



Anzalduas International Crossing

**Financial Statements
And Report of Independent Certified Public Accountants
September 30, 2025 and 2024**



This page left intentionally blank

Table of Contents

	<u>Page</u>
Report of Independent Certified Public Accountants	5
Management’s Discussion and Analysis (Unaudited).....	9
Basic Financial Statements	
Statements of Net Position	16
Statements of Revenues, Expenses, and Changes in Net Position	19
Statements of Cash Flows	20
Notes to the Financial Statements.....	22
Supplemental Information	
Schedule of Income Distribution	32
Toll Bridge System (Combined) McAllen International Toll Bridge and Anzalduas International Crossing	
Combining Schedule of Net Position	34
Combining Schedule of Revenues, Expenses, and Changes in Net Position	37
Combining Schedule of Cash Flows.....	38
Schedule of Vehicle and Passenger Traffic (Unaudited)	40
Schedule of Car and Truck Traffic Revenue (Unaudited)	42
Schedule of Board Advances from McAllen International Toll Bridge (Unaudited)	45
Schedule of Insurance Coverage (Unaudited).....	49
Government Auditing Standards	
Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters required by <i>Government Auditing Standards</i>	51

This page left intentionally blank

Independent Auditor's Report

To the Board of Trustees
Anzalduas International Crossing

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Anzalduas International Crossing (the Bridge) as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Bridge's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Anzalduas International Crossing, as of September 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof and for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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, 2025 and 2024, 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.

Implementation of New Accounting Principle

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2025, the Bridge implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Weaver and Tidwell, L.L.P.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

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

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

We have also audited the financial statements of McAllen International Toll Bridge as of and for the years ended September 30, 2025 and 2024, and have issued our report thereon dated March 13, 2026 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 March 13, 2026, 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
March 13, 2026

This page left intentionally blank

Management's Discussion and Analysis (Unaudited)

September 30, 2025

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, 2025 and 2024 and the related effect on its financial condition. Please read it in conjunction with the basic financial statements, which follow and include the notes thereto, which are necessary for a complete understanding of the data contained in the financial statements. Following the notes to the financial statements is certain supplementary information.

OPERATIONAL HIGHLIGHTS

As shown on the Statement of Revenues, Expenses, and Changes in Net Position, operating income amounted to \$2.1M. Net position for FY 2025 decreased by \$775.4K, resulting in an ending net position of \$2.6M.

Southbound car crossings decreased by 8.34% from last year's crossing, while bus crossings decreased by 61.08% from last year. In August 2016, the Anzalduas Bridge began accepting the southbound crossings of trucks with empty cargo. For the year ended September 30, 2025, empty truck traffic decreased by 9.74% from FY 2024. 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 2025	FY 2024	Increase (Decrease)	% Increase (Decrease)
Cars	1,445,817	1,577,419	(131,602)	-8.34%
Trucks - empties	47,042	52,119	(5,077)	-9.74%
Buses	801	2,058	(1,257)	-61.08%
Passengers in cars	3,614,543	3,943,548	(329,005)	-8.34%

Overview of the Financial Statements

The financial statements include the Statement of Net Position, Statement of Revenue, Expenses and Changes in Net Position, and the Statement of Cash Flows for the fiscal years ending September 30, 2025 and 2024.

Required Financial Statements

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

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

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

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

Management's Discussion and Analysis (Unaudited)

September 30, 2025

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, 2025, net position amounted to \$2.6M. Total assets, which consist of current and noncurrent assets, decreased by \$7.7M over the prior year. Total liabilities, which consist of current and noncurrent liabilities, decreased by \$6.9M when comparing FY 2025 to FY 2024.

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>2025</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Current assets	\$ 5,877,431	\$ 7,326,399	\$ 5,303,803
Noncurrent assets	<u>134,167,367</u>	<u>140,394,384</u>	<u>108,513,664</u>
Total assets	<u>140,044,798</u>	<u>147,720,783</u>	<u>113,817,467</u>
Deferred outflows of resources	<u>23,398</u>	<u>66,155</u>	<u>113,310</u>
Total assets and deferred outflows of resources	<u>140,068,196</u>	<u>147,786,938</u>	<u>113,930,777</u>
LIABILITIES			
Current liabilities	9,229,582	23,580,528	7,483,891
Other noncurrent liabilities	<u>128,026,083</u>	<u>120,607,671</u>	<u>105,803,690</u>
Total liabilities	<u>137,255,665</u>	<u>144,188,199</u>	<u>113,287,581</u>
Deferred inflows of resources	<u>187,063</u>	<u>197,812</u>	<u>216,748</u>
Total liabilities and deferred inflows of resources	<u>137,442,728</u>	<u>144,386,011</u>	<u>113,504,329</u>
NET POSITION			
Net investments in capital assets	15,973,134	13,939,570	14,583,859
Restricted for			
Capital projects	3,654,555	2,989,997	2,248,257
Debt service	2,761,417	2,583,471	1,671,839
Unrestricted	<u>(19,763,638)</u>	<u>(16,112,111)</u>	<u>(18,077,507)</u>
Total net position	<u>\$ 2,625,468</u>	<u>\$ 3,400,927</u>	<u>\$ 426,448</u>

Management's Discussion and Analysis (Unaudited)

September 30, 2025

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

	2025	2024	2023
Operating revenues:			
Charges for services	\$ 6,278,398	\$ 6,456,934	\$ 5,630,760
Rentals	12,206	12,206	12,206
Other	194,200	265,669	269,698
Total operating revenues	<u>6,484,804</u>	<u>6,734,809</u>	<u>5,912,664</u>
Operating expenses:			
Salaries, wages and employee benefits	505,004	534,174	475,842
Supplies	57,787	59,797	15,511
Contractual and other services	2,299,237	762,654	539,107
Repairs and maintenance	48,175	81,687	37,933
Depreciation and amortization	1,483,870	1,483,756	1,469,337
Total operating expenses	<u>4,394,073</u>	<u>2,922,068</u>	<u>2,537,730</u>
Operating income (loss)	<u>2,090,731</u>	<u>3,812,741</u>	<u>3,374,934</u>
Nonoperating revenues (expenses):			
Investment earnings	1,014,629	3,041,735	1,677,688
Net increase (decrease) in fair value of investments	-	76,676	1,351,421
Interest expense	(3,010,671)	(3,112,674)	(3,196,801)
Interest on board advances	(912,878)	(873,977)	(832,217)
Bond related charges-issuance cost	221,352	237,077	251,291
Gain (loss) on sale of capital assets	-	(3,234)	-
Other	(161,539)	(179,482)	(149,777)
Total nonoperating expenses, net	<u>(2,849,107)</u>	<u>(813,879)</u>	<u>(898,395)</u>
Income (loss) before contributions and transfers	(758,376)	2,998,862	2,476,539
Capital contributions and transfers			
Transfers in	-	-	778,327
Transfers out	(17,083)	(24,383)	(2,035,145)
Total capital contributions and transfers	<u>(17,083)</u>	<u>(24,383)</u>	<u>(1,256,818)</u>
Change in net position	(775,459)	2,974,479	1,219,721
Total net position - beginning of year, as previously reported	<u>3,400,927</u>	<u>426,448</u>	<u>(793,273)</u>
Total net position - ending	<u>\$ 2,625,468</u>	<u>\$ 3,400,927</u>	<u>\$ 426,448</u>

Management's Discussion and Analysis (Unaudited)

September 30, 2025

TOLL RATES

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

Category	FY 2025	FY 2024
Cars	\$4.00	\$3.50
Motorcycles	\$4.00	\$3.50
Trucks (Depending on # of Axles)	\$11.25 - \$23.00	\$11.25 - \$23.00
Buses (Depending on # of Axles)	\$7.00 - \$9.00	\$7.00 - \$9.00
Extra Axle	\$3.00	\$3.00

REVENUES

The forecast for toll revenues was estimated at \$7.4M. Actual toll revenues came in at \$6.3M, which included southbound commercial truck tolls of \$807.7K. Rental income remained steady at \$12.2K for FY 2025 due to agreements with RBT and UETA. Other operating income decreased by \$71.5K as the result of an increase in Mexican peso gains and insurance recoveries and a decrease of miscellaneous revenue received compared to the previous year. Investment income decreased by \$2.0M in FY 2025 as compared to the previous year in relation to revenue bonds series 2022 A&B. Other changes in net position include activity for Anzalduas Northbound project that is contemplated to be completed in FY 2026.

EXPENSES

In FY 2025, operating expenses came in at \$4.4M including depreciation and amortization in the amount of \$1.5M. In FY 2024, operating expenses were \$2.9M including depreciation and amortization in the amount of \$1.5M. The increase in operational expenses is attributed to an increase in contractual and other services. Interest expense decreased \$102.0K compared to the prior year due to lower outstanding principal balance on the Bridge's revenue bonds following principal repayments.

CAPITAL ASSETS AND DEBT ADMINISTRATION*Capital Assets*

Total capital assets net of depreciation at September 30, 2025 were reported at \$32.4M. At September 30, 2024, total capital assets net of depreciation were reported at \$33.8M. There was a decrease of \$1.4M in net capital assets over the previous year as a result of an increase in accumulated depreciation.

Management’s Discussion and Analysis (Unaudited)

September 30, 2025

The table below reflects capital assets for the Anzalduas Bridge:

	FY 2025	FY 2024	FY 2023
Capital assets, not being depreciated			
Land	\$ 2,922,773	\$ 2,922,773	\$ 2,922,772
Construction in progress	224,172	193,392	183,293
Capital assets, being depreciated			
Buildings and systems	10,454,911	10,429,986	10,429,987
Improvements other than buildings	41,320,748	41,284,099	41,205,698
Machinery and equipment	1,181,744	1,153,015	1,114,127
Total capital assets	56,104,348	55,983,265	55,855,877
Less accumulated depreciation	(23,713,706)	(22,229,836)	(20,746,081)
Total capital assets, net	<u>\$ 32,390,642</u>	<u>\$ 33,753,429</u>	<u>\$ 35,109,796</u>

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

Debt

On September 30, 2025, the Anzalduas Bridge had \$77.2M in revenue bonds compared to \$80.4M for the previous year. In 2022, the Anzalduas Bridge issued revenue bonds in the amount of \$63M in relation to the construction of commercial vehicle inspection facilities at the Anzalduas Bridge to support the processing of commercial vehicles. These bonds have a rating of “A” from FitchRatings as well as Standard & Poors. The Anzalduas Bridge previously issued bonds in 2007 of which the proceeds, as well as other sources of funding, were used to construct the bridge structure, including all related infrastructure and facilities.

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

During the fiscal year 2026 budget process, the elected and appointed officials considered many factors affecting bridge crossings. Included in these factors were job growth, retail sales growth, inflation, the level of growth in the maquiladora industry, the dollar exchange rate with the Mexican peso, and the residual effect of COVID-19. As a result, Bridge management prepared the annual budget conservatively. Budgeted revenues and expenses remained flat and provision was made to service debt repayment requirements.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

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

This page left intentionally blank



BASIC FINANCIAL STATEMENTS

**Statements of Net Position
September 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
ASSETS		
Current assets:		
Cash	\$ 167,414	\$ 200,569
Investments	5,599,803	6,870,692
Receivables, net:		
Accounts	82	-
Prepaid items	465	-
Restricted assets:		
Cash and cash equivalents	109,667	255,138
Total current assets	<u>5,877,431</u>	<u>7,326,399</u>
Noncurrent assets:		
Restricted assets:		
Certificate of deposit	-	510,026
Investments	17,234,401	38,391,733
Deferred contributions	84,542,324	67,739,196
Total noncurrent restricted assets	<u>101,776,725</u>	<u>106,640,955</u>
Capital assets:		
Land	2,922,773	2,922,773
Buildings and systems	10,454,911	10,429,986
Improvements other than buildings	41,320,748	41,284,099
Machinery and equipment	1,181,744	1,153,015
Construction in progress	224,172	193,392
Less accumulated depreciation and amortization	<u>(23,713,706)</u>	<u>(22,229,836)</u>
Total capital assets, net of accumulated depreciation and amortization	<u>32,390,642</u>	<u>33,753,429</u>
Total noncurrent assets	<u>134,167,367</u>	<u>140,394,384</u>
Total assets	<u>140,044,798</u>	<u>147,720,783</u>
Deferred outflows of resources:		
Deferred charges - pensions	23,398	66,155
Total deferred outflows of resources	<u>23,398</u>	<u>66,155</u>
Total assets and deferred outflows of resources	<u>\$ 140,068,196</u>	<u>\$ 147,786,938</u>

The accompanying notes are an integral part of these statements

Statements of Net Position
September 30, 2025 and 2024
(Continued)

	2025	2024
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 611,044	\$ 16,232,110
Accrued expenses	5,096,360	4,143,938
Due to other funds	17,015	-
Current portion of compensated absences	25,650	29,480
Current portion of revenue bonds	3,479,513	3,175,000
Total current liabilities	9,229,582	23,580,528
Other noncurrent liabilities:		
Revenue bonds, net of current portion	74,463,286	78,139,581
Compensated absences, net of current portion	39,412	9,133
Unearned revenues	29,619,431	19,389,704
Board advances	23,886,550	22,973,672
TMRS net pension liability	17,404	95,581
Total other noncurrent liabilities	128,026,083	120,607,671
Total liabilities	137,255,665	144,188,199
Deferred inflows of resources		
Deferred inflows of resources-refunding	159,708	184,278
Deferred inflows of resources-pensions	27,355	13,534
Total deferred inflows of resources	187,063	197,812
Total liabilities and deferred inflows of resources	137,442,728	144,386,011
NET POSITION		
Net investments in capital assets	15,973,134	13,939,570
Restricted for:		
Capital projects	3,654,555	2,989,997
Debt service	2,761,417	2,583,471
Unrestricted	(19,763,638)	(16,112,111)
Total net position	2,625,468	3,400,927
Total liabilities, deferred inflows of resources and net position	\$ 140,068,196	\$ 147,786,938

The accompanying notes are an integral part of these statements

This page left intentionally blank

Statements of Revenues, Expenses, and Changes in Net Position
Years Ended September 30, 2025 and 2024

	2025	2024
Operating revenues:		
Charges for services	\$ 6,278,398	\$ 6,456,934
Rentals	12,206	12,206
Other	194,200	265,669
Total operating revenues	6,484,804	6,734,809
Operating expenses:		
Salaries, wages and employee benefits	505,004	534,174
Supplies	57,787	59,797
Contractual and other services	2,299,237	762,654
Repairs and maintenance	48,175	81,687
Depreciation and amortization	1,483,870	1,483,756
Total operating expenses	4,394,073	2,922,068
Operating income	2,090,731	3,812,741
Nonoperating revenues (expenses):		
Investment earnings	1,014,629	3,041,735
Net increase in fair value of investments	-	76,676
Interest expense	(3,010,671)	(3,112,674)
Interest on board advances	(912,878)	(873,977)
Bond related charges-issuance cost	221,352	237,077
Loss on sale of capital assets	-	(3,234)
Other	(161,539)	(179,482)
Net nonoperating expenses	(2,849,107)	(813,879)
Income before capital contributions and transfers	(758,376)	2,998,862
Capital contributions and transfers:		
Transfers out	(17,083)	(24,383)
Total capital contributions and transfers	(17,083)	(24,383)
Change in net position	(775,459)	2,974,479
Total net position - beginning of year, as previously reported	3,400,927	426,448
Total net position - ending	\$ 2,625,468	\$ 3,400,927

The accompanying notes are an integral part of these statements

Statements of Cash Flows
Years Ended September 30, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Receipts from customers	\$ 6,484,804	\$ 6,734,809
Payments to employees	(501,201)	(541,701)
Payments to suppliers	(34,010,595)	(37,891,116)
Net cash used in operating activities	(28,026,992)	(31,698,008)
Cash flows from noncapital financing activities		
Transfers to other funds	(17,083)	(24,383)
Subsidy from federal/state grant	10,229,727	17,179,929
Net cash provided by non-capital financing activities	10,212,644	17,155,546
Cash flows from capital and related financing activities		
Purchases of capital assets	(121,083)	(130,622)
Principal repayments-bonds and notes	(3,175,000)	(1,790,000)
Interest paid	(3,020,988)	(3,118,631)
Net cash used in capital and related financing activities	(6,317,071)	(5,039,253)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	46,281,254	83,543,063
Purchase of investments	(23,343,007)	(66,884,976)
Net increase in fair value of investments	-	76,676
Receipt of interest	1,014,546	3,044,386
Net cash provided by investing activities	23,952,793	19,779,149
Net increase (decrease) in cash	(178,626)	197,434
Cash at beginning of year	455,707	258,273
Cash at end of year	\$ 277,081	\$ 455,707

The accompanying notes are an integral part of these statements

Statements of Cash Flows
Years Ended September 30, 2025 and 2024
(Continued)

	2025	2024
Reconciliation of operating income to net cash used in operating activities		
Operating income (loss)	\$ 2,090,731	\$ 3,812,741
Adjustment to reconcile operating income to net cash used in operating activities:		
Depreciation and amortization	1,483,870	1,483,755
(Increase) decrease in deferred contributions	(16,803,128)	(51,722,987)
(Increase) decrease in deferred outflows of resources - pension	42,757	47,155
Increase (decrease) in deferred inflows of resources - pension	13,821	5,635
Increase (decrease) in accounts payable	(14,818,818)	14,736,010
(Increase) decrease in prepaid items	(465)	-
Increase (decrease) in compensated absences payable	26,449	2,142
Increase (decrease) in accrued liabilities	(1,047)	4,086
Increase (decrease) due to other funds	17,015	
Increase (decrease) in net pension liability	(78,177)	(66,545)
Total adjustments	(30,117,723)	(35,510,749)
Net cash used in operating activities	\$ (28,026,992)	\$ (31,698,008)
Reconciliation to statement of net position:		
Cash	\$ 167,414	\$ 200,569
Cash restricted	109,667	255,138
Total cash	\$ 277,081	\$ 455,707
Noncash investing, capital and financing activities:		
Increase in fair value of investments	\$ -	\$ 76,676

The accompanying notes are an integral part of these statements

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

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

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

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

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

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

Basis of Accounting

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

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

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

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

Restricted Assets

Restricted cash and investments represent interest-bearing checking accounts and investments that are restricted for debt service and capital improvements. Per bond ordinance, a contingency fund was established and funded monthly until the fund reached \$500,000. As of September 30, 2025, the contingency fund has a balance of \$594,784. These restricted accounts are requirements of bond ordinances related to the revenues bonds outstanding. Net position is restricted to the extent of such legally imposed restrictions.

Capital Assets

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

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Depreciation expense for the year ended September 30, 2025 was \$1.5M (\$1.5M in 2024).

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

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

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

Unearned Revenue

The City has entered into an Advance Funding Agreement with the Texas Department of Transportation (TxDOT) for the construction of the Anzalduas International Bridge Port of Entry, which includes a Northbound Commercial Inspection facility and a Southbound Inspection Facility. As of September 30, 2025, the City has incurred eligible project costs under the agreement for which \$29.6 million has been reimbursed by TxDOT and recorded as unearned revenue. In addition, approximately \$15.6 million in eligible project costs incurred by the City is expected to be received in the subsequent fiscal year.

Long-Term Obligations

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

Advances

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2025, the Anzalduas Special and Start Up Fund advance payable to the Hidalgo Bridge amounts to \$19,257,506 (\$18,367,712 in 2024), of which the City of McAllen's portion is \$12,324,804 and the City of Hidalgo's portion is \$6,932,702. During this fiscal year, the balance was increased by accrued interest in the amount of \$889,794. No board advances were made during the year.

Board Advances Payable McAllen International Toll Bridge

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

As of September 30, 2025 the board advances payable to the Hidalgo Bridge amounts to \$4,629,044 (\$4,605,960 in 2024), of which the City of McAllen's portion is \$2,962,588 and the City of Hidalgo's portion is \$1,666,456. During this fiscal year, the balance was increased by accrued interest of \$23,084. No board advances were made during the year.

Board Advance "B"

During this fiscal year, the Hidalgo Bridge also transferred \$0 (\$0 in 2024) to the Anzalduas Bridge in support of the Refunding Series 2017 B bond debt service requirements. The 2003 Agreement provides that advances will accrue interest at a rate equal to the City of McAllen's bank depository rate. This advance is deducted from the City of McAllen's share of unallocated surplus net revenues of the Hidalgo Bridge. The City of Mission is responsible for repaying directly to the City of McAllen for its prorata share from its share of the net revenues of the Anzalduas Bridge after all bond ordinance requirements have been met and the Anzalduas Special and Start Up Fund advance and the board advances for Refunding Series 2017 A have been paid.

As of September 30, 2025 the board advance owed by the City of Mission to the City of McAllen amounts to \$4,101,771, increasing from \$4,081,318 for the year ended September 30, 2024. This decrease was a result of a reimbursement to the City of McAllen for the 2024 and 2025 annual debt service payments. As well as a partial reimbursement of the 2026 annual debt service payment. This board advance is recorded in the General fund of the City of McAllen.

Bond Premium

Bond premium is amortized using the effective interest method.

Accumulated Unpaid Compensated Absences

Accumulated unpaid compensated absences, consisting of vested accrued vacation and sick leave, are accrued when incurred. Starting with the date of employment, full-time employees earn 1 working day of sick leave for each full month employed. Employees who resign after 10 years or more of continuous active service will be compensated for accumulated unused sick leave not to exceed 30 full days of compensation. Employees with 15 years of continuous active service will be compensated not to exceed 60 full days of compensation. Employees with 20 years of continuous active service will be compensated not to exceed 90 full days of compensation. Vacation time is earned at a rate of 10 days for each year worked unless the employee has over 10 years of full-time continuous service at which time the employee earns 15 days of vacation.

Accumulated vacation leave which is expected to be liquidated with expendable available financial resources, is reported as an expenditure and a fund liability of the governmental fund that will pay it. Accumulated sick leave, which is more likely than not to be used by employees and expected to be liquidated with expendable available financial resources, is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of accumulated vacation and sick leave within governmental funds that are not expected to be liquidated with expendable available financial resources are reported as a long-term liability on the statement of net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

No expenditure is reported for these amounts in the fund financial statements unless the benefits have matured, i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement. Accumulated vacation and sick leave of proprietary fund types are recorded as an expense and liability of those funds as the benefits accrue to employees.

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.

Implementation of New Accounting Standards

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 was implemented in the Bridge's fiscal year 2025 financial statements with no impact to amounts or disclosures previously reported.

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.

There were no government security investments for the year ended September 30, 2025.

Investments in local government pools which are reported at amortized cost. These investments total \$22,834,204 and \$45,262,425 as of September 30, 2025 and September 30, 2024 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

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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.

Credit risk

As of September 30, 2025 and 2024, the investments in the TexPool Prime investment pool are rated AAAM by Standards and Poor's. The City's investment policy limits authorized investments to local government investment pools of political subdivisions in the State of Texas that invest in instruments and follow practices allowed by current law and that maintains as an investments objective a \$1.00 net asset value, certificates of deposits, U.S. Treasuries and U.S. government agencies, commercial paper, no-load mutual funds, money market mutual funds, municipal bonds, and full collateralized repurchase agreements. The City's investment policy requires the purchase of securities that are of the highest credit quality, based on current ratings provided by nationally recognized credit rating agencies. The City deems investments in U.S. Treasury securities and U.S. government agency securities that are guaranteed to be without credit risk.

Concentration of credit risk

The Anzalduas Bridge investment holdings on September 30, 2025 were confined to TexPool Prime and government securities. The investment policy is silent in the concentration of holdings in the various types of securities and investments.

NOTE 3 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2025 and September 30, 2024 are presented in the following tables:

	Balance at September 30, 2024	Additions	Deletions	Balance at September 30, 2025
Capital assets, not being depreciated				
Land	\$ 2,922,773	\$ -	\$ -	\$ 2,922,773
Construction in progress	193,392	30,780	-	224,172
Capital assets, being depreciated				
Buildings and systems	10,429,986	24,925	-	10,454,911
Improvements other than buildings	41,284,099	36,649	-	41,320,748
Machinery and equipment	1,153,015	28,729	-	1,181,744
Total capital assets	55,983,265	121,083	-	56,104,348
Less accumulated depreciation	(22,229,836)	(1,483,870)	-	(23,713,706)
Total capital assets, net	<u>\$ 33,753,429</u>	<u>\$ (1,362,787)</u>	<u>\$ -</u>	<u>\$ 32,390,642</u>
	Balance at September 30, 2023	Additions	Deletions	Balance at September 30, 2024
Capital assets, not being depreciated				
Land	\$ 2,922,772	\$ -	\$ -	\$ 2,922,773
Construction in progress	183,293	91,734	(81,635)	193,392
Capital assets, being depreciated				
Buildings and systems	10,429,987	-	-	10,429,986
Improvements other than buildings	41,205,698	78,401	-	41,284,099
Machinery and equipment	1,114,127	38,888	-	1,153,015
Total capital assets	55,855,877	209,023	(81,635)	55,983,265
Less accumulated depreciation	(20,746,081)	(1,483,755)	-	(22,229,836)
Total capital assets, net	<u>\$ 35,109,796</u>	<u>\$ (1,274,732)</u>	<u>\$ (81,635)</u>	<u>\$ 33,753,429</u>

NOTE 4 - SOUTHBOUND COMMERCIAL AGREEMENT

On August 27, 2015, the Anzalduas International Bridge Board (“ABB”) and the Mexico Federal Agency La Secretaria de Comunicaciones y Transportes de los Estados Unidos Mexicanos (“SCT”) agreed to improve the infrastructure and operation of the Anzalduas Bridge to allow the crossings of southbound commercial empty truck traffic. The ABB agreed to finance the construction of one additional lane and equipment on the Mexico side of the Anzalduas Bridge, which would be provided by funds from the Anzalduas Capital Improvement fund. The ABB and the SCT agreed that after the initial operation of the installations, 100% of the toll revenue generated from southbound empties will be used to reimburse the cost of the project to the Anzalduas Bridge. Presently, the Anzalduas International Bridge is responsible for collecting and accounting for the toll revenue. For the fiscal year ended September 30, 2025, the Anzalduas Bridge recorded \$807,695 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, 2025, a total of \$694,315 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, 2025 and September 30, 2024 are reflected as follows:

	Balance at September 30, 2024	Additions	Deletions	Balance at September 30, 2025	Amount Due Within One Year
Revenue bonds payable	\$ 80,365,000	\$ -	\$ (3,175,000)	\$ 77,190,000	\$ 3,300,000
Unamortized bond premium	949,581	-	(196,782)	752,799	179,513
Net pension liability (asset)	95,581	-	(78,177)	17,404	-
Compensated absences	38,613	55,929	(29,480)	65,062	25,650
Total long-term liabilities	<u>\$ 81,448,775</u>	<u>\$ 55,929</u>	<u>\$ (3,479,439)</u>	<u>\$ 78,025,265</u>	<u>\$ 3,505,163</u>

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

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

The aggregate maturities of revenue bonds payable as of September 30, 2025, including interest payments, are as follows:

Year Ending	Interest Rate	Principal	Interest	Total
2026	5.00%	\$ 3,300,000	\$ 2,893,350	\$ 6,193,350
2027	5.00%	3,435,000	2,760,594	6,195,594
2028	5.00%	3,580,000	2,620,163	6,200,163
2029	5.00%	3,725,000	2,472,688	6,197,688
2030	5.00%	3,880,000	2,318,379	6,198,379
2031-2035	5.00%	13,710,000	10,796,919	24,506,919
2036-2040	5.00%	10,565,000	8,291,250	18,856,250
2041-2045	5.00%	12,710,000	6,302,438	19,012,438
2046-2050	5.00%	15,315,000	3,891,450	19,206,450
2051-2052	5.00%	6,970,000	1,034,175	8,004,175
		<u>\$ 77,190,000</u>	<u>\$ 43,381,406</u>	<u>\$ 120,571,406</u>

NOTE 6 - DEFICIT UNRESTRICTED NET POSITION

The unrestricted portion of net position reflects a deficit in the amount of \$19,763,638, as a result of advances payable to the Hidalgo Bridge, as authorized by the board of trustees. These advances supported the annual debt service requirements and interest on the advances. Anzalduas Bridge’s management does not believe the Hidalgo Bridge Board of trustees has current intention of calling these advances, which will be repaid once the fund is able.

NOTE 7 - RETIREMENT PLAN

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

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

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

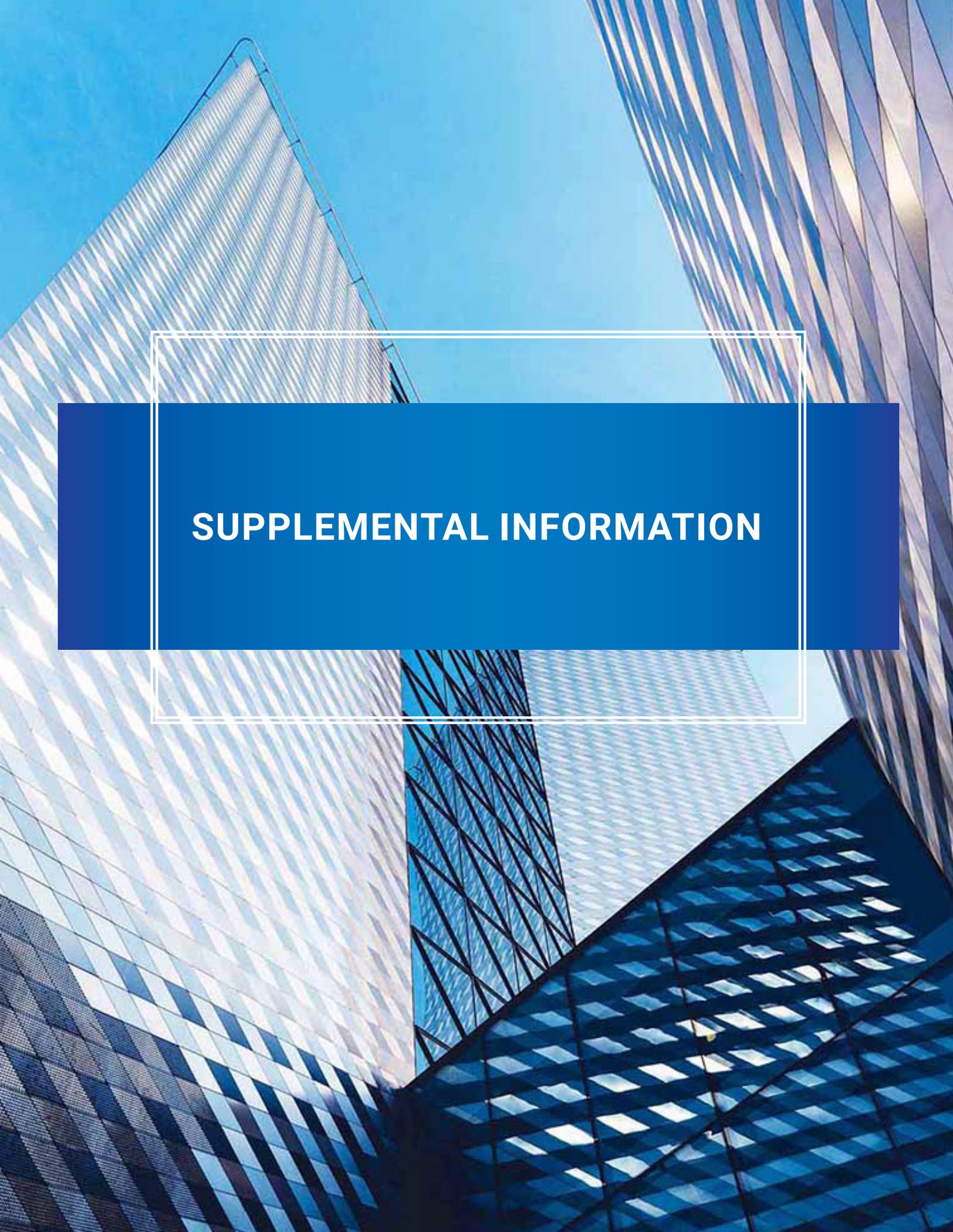
	Plan Year 2024	Plan Year 2023
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	10 years	10 years
Service retirement eligibility (expressed as age/years of service)	60/10, Any/20	60/10, Any/20
Updated Service Credit	100% Transfers	100% Transfers
Annuity Increase (to retirees)	0% of CPI	0% of CPI

NOTE 7 - RETIREMENT PLAN (CONTINUED)

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. The City contributes to the TMRS at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. Since the Anzalduas Bridge is a component of the overall financial City wide audit report, additional pension disclosures are reflected in the City's Annual Comprehensive Financial Report. Included in the financial statements are the Anzalduas Bridge's allocable share of net pension liability of \$17,404, deferred outflow of resources, \$23,398, and deferred inflows of resources, \$27,355.

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 seven full time employees. For the current year, the fund contributed \$3,690 towards the annual required contribution. Since the current staffing represents a fraction of total City employees, management believes that any future requirements will have minimal impact on the Anzalduas Bridge Fund.



SUPPLEMENTAL INFORMATION

**Schedule of Income Distribution
Last Ten Years**

	Year Ended September 30,		
	2016	2017	2018
Revenues	\$ 3,687,962	\$ 3,723,945	\$ 3,588,201
Maintenance and operation expenses	1,940,489	873,718	1,618,094
Net revenues	1,747,473	2,850,227	1,970,107
Less:			
Bond requirements:			
Transfer to Debt Service Fund - Series 2007 "A"	1,963,782	2,044,158	1,754,715
Transfer to Debt Service Fund - Series 2007 "B"	-	-	-
Less: Amount provided by Board Advance from McAllen Intl Bridge Fund	-	-	-
Net transfer provided by Anzalduas Intl Crossing revenues for debt service	1,963,782	2,044,158	1,754,715
Transfer to Contingency Fund	45,000	45,000	45,000
Transfer to Capital Improvement Fund	443,237	642,950	753,715
Transfer to General Fund (City of McAllen)	-	-	-
Transfer to Health Insurance Fund	-	-	-
Transfer to Marketing Fund	-	-	-
Available balance	(704,546)	118,119	(583,323)
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")	-	-	-
Retain in working capital	704,546	(118,119)	583,323
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,

	2019	2020	2021	2022	2023	2024	2025
\$	3,889,920	\$ 3,034,273	\$ 3,148,904	\$ 4,828,030	\$ 6,211,212	\$ 7,112,026	\$ 6,827,681
	853,113	774,663	3,882,265	803,971	1,179,041	1,438,312	2,912,228
	3,036,807	2,259,610	(733,361)	4,024,059	5,032,171	5,673,714	3,915,453
	1,755,092	1,755,583	1,755,700	1,759,133	1,763,083	1,762,479	1,764,958
	-	-	-	-	382,083	847,328	846,417
	1,755,092	1,755,583	1,755,700	1,759,133	2,145,167	2,609,807	2,611,375
	45,000	45,000	45,000	7,500	25,000	30,393	26,364
	773,217	603,165	354,814	563,446	681,784	780,833	715,648
	-	-	-	-	1,682,450	-	-
	-	-	-	-	16,195	15,383	8,083
	-	-	-	-	9,000	9,000	9,000
	463,498	(144,138)	(2,888,875)	1,693,980	472,485	2,228,298	544,983
	-	-	-	-	-	-	-
	(463,498)	144,138	2,888,875	(1,693,980)	(472,485)	(2,228,298)	(544,983)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Combining Schedule of Net Position
September 30, 2025**

	McAllen International Toll Bridge	Anzalduas International Crossing	Total
ASSETS			
Current assets:			
Cash	\$ 246,635	\$ 167,414	\$ 414,049
Investments	3,774,035	5,599,803	9,373,838
Receivables, net:			
Accounts	128	82	210
Accrued interest	4,681	-	4,681
Lease receivable - current	2,772,791	-	2,772,791
Prepaid items	-	465	465
Restricted assets:			
Cash and cash equivalents	150,652	109,667	260,319
Total current assets	<u>6,948,922</u>	<u>5,877,431</u>	<u>12,826,353</u>
Noncurrent assets:			
Restricted assets:			
Investments	10,755,357	17,234,401	27,989,758
Deferred contributions	-	84,542,324	84,542,324
Total noncurrent restricted assets	<u>10,755,357</u>	<u>101,776,725</u>	<u>112,532,082</u>
Capital assets:			
Land	787,486	2,922,773	3,710,259
Buildings and systems	16,986,607	10,454,911	27,441,518
Improvements other than buildings	6,840,528	41,320,748	48,161,276
Machinery and equipment	4,112,985	1,181,744	5,294,729
Construction in progress	1,838,311	224,172	2,062,483
Less accumulated depreciation and amortization	<u>(20,228,472)</u>	<u>(23,713,706)</u>	<u>(43,942,178)</u>
Total capital assets, net of accumulated depreciation and amortization	<u>10,337,445</u>	<u>32,390,642</u>	<u>42,728,087</u>
Other noncurrent assets:			
Lease receivable - noncurrent	7,267,025	-	7,267,025
Board advances	23,886,550	-	23,886,550
Total other noncurrent assets	<u>31,153,575</u>	<u>-</u>	<u>31,153,575</u>
Total noncurrent assets	<u>52,246,377</u>	<u>134,167,367</u>	<u>186,413,744</u>
Total assets	<u>59,195,299</u>	<u>140,044,798</u>	<u>199,240,097</u>
Deferred outflows of resources			
Deferred charges - pensions	94,761	23,398	118,159
Total deferred outflows of resources	<u>94,761</u>	<u>23,398</u>	<u>118,159</u>
Total assets and deferred outflows of resources	<u>\$ 59,290,060</u>	<u>\$ 140,068,196</u>	<u>\$ 199,358,256</u>

Combining Schedule of Net Position
September 30, 2025
(Continued)

	McAllen International Toll Bridge	Anzalduas International Crossing	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 248,777	\$ 611,044	\$ 859,821
Accrued expenses	75,473	5,096,360	5,171,833
Due to other funds	243,589	17,015	260,604
Due to other government agencies	917,674	-	917,674
Current portion of compensated absences	132,272	25,650	157,922
Current portion of revenue bonds	-	3,479,513	3,479,513
Total current liabilities	<u>1,617,785</u>	<u>9,229,582</u>	<u>10,847,367</u>
Other noncurrent liabilities:			
Revenue bonds, net of current portion	-	74,463,286	74,463,286
Compensated absences, net of current portion	203,239	39,412	242,651
Unearned revenues	389,713	29,619,431	30,009,144
Board advances	-	23,886,550	23,886,550
TMRS net pension liability	70,486	17,404	87,890
Total other noncurrent liabilities	<u>663,438</u>	<u>128,026,083</u>	<u>128,689,521</u>
Total liabilities	<u>2,281,223</u>	<u>137,255,665</u>	<u>139,536,888</u>
Deferred inflows of resources			
Deferred inflows of resources-leases	9,962,549	-	9,962,549
Deferred inflows of resources-refunding	-	159,708	159,708
Deferred inflows of resources-pensions	110,789	27,355	138,144
Total deferred inflows of resources	<u>10,073,338</u>	<u>187,063</u>	<u>10,260,401</u>
Total liabilities and deferred inflows of resources	<u>12,354,561</u>	<u>137,442,728</u>	<u>149,797,289</u>
NET POSITION			
Net investments in capital assets	10,337,445	15,973,134	26,310,579
Restricted for:			
Capital projects	5,171,435	3,654,555	8,825,990
Debt service	629,638	2,761,417	3,391,055
Distribution of net surplus revenues	6,348,318	-	6,348,318
Unrestricted	<u>24,448,663</u>	<u>(19,763,638)</u>	<u>4,685,025</u>
Total net position	<u>46,935,499</u>	<u>2,625,468</u>	<u>49,560,967</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 59,290,060</u>	<u>\$ 140,068,196</u>	<u>\$ 199,358,256</u>

This page left intentionally blank

**Combining Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended September 30, 2025**

	McAllen International Toll Bridge	Anzalduas International Crossing	Total
Operating revenues:			
Charges for services	\$ 11,529,821	\$ 6,278,398	\$ 17,808,219
Rentals	3,067,265	12,206	3,079,471
Other	289,203	194,200	483,403
Total operating revenues	<u>14,886,289</u>	<u>6,484,804</u>	<u>21,371,093</u>
Operating expenses:			
Salaries, wages and employee benefits	2,204,169	505,004	2,709,173
Supplies	183,246	57,787	241,033
Contractual and other services	1,441,051	2,299,237	3,740,288
Repairs and maintenance	185,683	48,175	233,858
Depreciation and amortization	793,479	1,483,870	2,277,349
Total operating expenses	<u>4,807,628</u>	<u>4,394,073</u>	<u>9,201,701</u>
Operating income (loss)	<u>10,078,661</u>	<u>2,090,731</u>	<u>12,169,392</u>
Nonoperating revenues (expenses):			
Investment earnings	411,508	1,014,629	1,426,137
Interest expense	(190)	(3,010,671)	(3,010,861)
Interest on board advances	912,878	(912,878)	-
Bond related charges-issuance cost	-	221,352	221,352
Interest revenue - leases	47,122	-	47,122
Other	(3,570,929)	(161,539)	(3,732,468)
Net nonoperating revenues (expenses)	<u>(2,199,611)</u>	<u>(2,849,107)</u>	<u>(5,048,718)</u>
Income (loss) before contributions and transfers	7,879,050	(758,376)	7,120,674
Capital contributions and transfers:			
Transfers out	(6,844,982)	(17,083)	(6,862,065)
Total capital contributions and transfers	<u>(6,844,982)</u>	<u>(17,083)</u>	<u>(6,862,065)</u>
Change in net position	1,034,068	(775,459)	258,609
Total net position - beginning of year, as previously reported	<u>45,901,431</u>	<u>3,400,927</u>	<u>49,302,358</u>
Total net position - ending	<u>\$ 46,935,499</u>	<u>\$ 2,625,468</u>	<u>\$ 49,560,967</u>

**Combining Schedule of Cash Flows
Year Ended September 30, 2025**

	McAllen International Toll Bridge	Anzalduas International Crossing	Total
Cash flows from operating activities			
Receipts from customers	\$ 14,861,033	\$ 6,484,804	\$ 21,345,837
Payments to employees	(2,102,725)	(501,201)	(2,603,926)
Payments to suppliers	(1,710,963)	(34,010,595)	(35,721,558)
Net cash provided by (used in) operating activities	<u>11,047,345</u>	<u>(28,026,992)</u>	<u>(16,979,647)</u>
Cash flows from noncapital financing activities			
Transfers to other funds	(6,844,982)	(17,083)	(6,862,065)
Subsidy from federal/state grant	-	10,229,727	10,229,727
Distribution of income to City of Hidalgo	(3,540,963)	-	(3,540,963)
Net cash provided by (used in) non-capital financing activities	<u>(10,385,945)</u>	<u>10,212,644</u>	<u>(173,301)</u>
Cash flows from capital and related financing activities			
Capital contributions	-	-	-
Purchases of capital assets	(762,446)	(121,083)	(883,529)
Proceeds from sale of capital assets	-	-	-
Principal repayments-bonds and notes	(4,164)	(3,175,000)	(3,179,164)
Interest paid	(190)	(3,020,988)	(3,021,178)
Net cash used in capital and related financing activities	<u>(766,800)</u>	<u>(6,317,071)</u>	<u>(7,083,871)</u>
Cash flows from investing activities			
Proceeds from sales and maturities of investments	24,287,115	46,281,254	70,568,369
Purchase of investments	(24,661,715)	(23,343,007)	(48,004,722)
Net increase (decrease) in fair value of investments	-	-	-
Receipt of interest	460,643	1,014,546	1,475,189
Net cash provided by investing activities	<u>86,043</u>	<u>23,952,793</u>	<u>24,038,836</u>
Net increase (decrease) in cash	(19,357)	(178,626)	(197,983)
Cash at beginning of year	<u>416,644</u>	<u>455,707</u>	<u>872,351</u>
Cash at end of year	<u>\$ 397,287</u>	<u>\$ 277,081</u>	<u>\$ 674,368</u>

Combining Schedule of Cash Flows
Year Ended September 30, 2025
(Continued)

	McAllen International Toll Bridge	Anzalduas International Crossing	Total
Reconciliation of operating income to net cash provided by (used for) operating activities			
Operating income (loss)	\$ 10,078,661	\$ 2,090,731	\$ 12,169,392
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	793,479	1,483,870	2,277,349
(Increase) decrease in deferred contributions	-	(16,803,128)	(16,803,128)
(Increase) decrease in deferred outflows of resources - pension	119,313	42,757	162,070
Increase (decrease) in deferred inflows of resources - pension	66,993	13,821	80,814
Increase (decrease) in deferred inflows of resources - leases	(2,794,446)	-	(2,794,446)
(Increase) decrease in lease receivable	2,755,820	-	2,755,820
(Increase) decrease in prepaid	-	(465)	(465)
(Increase) decrease in accounts receivable	(128)	-	(128)
Increase (decrease) in accounts payable	25,831	(14,818,818)	(14,792,987)
Increase (decrease) in compensated absences payable	144,533	26,449	170,982
Increase (decrease) in accrued liabilities	5,814	(1,047)	4,767
Increase (decrease) in due to other funds	76,787	17,015	93,802
Increase (decrease) in net pension liability	(238,810)	(78,177)	(316,987)
Increase (decrease) in unearned revenue	13,498	-	13,498
Total adjustments	<u>968,684</u>	<u>(30,117,723)</u>	<u>(29,149,039)</u>
Net cash provided by (used) by operating activities	<u>\$ 11,047,345</u>	<u>\$ (28,026,992)</u>	<u>\$ (16,979,647)</u>
Reconciliation to statement of net position:			
Cash	\$ 246,635	\$ 167,414	\$ 414,049
Cash restricted	<u>150,652</u>	<u>109,667</u>	<u>260,319</u>
Total cash	<u>\$ 397,287</u>	<u>\$ 277,081</u>	<u>\$ 674,368</u>
Noncash investing, capital and financing activities:			
Increase (decrease) in fair value of investments	\$ -	\$ -	\$ -

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

	Year Ended September 30,			
	2016	2017	2018	2019
Vehicular traffic southbound:				
Cars	1,015,219	966,364	875,430	965,077
Trucks - empties	732	15,528	28,036	21,467
Buses	1,636	1,374	1,577	1,429
Total vehicles (1)	1,017,587	983,266	905,043	987,973
Passenger traffic southbound:				
Passengers in cars (2)	2,538,048	2,415,910	2,188,575	2,412,693
Passengers and drivers – buses	47,444	39,846	45,733	41,441
Total persons	2,585,492	2,455,756	2,234,308	2,454,134

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

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

Year Ended September 30,					
2020	2021	2022	2023	2024	2025
724,046	724,838	1,141,646	1,378,419	1,577,419	1,445,817
19,359	27,577	30,564	42,749	52,119	47,042
1,194	1,184	1,917	2,488	2,058	801
<u>744,599</u>	<u>753,599</u>	<u>1,174,127</u>	<u>1,423,656</u>	<u>1,631,596</u>	<u>1,493,660</u>
1,810,115	1,812,095	2,854,115	3,446,048	3,943,548	3,614,543
34,626	34,336	55,593	72,152	59,682	23,229
<u>1,844,741</u>	<u>1,846,431</u>	<u>2,909,708</u>	<u>3,518,200</u>	<u>4,003,230</u>	<u>3,637,772</u>

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

	Year Ended September 30,			
	2016	2017	2018	2019
Southbound traffic:				
Cars	1,015,219	966,364	875,430	965,077
Trucks - empties	732	15,528	28,036	21,467
Total car and truck traffic	<u>1,015,951</u>	<u>981,892</u>	<u>903,466</u>	<u>986,544</u>
Truck traffic percentage	0.07%	1.58%	3.10%	2.18%
Car and truck revenue:				
Cars	\$ 3,504,191	\$ 3,389,172	\$ 3,094,093	\$ 3,400,254
Trucks	9,927	166,651	327,644	302,148
Total car and truck revenue	<u>\$ 3,514,118</u>	<u>\$ 3,555,823</u>	<u>\$ 3,421,737</u>	<u>\$ 3,702,402</u>
Truck revenue percentage	0.28%	4.69%	9.58%	8.16%
Average revenue per car	\$ 3.45	\$ 3.51	\$ 3.53	\$ 3.52
Average revenue per truck	\$ 13.56	\$ 10.73	\$ 11.69	\$ 14.07

Year Ended September 30,						
2020	2021	2022	2023	2024	2025	
724,046	724,838	1,141,646	1,378,419	1,577,419	1,445,817	
19,359	27,577	30,564	42,749	52,119	47,042	
<u>743,405</u>	<u>752,415</u>	<u>1,172,210</u>	<u>1,421,168</u>	<u>1,629,538</u>	<u>1,492,859</u>	
2.60%	3.67%	2.61%	3.01%	3.20%	3.15%	
\$ 2,648,672	\$ 2,588,970	\$ 4,029,038	\$ 4,881,877	\$ 5,559,522	\$ 5,470,703	
249,532	475,325	530,015	748,883	897,412	807,695	
<u>\$ 2,898,204</u>	<u>\$ 3,064,295</u>	<u>\$ 4,559,053</u>	<u>\$ 5,630,760</u>	<u>\$ 6,456,934</u>	<u>\$ 6,278,398</u>	
8.61%	15.51%	11.63%	13.30%	13.90%	12.86%	
\$ 3.66	\$ 3.57	\$ 3.53	\$ 3.54	\$ 3.52	\$ 3.78	
\$ 12.89	\$ 17.24	\$ 17.34	\$ 17.52	\$ 17.22	\$ 17.17	

This page left intentionally blank

**Schedule of Board Advances from McAllen International Toll Bridge Fund
September 30, 2025
(Unaudited)**

Anzalduas Special & Startup Fund:

Balance at September 30, 2024	Additions		Balance at September 30, 2025
	Advances	Implied Interest	
\$ 18,367,712	\$ -	\$ 889,794	\$ 19,257,506

Board advance "A" to Anzalduas International Crossing:

Balance at September 30, 2024	Additions		Balance at September 30, 2025
	Advances	Implied Interest	
\$ 4,605,960	\$ -	\$ 23,084	\$ 4,629,044

Combined totals of advances to Anzalduas International Crossing:

Balance at September 30, 2024	Additions		Balance at September 30, 2025
	Advances	Implied Interest	
\$ 22,973,672	\$ -	\$ 912,878	\$ 23,886,550

Distribution of Advances:

City of McAllen - 64% Share	\$ 14,703,149	\$ -	\$ 584,242	\$ 15,287,391
City of Hidalgo - 36% Share	\$ 8,270,523	\$ -	\$ 328,636	\$ 8,599,159
	<u>\$ 22,973,672</u>	<u>\$ -</u>	<u>\$ 912,878</u>	<u>\$ 23,886,550</u>

**Schedule of Board Advances from McAllen International Toll Bridge Fund
September 30, 2025
(Unaudited)**

Activity Schedule-Anzalduas Special & Startup Fund:

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

	<u>Bond Rate</u>	<u># Days</u>	<u>Advance</u>	<u>Interest</u>	<u>(Payment)</u>	<u>Balance</u>
10/01/2024	Opening balance					\$ 18,367,712
10/31/2024	4.74%	31	\$ -	\$ 73,944	\$ -	18,441,656
11/30/2024	4.74%	30	-	71,847	-	18,513,503
12/31/2024	4.74%	31	-	74,531	-	18,588,034
01/31/2025	4.74%	31	-	74,831	-	18,662,865
02/28/2025	4.74%	28	-	67,861	-	18,730,726
03/31/2025	4.74%	31	-	75,405	-	18,806,131
04/30/2025	4.74%	30	-	73,267	-	18,879,398
05/31/2025	4.74%	31	-	76,004	-	18,955,402
06/30/2025	4.74%	30	-	73,848	-	19,029,250
07/31/2025	4.74%	31	-	76,607	-	19,105,857
08/31/2025	4.74%	31	-	76,915	-	19,182,772
09/30/2025	4.74%	30	-	74,734	-	19,257,506

**Schedule of Board Advances from McAllen International Toll Bridge Fund
September 30, 2025
(Unaudited)**

Activity Schedule-Board Advances "A":

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

	Bank Rate	# Days	Advance	Interest	(Payment)	Balance
Opening balance						\$ 4,605,960
10/01/2024					\$ -	4,605,960
10/31/2024	0.50%	31	\$ -	\$ 1,956	-	4,607,916
11/01/2024					-	4,607,916
11/30/2024	0.50%	30	-	1,894	-	4,609,810
12/01/2024					-	4,609,810
12/31/2024	0.50%	31	-	1,958	-	4,611,768
01/01/2025					-	4,611,768
01/31/2025	0.50%	31	-	1,958	-	4,613,726
02/01/2025					-	4,613,726
02/28/2025	0.50%	28	-	1,770	-	4,615,496
03/01/2025					-	4,615,496
03/31/2025	0.50%	31	-	1,960	-	4,617,456
04/01/2025					-	4,617,456
04/30/2025	0.50%	30	-	1,898	-	4,619,354
05/01/2025					-	4,619,354
05/31/2025	0.50%	31	-	1,962	-	4,621,316
06/01/2025					-	4,621,316
06/30/2025	0.50%	30	-	1,899	-	4,623,215
07/01/2025					-	4,623,215
07/31/2025	0.50%	31	-	1,963	-	4,625,178
08/01/2025					-	4,625,178
08/31/2025	0.50%	31	-	1,964	-	4,627,142
09/01/2025					-	4,627,142
09/30/2025	0.50%	30	-	1,902	-	4,629,044

**Schedule of Board Advances from McAllen International Toll Bridge Fund
September 30, 2025
(Unaudited)**

Activity Schedule-Board Advances "B":

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

	Bank Rate	# Days	Advance		Interest	(Payment)	Balance
			Total	Applicable to Mission			
Opening balance							\$ 4,081,318
10/01/2024			\$ -	\$ -	\$ -	-	4,081,318
10/31/2024	0.50%	31			1,733	-	4,083,051
11/01/2024			-	-	-	-	4,083,051
11/30/2024	0.50%	30			1,678	-	4,084,729
12/01/2024			-	-	-	-	4,084,729
12/31/2024	0.50%	31			1,735	-	4,086,464
01/01/2025			-	-	-	-	4,086,464
01/31/2025	0.50%	31			1,735	-	4,088,199
02/01/2025			-	-	-	-	4,088,199
02/28/2025	0.50%	28			1,568	-	4,089,767
03/01/2025			-	-	-	-	4,089,767
03/31/2025	0.50%	31			1,737	-	4,091,504
04/01/2025			-	-	-	-	4,091,504
04/30/2025	0.50%	30			1,681	-	4,093,185
05/01/2025			-	-	-	-	4,093,185
05/31/2025	0.50%	31			1,738	-	4,094,923
06/01/2025			-	-	-	-	4,094,923
06/30/2025	0.50%	30			1,683	-	4,096,606
07/01/2025			-	-	-	-	4,096,606
07/31/2025	0.50%	31			1,740	-	4,098,346
08/01/2025			-	-	-	-	4,098,346
08/31/2025	0.50%	31			1,740	-	4,100,086
09/01/2025			-	-	-	-	4,100,086
09/30/2025	0.50%	30			1,685	-	4,101,771

Schedule of Insurance Coverage
September 30, 2025
(Unaudited)

Coverage	Insurance Company	Policy Period	Type of Coverage	Limit	Aggregate	Occurrence Retention / Deductible
Real & Personal Property	Texas Municipal Leage	10/01/2024 to 10/01/2025	Real & Personal Property (Scheduled Bridge Values)	\$540,915,696		\$500,000 Other than Wind/Hail
- Bridge & Surrounding Area			Loss of Revenue / Extra Expense / Rental Value**	\$58,793,443		Wind/Hail
Flood & Earthquake				\$10,000,000		1% per Building Deductible
Boiler & Machinery						.2% Maximum of Total Bldg Value
			**Loss of Revenue / Extra Expense / Rental Value for all City owned locations			
Excess Workers' Compensation	Safety National Casualty	10/01/2024 to 10/01/2025	Workers Compensation Employer's Liability	Statutory \$2,000,000		\$750,000 (OR)
Third Party Claims Admin	CAS (Claims Administrative Services)		Handles the WC claims			
General Liability	Texas Municipal Leage	10/01/2024 to 10/01/2025		\$500,000	\$1,000,000*	\$300,000
Law Enforcement Liability	Texas Municipal Leage			\$500,000	\$1,000,000	\$300,000
Errors & Omissions Liability	Texas Municipal Leage			\$500,000	\$1,000,000	\$300,000
Crimes Insurance	Alliant	7/01/2023 to 7/01/2025 *Pending renewal info	- Employee Dishonesty - Forgery or Alteration - Theft, Disappearance & Destruction - Computer Fraud	1,000,000 1,000,000 1,000,000 1,000,000		\$2,500 \$2,500 \$2,500 \$2,500
*General Liability Aggregate only applicable to Sudden Events Pollutin						
			- Theft, Disappearance & Destruction	\$1,000,000		\$2,500
			- Computer Fraud	\$1,000,000		\$2,500

This page left intentionally blank

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

To the Board of Trustees
Anzalduas International Crossing

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Anzalduas International Crossing (the Bridge) as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Bridge's basic financial statements, and have issued our report thereon dated March 13, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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
March 13, 2026