</u>

**NOTE 4 - SOUTHBOUND COMMERCIAL AGREEMENT**

On August 27, 2015, the Anzalduas International Bridge Board (“ABB”) and the Mexico Federal Agency La Secretaria de Comunicaciones y Transportes de los Estados Unidos Mexicanos (“SCT”) agreed to improve the infrastructure and operation of the Anzalduas Bridge to allow the crossings of southbound commercial empty truck traffic. The ABB agreed to finance the construction of one additional lane and equipment on the Mexico side of the Anzalduas Bridge, which would be provided by funds from the Anzalduas Capital Improvement fund. The ABB and the SCT agreed that after the initial operation of the installations, 100% of the toll revenue generated from southbound empties will be used to reimburse the cost of the project to the Anzalduas Bridge. Presently, the Anzalduas International Bridge is responsible for collecting and accounting for the toll revenue. As of September 30, 2021, the Anzalduas Bridge recorded \$475,325 for southbound commercial truck traffic tolls. The total cost of construction in the amount of \$1,030,865 has been reimbursed to ABB as of July 31, 2020.

The ABB and SCT agreed that future toll revenues generated on the U.S. side for crossings of southbound empty truck traffic, after expenses of operation, maintenance, administrative, and fiscal responsibility, will be divided 80% to Anzalduas Bridge and 20% to the SCT. For the year ending September 30, 2021, a total of \$112,496 is due to the SCT.

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

**NOTE 5 - REVENUE BONDS PAYABLE AND LONG-TERM LIABILITIES**

Long-term liability activities for the year ended September 30, 2021 and September 30, 2020 are reflected as follows:

	Balance at September 30, 2020	Additional Obligations and Net Increases	Retirement and Net Inc / (Dec)	Balance at September 30, 2021	Amounts Due Within One Year
Revenue bonds payable	\$ 24,120,000	\$ -	\$ (1,595,000)	\$ 22,525,000	\$ 1,650,000
Unamortized bond premium	1,861,712	-	(237,497)	1,624,215	235,406
Net pension liability	100,568	-	(15,007)	85,561	-
Compensated absences	6,519	25,094	(9,952)	21,661	9,452
	<u>\$ 26,088,799</u>	<u>\$ 25,094</u>	<u>\$ (1,857,456)</u>	<u>\$ 24,256,437</u>	<u>\$ 1,894,858</u>
	Balance at September 30, 2019	Additional Obligations and Net Increases	Retirement and Net Inc / (Dec)	Balance at September 30, 2020	Amounts Due Within One Year
Revenue bonds payable	\$ 25,660,000	\$ -	\$ (1,540,000)	\$ 24,120,000	\$ 1,595,000
Unamortized bond premium	2,100,750	-	(239,038)	1,861,712	237,497
Net pension liability	153,423	-	(52,855)	100,568	-
Compensated absences	18,061	1,068	(12,610)	6,519	6,519
	<u>\$ 27,932,234</u>	<u>\$ 1,068</u>	<u>\$ (1,844,503)</u>	<u>\$ 26,088,799</u>	<u>\$ 1,839,016</u>

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

The aggregate maturities of revenue bonds payable as of September 30, 2021, including interest payments, are as follows:

Year Ending	Interest Rate	Principal	Interest	Total
2022	5.00%	\$ 1,650,000	\$ 923,775	\$ 2,573,775
2023	5.00%	1,720,000	857,275	2,577,275
2024	5.00%	1,790,000	784,931	2,574,931
2025	5.00%	1,860,000	711,063	2,571,063
2026	5.00%	1,940,000	633,000	2,573,000
2027-2031	5.00%	11,050,000	1,819,951	12,869,951
2032	5.00%	2,515,000	56,687	2,571,687
		<u>\$ 22,525,000</u>	<u>\$ 5,786,682</u>	<u>\$ 28,311,682</u>

**NOTE 6 - DEFICIT UNRESTRICTED NET POSITION**

The unrestricted portion of net position reflects a deficit in the amount of \$18,127,622, as a result of advances payable to the Hidalgo Bridge, as authorized by the board of trustees. These advances supported the annual debt service requirements and interest on the advances. Anzalduas Bridge's management does not believe the Hidalgo Bridge Board of trustees has current intention of calling these advances, which will be repaid once the fund is able.

**NOTE 7 - RETIREMENT PLAN**

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

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

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

	Plan Year 2019	Plan Year 2020
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	10	10
Service retirement eligibility (expressed as age/years of service)	60/10, 0/20	60/10, 0/20
Updated service credit	100%, Transfers	100%, Transfers
Annuity increase (to retire)	0% of CPI	0% of CPI

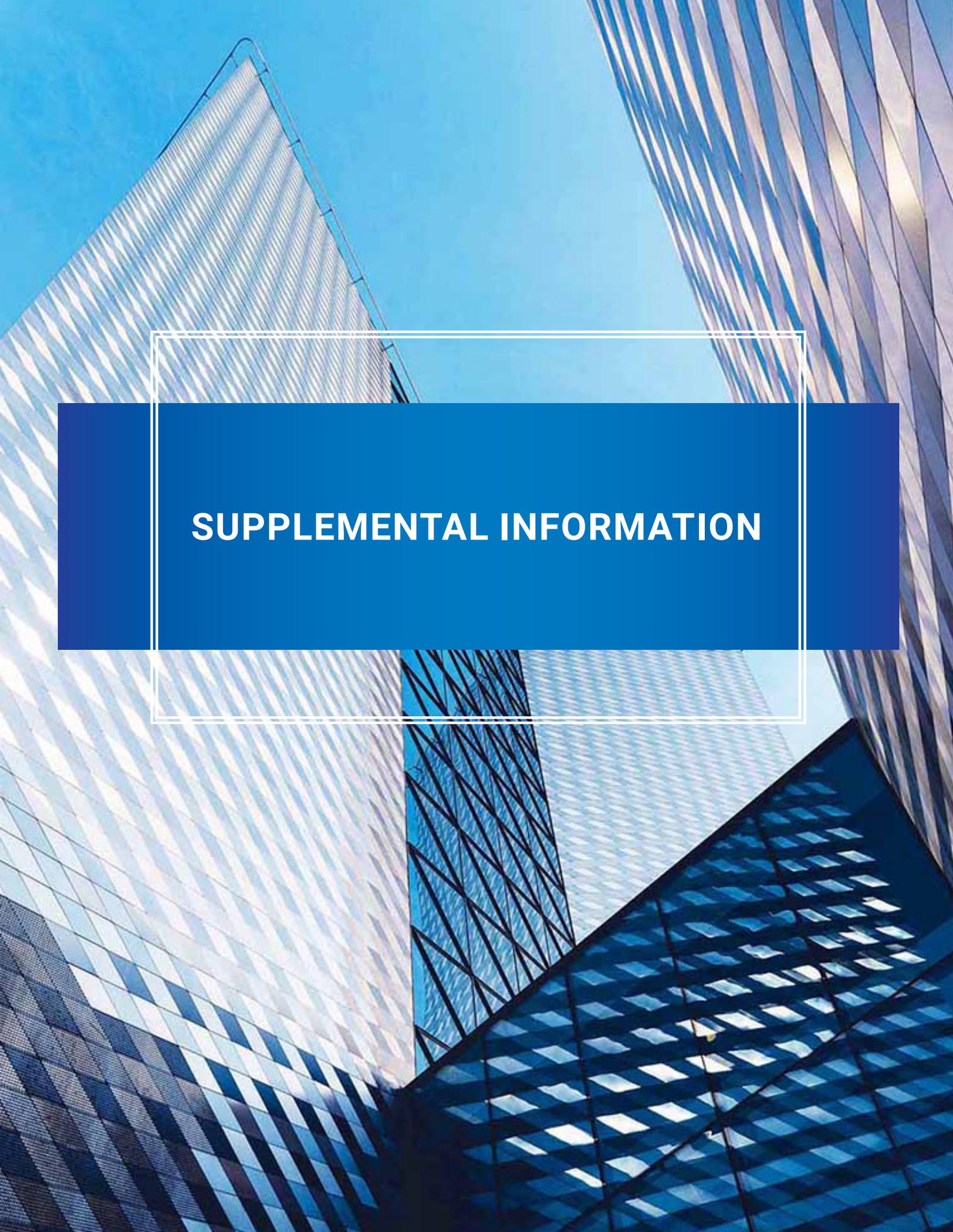
**NOTE 7 - RETIREMENT PLAN (CONTINUED)**

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. The City contributes to the TMRS at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. Since the Anzalduas Bridge is a component of the overall financial City wide audit report, additional pension disclosures are reflected in the City's Annual Comprehensive Financial Report. Included in the financial statements are the Anzalduas Bridge's allocable share of net pension liability of \$85,561, deferred outflow of resources, \$21,872, and deferred inflows of resources, \$35,384.

**NOTE 8 - ACCOUNTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The City, as an entity wide, will report all required disclosures of GASB Statement Number 75 in the City's Annual Comprehensive Financial Report. The City instituted an internal service fund to account for health benefits related to current and future retirees. The Anzalduas Bridge has five full time employees. For the current year, the fund contributed \$3,660 towards the annual required contribution. Since the current staffing represents a fraction of total City employees, management believes that any future requirements will have minimal impact on the Anzalduas Bridge Fund.

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**SUPPLEMENTAL INFORMATION**

**Schedule of Income Distribution  
Last Ten Years**

	Year Ended September 30,		
	2012	2013	2014
Revenues	\$ 2,650,482	\$ 2,892,328	\$ 3,054,289
Maintenance, operation expenses, and capital assets purchase	820,479	760,403	797,804
Net Revenues	1,830,003	2,131,925	2,256,485
Less:			
Bond Requirements:			
Transfer to Debt Service Fund - Series 2007 "A" (\$26M Issue)	1,836,015	1,962,319	1,964,736
Less: Amount Provided by Board Advance from McAllen Intl Bridge Fund	(326,833)	-	-
Net Transfer Provided by Anzalduas Intl Crossing Revenues for Debt Service	1,509,182	1,962,319	1,964,736
Transfer to Contingency Fund	45,000	45,000	45,000
Transfer to Capital Improvement Fund	213,706	232,326	235,426
Balance Available After Bond Requirements	62,115	(107,720)	11,323
Repayment of Advances from McAllen International Toll Bridge			
"Anzalduas Special and Start-Up Advancement Fund" (\$6M Limit) (1)	-	-	-
"Board Advancement to Anzalduas Bridge Board" (with respect to advances for transfers to debt service fund Series 2007 "A" (\$26M Issue)	-	-	-
Retain in Working Capital	(62,115)	107,720	(11,323)
Unallocated Balance of Surplus Net Revenue Attributable to Cities	\$ -	\$ -	\$ -

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

## Year Ended September 30,

	2015	2016	2017	2018	2019	2020	2021
\$	3,220,899	\$ 3,687,962	\$ 3,723,945	\$ 3,588,201	\$ 3,889,920	\$ 3,034,273	\$ 3,148,904
	816,588	1,940,489	873,718	1,618,094	853,113	774,663	3,882,265
	2,404,311	1,747,473	2,850,227	1,970,107	3,036,807	2,259,610	(733,361)
	1,965,137	1,963,782	2,044,158	1,754,715	1,755,092	1,755,583	1,755,700
	-	-	-	-	-	-	-
	1,965,137	1,963,782	2,044,158	1,754,715	1,755,092	1,755,583	1,755,700
	45,000	45,000	45,000	45,000	45,000	45,000	45,000
	240,910	443,237	642,950	753,715	773,217	603,165	354,814
	153,264	(704,546)	118,119	(583,323)	463,498	(144,138)	(2,888,875)
	-	-	-	-	-	-	-
	(153,264)	704,546	(118,119)	583,323	(463,498)	144,138	2,888,875
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Combining Schedule of Net Position  
September 30, 2021**

	McAllen Int'l Toll Bridge	Anzalduas Int'l Crossing	Total
<b>ASSETS</b>			
Current Assets:			
Cash	\$ 96,673	\$ 140,274	\$ 236,947
Investments	3,071,348	2,400,651	5,471,999
Other	30,042	-	30,042
Due from other governments	206,484	58,400	264,884
Cash and cash equivalents	<u>93,778</u>	<u>131,207</u>	<u>224,985</u>
Total current assets	<u>3,498,325</u>	<u>2,730,532</u>	<u>6,228,857</u>
Noncurrent assets:			
Restricted assets:			
Investments	<u>5,581,029</u>	<u>2,754,407</u>	<u>8,335,436</u>
Total noncurrent restricted assets	<u>5,581,029</u>	<u>2,754,407</u>	<u>8,335,436</u>
Capital assets:			
Land	787,486	2,922,772	3,710,258
Buildings and systems	16,014,650	10,429,987	26,444,637
Improvements other than buildings	4,957,133	40,729,289	45,686,422
Machinery and equipment	3,853,505	1,053,075	4,906,580
Construction in progress	939,887	338,651	1,278,538
Less accumulated depreciation and amortization	<u>(16,808,302)</u>	<u>(17,825,965)</u>	<u>(34,634,267)</u>
Total capital assets (net of accumulated depreciation and amortization)	<u>9,744,359</u>	<u>37,647,809</u>	<u>47,392,168</u>
Other noncurrent assets:			
Board advances	<u>20,472,774</u>	-	<u>20,472,774</u>
Total other noncurrent assets	<u>20,472,774</u>	-	<u>20,472,774</u>
Total noncurrent assets	<u>35,798,162</u>	<u>40,402,216</u>	<u>76,200,378</u>
Total assets	<u>39,296,487</u>	<u>43,132,748</u>	<u>82,429,235</u>
Deferred outflows of resources			
Deferred charges - pensions	<u>82,168</u>	<u>21,872</u>	<u>104,040</u>
Total deferred outflows of resources	<u>82,168</u>	<u>21,872</u>	<u>104,040</u>
Total assets and deferred outflows of resources	<u>\$ 39,378,655</u>	<u>\$ 43,154,620</u>	<u>\$ 82,533,275</u>

**Combining Schedule of Net Position  
September 30, 2021**

	McAllen Int'l Toll Bridge	Anzalduas Int'l Crossing	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 75,251	\$ 29,645	\$ 104,896
Accrued expenses	31,917	200,023	231,940
Due to other funds	2,775	-	2,775
Due to other government agencies	781,968	-	781,968
Compensated absences	70,073	9,452	79,525
Current portion of revenue bonds	-	1,885,406	1,885,406
Current portion of capital lease	1,875	-	1,875
	<u>963,859</u>	<u>2,124,526</u>	<u>3,088,385</u>
Other noncurrent liabilities:			
Revenue bonds, net of current portion	-	22,263,809	22,263,809
Compensated absences	98,411	12,209	110,620
Unearned revenues	187,926	-	187,926
Capital lease payable	8,085	-	8,085
Board advances	-	20,472,774	20,472,774
TMRS net pension liability	208,947	85,561	294,508
	<u>503,369</u>	<u>42,834,353</u>	<u>43,337,722</u>
Total liabilities	<u>1,467,228</u>	<u>44,958,879</u>	<u>46,426,107</u>
Deferred inflows of resources			
Refunding related	-	257,989	257,989
Pensions related	132,928	35,384	168,312
	<u>132,928</u>	<u>293,373</u>	<u>426,301</u>
Total liabilities and deferred inflows of resources	<u>1,600,156</u>	<u>45,252,252</u>	<u>46,852,408</u>
<b>NET POSITION</b>			
Net investments in capital assets	9,734,399	13,240,604	22,975,003
Restricted for:			
Capital projects	2,893,697	1,286,740	4,180,437
Debt service	538,589	1,502,646	2,041,235
Distribution of net surplus revenues	3,389,077	-	3,389,077
Unrestricted	21,222,737	(18,127,622)	3,095,115
	<u>37,778,499</u>	<u>(2,097,632)</u>	<u>35,680,867</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 39,378,655</u>	<u>\$ 43,154,620</u>	<u>\$ 82,533,275</u>

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**Combining Schedule of Revenues, Expenses, and Changes in Net Position  
Year Ended September 30, 2021**

	McAllen Int'l Toll Bridge	Anzalduas Int'l Crossing	Total
Operating revenues:			
Charges for services	\$ 6,694,622	\$ 3,064,295	\$ 9,758,917
Rentals	3,344,081	12,735	3,356,816
Other	157,024	58,651	215,675
Total operating revenues	<u>10,195,727</u>	<u>3,135,681</u>	<u>13,331,408</u>
Operating expenses:			
Salaries, wages and employee benefits	1,381,472	350,279	1,731,751
Supplies	104,729	10,437	115,166
Contractual and other services	1,084,335	3,487,293	4,571,628
Repairs and maintenance	184,251	34,256	218,507
Depreciation and amortization	1,039,397	1,429,963	2,469,360
Total operating expenses	<u>3,794,184</u>	<u>5,312,228</u>	<u>9,106,412</u>
Operating income (loss)	<u>6,401,543</u>	<u>(2,176,547)</u>	<u>4,224,996</u>
Nonoperating revenues (expenses)			
Investment earnings	23,110	14,656	37,766
Interest expense	(357)	(975,858)	(976,215)
Interest on board advances	758,926	(758,926)	-
Bond related charges--issuance cost	-	262,068	262,068
Gain (loss) on sale of capital assets	19,170	-	19,170
Other	(2,382,592)	(95,065)	(2,477,657)
Net nonoperating revenues (expenses)	<u>(1,581,743)</u>	<u>(1,553,125)</u>	<u>(3,134,868)</u>
Income (loss) before contributions and transfers	4,819,800	(3,729,672)	1,090,128
Capital contributions	11,098	2,635,200	2,646,298
Transfers in	-	846,642	846,642
Transfers out	(4,351,390)	(2,836)	(4,354,226)
Change in net position	479,508	(250,666)	228,842
Total net position-beginning	<u>37,298,991</u>	<u>(1,846,966)</u>	<u>35,452,025</u>
Total net position-ending	<u>\$ 37,778,499</u>	<u>\$ (2,097,632)</u>	<u>\$ 35,680,867</u>

**Combining Schedule of Cash Flows  
Year Ended September 30, 2021**

	McAllen Int'l Toll Bridge	Anzalduas Int'l Crossing	Total
<b>Cash Flows From Operating Activities</b>			
Receipts from customers	\$ 10,195,108	\$ 3,135,681	\$ 13,330,789
Payments to employees	(1,376,420)	(346,034)	(1,722,454)
Payments to suppliers	(1,653,093)	(582,168)	(2,235,261)
Net cash provided (used) by operating activities	<u>7,165,595</u>	<u>2,207,479</u>	<u>9,373,074</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers from other funds	-	846,642	846,642
Transfers to other funds	(4,351,390)	(2,836)	(4,354,226)
Subsidy from federal grant	3,927	325,371	329,298
Distribution of income to the City of Hidalgo	(1,937,136)	-	(1,937,136)
Net cash provided (used) by noncapital financing activities	<u>(6,284,599)</u>	<u>1,169,177</u>	<u>(5,115,422)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	(598,945)	(62,957)	(661,902)
Proceeds from sale of capital assets	40,917	-	40,917
Principal repayment -bonds and notes	(1,820)	(1,595,000)	(1,596,820)
Interest paid	(357)	(980,175)	(980,532)
Net cash used by capital and related financing activities	<u>(560,205)</u>	<u>(2,638,132)</u>	<u>(3,198,337)</u>
<b>Cash Flows From Investing Activities</b>			
Proceeds from sales and maturities of investments	10,302,715	5,781,493	16,084,208
Purchase of investments	(10,656,846)	(6,694,907)	(17,351,753)
Receipt of interest	23,110	14,727	37,837
Net cash provided by investing activities	<u>(331,021)</u>	<u>(898,687)</u>	<u>(1,229,708)</u>
Net change in cash	(10,230)	(160,163)	(170,393)
Cash at beginning of year	<u>200,681</u>	<u>431,644</u>	<u>632,325</u>
Cash at end of year	<u>\$ 190,451</u>	<u>\$ 271,481</u>	<u>\$ 461,932</u>

**Combining Schedule of Cash Flows**  
**Year Ended September 30, 2021**  
**(Continued)**

	McAllen Int'l Toll Bridge	Anzalduas Int'l Crossing	Total
<b>Reconciliation of Operating Income to Net Cash</b>			
<b>Provided by Operating Activities</b>			
Operating Income (loss)	\$ 6,401,543	\$ (2,176,547)	\$ 4,224,996
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	1,039,397	1,429,963	2,469,360
(Increase) decrease in deferred contributions	-	3,126,452	3,126,452
(Increase) decrease in deferred outflows of resources	34,464	2,183	36,647
Increase (decrease) in deferred inflows of resources	(37,553)	222	(37,331)
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(50,990)	-	(50,990)
Increase (decrease) in accounts payable	(187,220)	(176,634)	(363,854)
Increase (decrease) in compensated absences payable	59,430	15,142	74,572
Increase (decrease) in accrued liabilities	(45,398)	1,705	(43,693)
Increase (decrease) due to other funds	(42,072)	-	(42,072)
Increase (decrease) in net pension liability	(56,377)	(15,007)	(71,384)
Increase (decrease) in unearned revenue	50,371	-	50,371
Total adjustments	764,052	4,384,026	5,148,078
Net cash provided (used) by operating activities	\$ 7,165,595	\$ 2,207,479	\$ 9,373,074
<b>Reconciliation to statement of net position:</b>			
Cash	\$ 96,673	\$ 140,274	\$ 236,947
Cash restricted	93,778	131,207	224,985
Total cash	\$ 190,451	\$ 271,481	\$ 461,932

**Schedule of Vehicle and Passenger Traffic  
(Unaudited)**

	Year Ended September 30,			
	2012	2013	2014	2015
Vehicular traffic southbound:				
Cars	858,488	933,694	950,143	974,930
Trucks - empties	732	960	859	-
Buses	3,878	4,417	1,922	1,342
Total vehicles	(1) <u>863,098</u>	<u>939,071</u>	<u>952,924</u>	<u>976,272</u>
Passenger traffic southbound:				
Passengers in cars	(2) 2,146,220	2,334,235	2,375,358	2,437,325
Passengers and drivers – buses	<u>112,462</u>	<u>128,093</u>	<u>55,738</u>	<u>38,918</u>
Total persons	<u>2,258,682</u>	<u>2,462,328</u>	<u>2,431,096</u>	<u>2,476,243</u>

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

(2) Calculation based on historical average of 2.5

## Year Ended September 30,

2016	2017	2018	2019	2020	2021
1,015,219	966,364	875,430	965,077	724,046	724,838
732	15,528	28,036	21,467	19,359	27,577
1,636	1,374	1,577	1,429	1,194	1,184
<u>1,017,587</u>	<u>983,266</u>	<u>905,043</u>	<u>987,973</u>	<u>744,599</u>	<u>753,599</u>
2,538,048	2,415,910	2,188,575	2,412,693	1,810,115	1,812,095
47,444	39,846	45,733	41,441	34,626	34,336
<u>2,585,492</u>	<u>2,455,756</u>	<u>2,234,308</u>	<u>2,454,134</u>	<u>1,844,741</u>	<u>1,846,431</u>

**Schedule of Car and Truck Traffic Revenue  
(Unaudited)**

	Year Ended September 30,			
	2012	2013	2014	2015
Southbound traffic:				
Cars	858,488	933,694	950,143	974,930
Trucks - empties	732	960	859	-
Total car and truck traffic	<u>859,220</u>	<u>934,654</u>	<u>951,002</u>	<u>974,930</u>
Truck traffic percentage	0.09%	0.10%	0.09%	0.00%
Car and truck revenue:				
Cars	\$ 2,537,957	\$ 2,795,401	\$ 2,964,866	\$ 3,173,047
Trucks	5,221	6,720	6,013	-
Total car and truck revenue	<u>\$ 2,543,178</u>	<u>\$ 2,802,121</u>	<u>\$ 2,970,879</u>	<u>\$ 3,173,047</u>
Truck revenue percentage	0.21%	0.24%	0.20%	0.00%
Average revenue per car	\$ 2.96	\$ 2.99	\$ 3.12	\$ 3.25
Average revenue per truck	\$ 7.13	\$ 7.00	\$ 7.00	\$ -

Year Ended September 30,

2016	2017	2018	2019	2020	2021
1,015,219	966,364	875,430	965,077	724,046	724,838
732	15,528	28,036	21,467	19,359	27,577
<u>1,015,951</u>	<u>981,892</u>	<u>903,466</u>	<u>986,544</u>	<u>743,405</u>	<u>752,415</u>
0.07%	1.58%	3.10%	2.18%	2.60%	3.67%
\$ 3,504,191	\$ 3,389,172	\$ 3,094,093	\$ 3,400,254	\$ 2,648,672	\$ 2,588,970
9,927	166,651	327,644	302,148	249,532	475,325
<u>\$ 3,514,118</u>	<u>\$ 3,555,823</u>	<u>\$ 3,421,737</u>	<u>\$ 3,702,402</u>	<u>\$ 2,898,204</u>	<u>\$ 3,064,295</u>
0.28%	4.69%	9.58%	8.16%	8.61%	15.51%
\$ 3.45	\$ 3.51	\$ 3.53	\$ 3.52	\$ 3.66	\$ 3.57
\$ 13.56	\$ 10.73	\$ 11.69	\$ 14.07	\$ 12.89	\$ 17.24

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**Schedule of Board Advances from McAllen International Toll Bridge Fund  
September 30, 2021  
(Unaudited)**

Anzalduas Special & Startup Fund:

Balance at September 30, 2020	Additions		Balance at September 30, 2021
	Advances	Implied Interest	
\$ 15,199,134	\$ -	\$ 736,300	\$ 15,935,434

Board advance "A" to Anzalduas International Crossing:

Balance at September 30, 2020	Additions		Balance at September 30, 2021
	Advances	Implied Interest	
\$ 4,514,714	\$ -	\$ 22,626	\$ 4,537,340

Combined totals of advances to Anzalduas International Crossing:

Balance at September 30, 2020	Additions		Balance at September 30, 2021
	Advances	Implied Interest	
\$ 19,713,848	\$ -	\$ 758,926	\$ 20,472,774

**Distribution of Advances:**

City of McAllen- Share @ 64%	\$ 12,616,862	\$ -	\$ 485,713	\$ 13,102,574
City of Hidalgo- Share @ 36%	7,096,986	-	273,213	7,370,200
	<u>\$ 19,713,848</u>	<u>\$ -</u>	<u>\$ 758,926</u>	<u>\$ 20,472,774</u>

**Schedule of Board Advances from McAllen International Toll Bridge Fund  
September 30, 2021  
(Unaudited)**

Activity Schedule-Anzalduas Special & Startup Fund:

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

	<u>Bond Rate</u>	<u># Days</u>	<u>Advance</u>	<u>Interest</u>	<u>Payment</u>	<u>Balance</u>
10/01/2020	Opening balance				\$	15,199,134
10/31/2020	4.74%	31	-	61,188	-	15,260,322
11/30/2020	4.74%	30	-	59,453	-	15,319,775
12/31/2020	4.74%	31	-	61,674	-	15,381,449
01/31/2021	4.74%	31	-	61,922	-	15,443,371
02/28/2021	4.74%	28	-	56,155	-	15,499,526
03/31/2021	4.74%	31	-	62,397	-	15,561,923
04/30/2021	4.74%	30	-	60,628	-	15,622,551
05/31/2021	4.74%	31	-	62,893	-	15,685,444
06/30/2021	4.74%	30	-	61,109	-	15,746,553
07/31/2021	4.74%	31	-	63,392	-	15,809,945
08/31/2021	4.74%	31	-	63,647	-	15,873,592
09/30/2021	4.74%	30	-	61,842	- \$	15,935,434

**Schedule of Board Advances from McAllen International Toll Bridge Fund  
September 30, 2021  
(Unaudited)**

Activity Schedule-Board Advances "A":

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

	<u>Bank Rate</u>	<u># Days</u>	<u>Advance</u>	<u>Interest</u>	<u>Balance</u>
Opening balance				\$	4,514,714
10/1/2019				-	4,514,714
10/31/2020	0.50%	31	-	1,917	4,516,631
11/01/2020				-	4,516,631
11/30/2020	0.50%	30	-	1,856	4,518,487
12/01/2020				-	4,518,487
12/31/2020	0.50%	31	-	1,919	4,520,406
01/01/2021				-	4,520,406
01/31/2021	0.50%	31	-	1,920	4,522,325
02/01/2021				-	4,522,325
02/28/2021	0.50%	28	-	1,735	4,524,061
03/01/2021				-	4,524,061
03/31/2021	0.50%	31	-	1,921	4,525,982
04/01/2021				-	4,525,982
04/30/2021	0.50%	30	-	1,860	4,527,842
05/01/2021				-	4,527,842
05/31/2021	0.50%	31	-	1,923	4,529,765
06/01/2021				-	4,529,765
06/30/2021	0.50%	30	-	1,862	4,531,627
07/01/2021				-	4,531,627
07/31/2021	0.50%	31	-	1,924	4,533,551
08/01/2021				-	4,533,551
08/31/2021	0.50%	31	-	1,925	4,535,476
09/01/2021				-	4,535,476
09/30/2021	0.50%	30	-	1,865	\$ 4,537,340

**Schedule of Board Advances from McAllen International Toll Bridge Fund  
September 30, 2021  
(Unaudited)**

Activity Schedule-Board Advances "B":

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

	Bank Rate	# Days	Advance		Interest	Balance
			Total	Applicable to Mission		
Opening balance					\$	3,840,779
10/01/2020			70,165	24,088	-	3,864,867
10/31/2020	0.50%	31	-	-	1,641	3,866,508
11/01/2020			70,165	24,088	-	3,890,596
11/30/2020	0.50%	30	-	-	1,599	3,892,195
12/01/2020			70,165	24,088	-	3,916,283
12/31/2020	0.50%	31	-	-	1,663	3,917,946
01/01/2021			70,165	24,088	-	3,942,034
01/31/2021	0.50%	31	-	-	1,674	3,943,708
02/01/2021			70,165	24,088	-	3,967,795
02/28/2021	0.50%	28	-	-	1,522	3,969,318
03/01/2021			70,831	24,316	-	3,993,635
03/31/2021	0.50%	31	-	-	1,696	3,995,330
04/01/2021			70,831	24,316	-	4,019,646
04/30/2021	0.50%	30	-	-	1,652	4,021,298
05/01/2021			70,831	24,316	-	4,045,614
05/31/2021	0.50%	31	-	-	1,718	4,047,332
06/01/2021			70,831	24,316	-	4,071,648
06/30/2021	0.50%	30	-	-	1,673	4,073,321
07/01/2021			70,831	24,316	-	4,097,637
07/31/2021	0.50%	31	-	-	1,740	4,099,377
08/01/2021			70,831	24,316	-	4,123,693
08/31/2021	0.50%	31	-	-	1,751	4,125,444
09/01/2021			70,831	24,316	-	4,149,761
09/30/2021	0.50%	30	-	-	1,705	\$ 4,151,465

Schedule of Insurance Coverage  
September 30, 2021  
(Unaudited)

Coverage	Insurance Company	Policy Period	Type of Coverage	Limit	Aggregate	Occurrence Retention/ Deductible
Property Insurance	Texas Municipal League	10/01/2020 to 10/01/2021	Real & Personal Property Loss of Revenue/Extra Expense	\$349,880,321		\$500,000*
- Bridge & Surrounding Area				\$15,188,455**		*\$50,000 Flood & Earthquake Deductible or 1% of Building Value whichever is greater
				**Loss of Revenue / Extra Expense / Rental Value for all City owned locations		
Excess Workers' Compensation	Safety National Casualty	10/01/2020 to 10/01/2021	Workers' Compensation Employer's Liability	Statutory \$2,000,000		\$750,000 (OR)
All Lines Aggregate - General Liability - Automobile Liability - Errors & Omissions Liability - Employee Benefits Liability	Self-Insured	10/01/2020 to 10/01/2021		\$250,000 per person / \$500,000 per claim Tort Claims cap		
Crimes Insurance	Alliant	07/01/2019 to 07/01/2021	Employee Theft Forgery or Alteration	\$1,000,000 \$1,000,000		\$2,500 \$2,500
			Theft, Disappearance & Destruction Computer Fraud	\$1,000,000 \$1,000,000		\$2,500 \$2,500



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

To the Board of Trustees  
Anzalduas International Crossing

We have audited, in accordance with the auditing standards generally accepting in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Anzalduas International Crossing (the Bridge), as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Bridge's basic financial statements, and have issued our report thereon dated February 11, 2022.

***Internal Control over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

Weaver and Tidwell, L.L.P.  
1601 South MoPac Expressway, Suite D250 | Austin, Texas 78746  
Main: 512.609.1900

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The Board of Trustees  
Anzalduas International Crossing

**Purpose of this Report**

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
February 11, 2022