



# McAllen International Toll Bridge

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



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## Independent Auditor's Report

To the Board of Trustees  
McAllen International Toll Bridge

### Report on the Audit of the Financial Statements

#### *Opinions*

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

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

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

We have also audited the financial statements of Anzalduas International Crossing as of and for the years ended September 30, 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

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

September 30, 2025

This discussion and analysis is intended to provide an overview of the McAllen International Toll Bridge’s (Hidalgo Bridge) financial performance for the fiscal years ending September 30, 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, as a result of this year’s operations, net position increased by \$1.0M. Operating revenues decreased by \$824K and operating expenses increased by \$286K.

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

Category	FY 2025	FY 2024	Increase (Decrease)	% Increase (Decrease)
Cars	2,629,166	3,066,626	(437,460)	-14.27%
Buses and others	12,165	15,873	(3,708)	-23.36%
Passengers in cars	6,572,915	7,666,565	(1,093,650)	-14.27%

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

**Overview of the Financial Statements**

The financial statements include the Statement of Net Position, Statement of Revenue, Expenses and Changes in Net Position, and the Statement of Cash Flows for the fiscal years ending September 30, 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 Hidalgo Bridge and provides information about the nature of the resources and obligations to creditors. The Hidalgo Bridge’s net position, which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one indicator of its financial position at one point in time. Over time, increases or decreases in net position may be a useful indicator of whether the financial position of the Hidalgo Bridge is improving or deteriorating.

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

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

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

**FINANCIAL POSITION SUMMARY**

Net position, and its components, over time serve as a meaningful measure of the Hidalgo Bridge’s financial position. For the year ended September 30, 2025, net position increased by \$1.0M. An increase in toll revenue was offset with an increase in the payment of surplus net revenues. For the year ended September 30, 2024 net position increased by \$2.9M as a result of increased toll revenue.

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

September 30, 2025

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

**Condensed Statements of Net Position Information**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>			
Current assets	\$ 6,948,922	\$ 6,857,431	\$ 5,654,243
Noncurrent assets	<u>52,246,377</u>	<u>53,858,486</u>	<u>42,959,964</u>
Total assets	<u>59,195,299</u>	<u>60,715,917</u>	<u>48,614,207</u>
Deferred outflows of resources	<u>94,761</u>	<u>214,074</u>	<u>401,979</u>
Total assets and deferred outflow of resources	<u><u>59,290,060</u></u>	<u><u>60,929,991</u></u>	<u><u>49,016,186</u></u>
<b>LIABILITIES</b>			
Current liabilities	1,617,785	1,473,224	1,861,078
Other noncurrent liabilities	<u>663,438</u>	<u>754,545</u>	<u>908,405</u>
Total liabilities	<u>2,281,223</u>	<u>2,227,769</u>	<u>2,769,483</u>
Deferred inflows of resources	<u>10,073,338</u>	<u>12,800,791</u>	<u>3,197,631</u>
Total liabilities and deferred inflows of resources	<u><u>12,354,561</u></u>	<u><u>15,028,560</u></u>	<u><u>5,967,114</u></u>
<b>NET POSITION</b>			
Net investments in capital assets	10,337,445	10,364,316	9,853,956
Restricted for	12,149,391	11,877,232	10,413,547
Unrestricted	<u>24,448,663</u>	<u>23,659,883</u>	<u>22,781,569</u>
Total net position	<u><u>\$ 46,935,499</u></u>	<u><u>\$ 45,901,431</u></u>	<u><u>\$ 43,049,072</u></u>

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

Southbound car crossings decreased by 14.27% from 2024 to 2025, while the bus and others crossings decreased by 23.36%. This generated toll revenue of \$11.5M, a decrease of \$768K when compared to the prior year. Rental income increased by \$67K from 2024 to 2025 due to an increase in the GSA lease. Investment earnings decreased by \$44K as a result of higher interest rates. Operating expenses increased by \$286K attributable to an increase in salaries, wages and employee benefits and in depreciation and amortization. This was offset with a decrease in repairs and maintenance and in contractual and other services. Payments in relation to the distribution of surplus net revenues increased by \$688K. Other revenue and expenses remained relatively flat. Overall there was a \$1.0M increase in net position for the current year.

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

Management’s Discussion and Analysis (Unaudited)

September 30, 2025

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

	2025	2024	2023
Operating revenues:			
Charges for services	\$ 11,529,821	\$ 12,298,089	\$ 11,773,691
Rentals	3,067,265	3,000,404	2,941,198
Other	289,203	412,222	392,570
Total operating revenues	<u>14,886,289</u>	<u>15,710,715</u>	<u>15,107,459</u>
Operating expenses:			
Salaries, wages and employee benefits	2,204,169	1,805,876	1,777,716
Supplies	183,246	164,667	178,159
Contractual and other services	1,441,051	1,467,430	1,322,403
Repairs and maintenance	185,683	319,374	273,500
Depreciation and amortization	793,479	764,809	811,919
Total operating expenses	<u>4,807,628</u>	<u>4,522,156</u>	<u>4,363,697</u>
Operating income (loss)	<u>10,078,661</u>	<u>11,188,559</u>	<u>10,743,762</u>
Nonoperating revenues (expenses):			
Investment earnings	411,508	455,481	387,037
Interest expense	(190)	(186)	(245)
Interest on board advances	912,878	873,977	832,217
Gain (loss) on sale of capital assets	-	(8,442)	-
Intergovernmental	-	-	6,620
Interest revenue	47,122	38,205	32,116
Other	<u>(3,570,929)</u>	<u>(3,827,054)</u>	<u>(3,734,088)</u>
Net nonoperating revenues (expenses)	<u>(2,199,611)</u>	<u>(2,468,019)</u>	<u>(2,476,343)</u>
Income (loss) before contributions and transfers	7,879,050	8,720,540	8,267,419
Capital contributions and transfers			
Capital contributions	-	45,096	-
Transfers out	<u>(6,844,982)</u>	<u>(5,913,277)</u>	<u>(5,718,553)</u>
Total capital contributions and transfers	<u>(6,844,982)</u>	<u>(5,868,181)</u>	<u>(5,718,553)</u>
Change in net position	1,034,068	2,852,359	2,548,866
Total net position	<u>45,901,431</u>	<u>43,049,072</u>	<u>40,500,206</u>
Net position, end of year	<u>\$ 46,935,499</u>	<u>\$ 45,901,431</u>	<u>\$ 43,049,072</u>

TOLL RATES

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

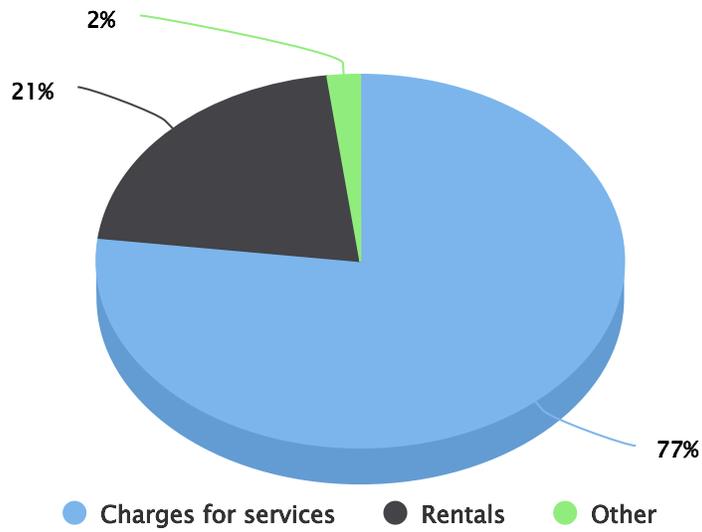
Category	FY 2025	FY 2024
Pedestrians	\$1.00	\$1.00
Cars	\$4.00	\$3.50
Motorcycles	\$4.00	\$3.50
Buses (Depending on # of axles)	\$7.00-\$9.00	\$7.00-\$9.00
Extra axle	\$3.00	\$3.00

Management's Discussion and Analysis (Unaudited)  
September 30, 2025

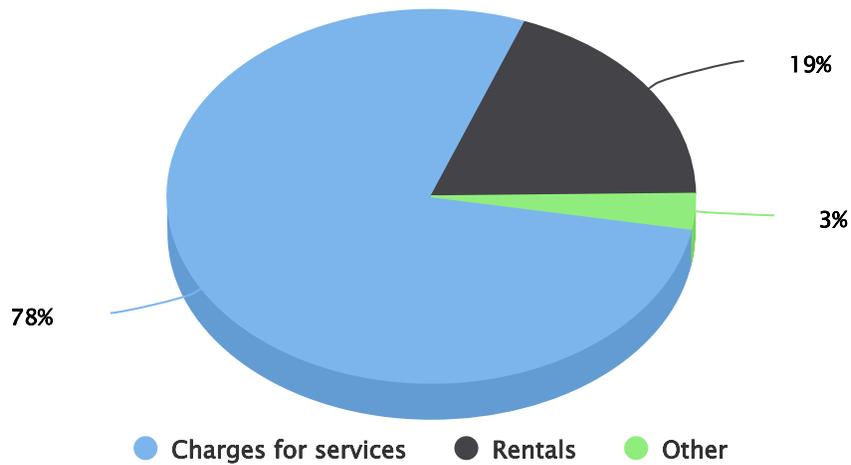
REVENUES

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

FY 2025 Revenues



FY 2024 Revenues



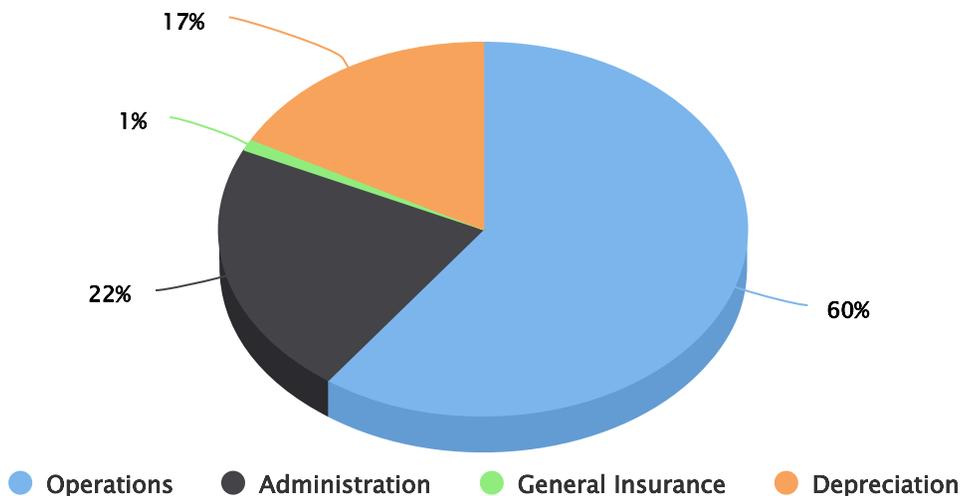
Management’s Discussion and Analysis (Unaudited)

September 30, 2025

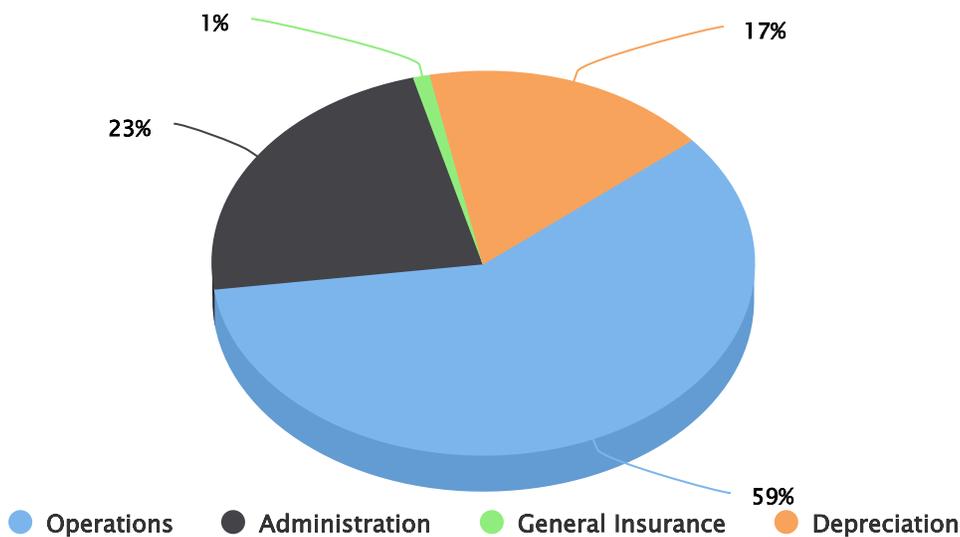
EXPENSES

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

FY 2025 Expenses



FY 2024 Expenses



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

September 30, 2025

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets*

At the end of this fiscal year, the Hidalgo Bridge had \$10.30M in capital assets, consisting of the following.

	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>
Capital assets, not being depreciated			
Land	\$ 787,486	\$ 787,486	\$ 787,486
Construction in progress	1,838,311	1,695,318	2,263,449
Capital assets, being depreciated			
Buildings	16,986,607	16,694,799	16,398,454
Improvements other than buildings	6,840,528	6,558,228	5,047,525
Machinery and equipment	<u>4,112,985</u>	<u>4,067,640</u>	<u>4,046,879</u>
Total capital assets	30,565,917	29,803,471	28,543,793
Less accumulated depreciation	<u>(20,228,472)</u>	<u>(19,434,992)</u>	<u>(18,683,684)</u>
Total capital assets, net	<u>\$ 10,337,445</u>	<u>\$ 10,368,479</u>	<u>\$ 9,860,109</u>

In 2025, total net capital assets decreased \$31K. The decrease is mostly attributable to an increase of accumulated depreciation. In 2024, total net capital assets increased \$508K. The increase is mostly attributable to an increase in the completion of project including the pedestrian expansion and the building reroofing.

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

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

During the budget process for fiscal year 2026, 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, and the dollar exchange rate with the Mexican peso. As a result, Bridge management prepared the annual budget conservatively.

**CONTACTING THE CITY’S FINANCIAL MANAGEMENT**

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



# **BASIC FINANCIAL STATEMENTS**

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

	2025	2024
<b>ASSETS</b>		
Current assets:		
Cash	\$ 246,635	\$ 290,884
Investments	3,774,035	3,678,273
Receivables, net:		
Accounts	128	-
Accrued interest	4,681	6,694
Lease receivable	2,772,791	2,755,820
Restricted assets:		
Cash and cash equivalents	150,652	125,760
Total current assets	6,948,922	6,857,431
Noncurrent assets:		
Restricted assets:		
Investments	10,755,357	10,476,519
Total noncurrent restricted assets	10,755,357	10,476,519
Capital assets:		
Land	787,486	787,486
Buildings and systems	16,986,607	16,694,799
Improvements other than buildings	6,840,528	6,558,228
Machinery and equipment	4,112,985	4,067,640
Construction in progress	1,838,311	1,695,318
Less accumulated depreciation and amortization	(20,228,472)	(19,434,992)
Total capital assets, net of accumulated depreciation and amortization	10,337,445	10,368,479
Other noncurrent assets		
Lease receivable	7,267,025	10,039,816
Board advances	23,886,550	22,973,672
Total other noncurrent assets	31,153,575	33,013,488
Total noncurrent assets	52,246,377	53,858,486
Total assets	59,195,299	60,715,917
Deferred outflows of resources		
Deferred charges	94,761	214,074
Total deferred outflows of resources	94,761	214,074
Total assets and deferred outflows of resources	\$ 59,290,060	\$ 60,929,991

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

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

	2025	2024
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 248,777	\$ 222,947
Accrued expenses	75,473	69,659
Due to other funds	243,589	166,802
Due to other government agencies	917,674	887,708
Current portion of compensated absences	132,272	124,057
Current portion of lease	-	2,051
	1,617,785	1,473,224
Total current liabilities		
Other noncurrent liabilities:		
Compensated absences, net of current portion	203,239	66,921
Unearned revenues	389,713	376,215
Lease payable, net of current portion	-	2,113
TMRS net pension liability	70,486	309,296
	663,438	754,545
Total other non current liabilities		
Total liabilities	2,281,223	2,227,769
Deferred inflows of resources		
Deferred inflows of resources-leases	9,962,549	12,756,995
Deferred inflows of resources-pensions	110,789	43,796
	10,073,338	12,800,791
Total deferred inflows of resources		
Total liabilities and deferred inflows of resources	12,354,561	15,028,560
<b>NET POSITION</b>		
Net investments in capital assets	10,337,445	10,364,316
Restricted for:		
Capital projects	5,171,435	4,471,851
Debt service	629,638	601,729
Distribution of net surplus revenues	6,348,318	6,803,652
Unrestricted	24,448,663	23,659,883
Total net position	46,935,499	45,901,431
Total liabilities, deferred inflows of resources and net position	\$ 59,290,060	\$ 60,929,991

*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, 2025 and 2024**

	2025	2024
Operating revenues:		
Charges for services	\$ 11,529,821	\$ 12,298,089
Rentals	3,067,265	3,000,404
Other	289,203	412,222
Total operating revenues	14,886,289	15,710,715
Operating expenses:		
Salaries, wages and employee benefits	2,204,169	1,805,876
Supplies	183,246	164,667
Contractual and other services	1,441,051	1,467,430
Repairs and maintenance	185,683	319,374
Depreciation and amortization	793,479	764,809
Total operating expenses	4,807,628	4,522,156
Operating income (loss)	10,078,661	11,188,559
Non-operating revenues (expenses):		
Investment earnings	411,508	455,481
Interest expense	(190)	(186)
Interest on board advances	912,878	873,977
Gain (loss) on sale of capital assets	-	(8,442)
Interest revenue - leases	47,122	38,205
Other – distribution to City of Hidalgo	(3,570,929)	(3,827,054)
Net non-operating revenues (expenses)	(2,199,611)	(2,468,019)
Income (loss) before contributions and transfers	7,879,050	8,720,540
Capital contributions and transfers:		
Capital contributions	-	45,096
Transfers out	(6,844,982)	(5,913,277)
Total capital contributions and transfers	(6,844,982)	(5,868,181)
Change in net position	1,034,068	2,852,359
Total net position - beginning of year, as previously reported	45,901,431	43,049,072
Total net position - ending	\$ 46,935,499	\$ 45,901,431

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

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

	2025	2024
<b>Cash flows from operating activities</b>		
Receipts from customers	\$ 14,861,033	\$ 15,811,400
Payments to employees	(2,102,725)	(1,819,339)
Payments to suppliers	(1,710,963)	(2,351,006)
	11,047,345	11,641,055
<b>Cash flows from noncapital financing activities</b>		
Transfers to other funds	(6,844,982)	(5,913,277)
Subsidy from federal/state grant	-	1,029
Distribution of income to City of Hidalgo	(3,540,963)	(3,859,480)
	(10,385,945)	(9,771,728)
<b>Cash flows from capital and related financing activities</b>		
Capital contributions	-	45,096
Purchases of capital assets	(762,446)	(1,284,261)
Proceeds from sale of capital assets	-	2,641
Principal repayments-bonds and notes	(4,164)	(1,989)
Interest paid	(190)	(186)
	(766,800)	(1,238,699)
<b>Cash flows from investing activities</b>		
Proceeds from sales and maturities of investments	24,287,115	16,732,925
Purchase of investments	(24,661,715)	(17,672,794)
Receipt of interest	460,643	495,540
	86,043	(444,329)
Net cash provided by (used in) investing activities	86,043	(444,329)
Net increase (decrease) in cash	(19,357)	186,299
Cash at beginning of year	416,644	230,345
Cash at end of year	\$ 397,287	\$ 416,644

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

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

	2025	2024
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>		
Operating income (loss)	\$ 10,078,661	\$ 11,188,559
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	793,479	764,809
(Increase) decrease in deferred outflows of resources - pension	119,313	187,905
Increase (decrease) in deferred inflows of resources - pension	66,993	15,773
Increase (decrease) in deferred inflows of resources - leases	(2,794,446)	9,587,387
(Increase) decrease in lease receivable	2,755,820	(9,596,078)
(Increase) decrease in accounts receivable	(128)	-
Increase (decrease) in accounts payable	25,831	(383,798)
Increase (decrease) in compensated absences payable	144,533	33,000
Increase (decrease) in accrued liabilities	5,814	(64,455)
Increase (decrease) in due to other funds	76,787	64,441
Increase (decrease) in net pension liability	(238,810)	(265,864)
Increase (decrease) in unearned revenue	13,498	109,376
Total adjustments	968,684	452,496
Net cash provided by (used) by operating activities	\$ 11,047,345	\$ 11,641,055
<b>Reconciliation to statement of net position:</b>		
Cash	\$ 246,635	\$ 290,884
Cash restricted	150,652	125,760
Total cash	\$ 397,287	\$ 416,644
<b>Noncash investing, capital and financing activities:</b>		
Contributions of capital assets	\$ -	\$ -
Increase (decrease) in fair value of investments	-	-

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

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

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

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

The accompanying financial statements of the Hidalgo Bridge are prepared in conformity with accounting principles generally accepted in the United States of America for local governmental units as prescribed by the Governmental Accounting Standards Board ("GASB") and the American Institute of Certified Public Accountants. Hidalgo Bridge operations are included in the basic financial statements of the City as promulgated by requirements defining the reporting entity. These financial statements present only the operations and activities of Hidalgo Bridge, a fund of the City, and are not intended to present fairly the financial position and results of operations of the City.

**Basis of Accounting**

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

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Hidalgo Bridge proprietary fund are charges to customers for toll crossing and services.

Operating expenses for proprietary funds include cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Capital Assets**

Capital assets are capitalized because they are property, plant and equipment with a life expectancy of over one year. Capital assets are recorded at cost if purchased or constructed.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Total depreciation expense for the years ended September 30, 2025 and 2024 was \$793,479 and \$764,809 respectively.

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

The estimated useful lives are as follows:

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

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

**Advances**

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

Beginning with fiscal year ending September 30, 1991, the Hidalgo Bridge has financed the development costs for the Anzalduas International Crossing (Anzalduas Bridge) from a restricted account of that fund, the Anzalduas Special and Start Up Fund. According to the 2003 Agreement, the amount that may be spent from that fund for expenses relating to the obtaining of the Anzalduas Bridge Presidential Permit and for the design or construction costs, operation expenses of the Anzalduas Bridge, and initial debt service on bonds related to the Anzalduas Bridge is limited to no more than \$6,000,000. This advance is to be repaid with interest accruing at the interest rate on bonds issued to finance the Anzalduas Bridge, from the net revenues of the Anzalduas Bridge, after all bond ordinance requirements have been met. As of September 30, 2025, the Anzalduas Special and Start Up Fund advance receivable from the Anzalduas 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.

*Board Advances Receivable from Anzalduas International Crossing*

The 2003 Agreement also provides for advances to be made between the Hidalgo Bridge and the Anzalduas Bridge as the need arises. The agreement provides that advances will accrue interest at a rate equal to the City of McAllen’s bank depository rate. This advance is to be repaid from the net revenues of the Anzalduas Bridge after all bond ordinance requirements have been met and the Anzalduas Special and Start Up Fund advance receivable has been paid. As of September 30, 2025 the board advance receivable 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 City of McAllen Series 2017B Bonds debt service requirements. The 2003 Agreement provides that advances will accrue interest at a rate equal to the City of McAllen’s bank depository rate. This advance is deducted from the City of McAllen’s share of unallocated surplus net revenues of the Hidalgo Bridge. The City of Mission is responsible for repaying directly to the City of McAllen for its prorata share from its share of the net revenues of the Anzalduas Bridge after all bond ordinance requirements have been met and the Anzalduas Special and Start Up Fund advance and the board advances for Series 2017A have been paid. For FY 2026, the Anzalduas Bridge will start servicing annual debt service payments related to Series 2017B Bonds.

As of September 30, 2025 the board advance owed by the City of Mission to the City of McAllen amounts to \$4,101,771, (\$4,081,318 in 2024). This was increased as a result of a reimbursement to the City of McAllen for the 2024 and 2025 annual debt service payments. This board advance is recorded in the General fund of the City of McAllen.

**Accumulated Unpaid Compensated Absences**

Accumulated unpaid compensated absences, consisting of vested accrued vacation and sick leave, are 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

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

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. 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.

**Income Distributions**

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

**Restricted Assets**

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

**Cash and Cash Equivalents**

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

**Leases**

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

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

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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 Hidalgo Bridge to invest in obligations of the U.S. Treasury, U.S. government agency securities, direct obligations of the State of Texas or any other state, or its agencies, certificates of deposit, banker's acceptance, commercial paper, repurchase agreements, mutual funds and qualified investment pools. The City's Investment policy, which governs investments within the Hidalgo Bridge, however, limits investments to U.S. Treasuries, U.S. government agencies, investment pools, commercial paper, no-load mutual funds, money market funds, municipal bonds, fully collateralized repurchase agreements, as well as certificates of deposit. Investments are stated at fair value, as required under Governmental Accounting Standards Board Statement No. 72.

**Investments***Fair Value Measurement*

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

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

There were no government security investments or certificates of deposit for the years ended September 30, 2025 and 2024.

The total amount excludes investments in local government pools which are recorded at amortized cost. These investments total \$14,529,392 and \$14,154,792 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.

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

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**
*Interest rate risk*

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

*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 investment objective a \$1.00 net asset value, certificates of deposits, U.S. Treasuries and U.S. government agencies, commercial paper, no-load mutual funds, money market mutual funds, municipal bonds, fully collateralized repurchase agreements.

*Concentration of credit risk*

The Hidalgo Bridge investment holdings at September 30, 2025 and 2024 were confined to TexPool Prime. The investment policy is silent in the concentration of holdings in the various types of securities and investments.

**NOTE 3 - CAPITAL ASSETS**

Capital assets activities for the year ended September 30, 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	\$ 787,486	\$ -	\$ -	\$ 787,486
Construction in progress	1,695,318	538,837	(395,844)	1,838,311
Capital assets, being depreciated				
Buildings	16,694,799	-	291,808	16,986,607
Improvements other than buildings	6,558,228	178,265	104,035	6,840,528
Machinery and equipment	4,067,640	45,345	-	4,112,985
Total capital assets	29,803,471	762,447	-	30,565,917
Less accumulated depreciation	(19,434,992)	(793,479)	-	(20,228,472)
Total capital assets, net	<u>\$ 10,368,479</u>	<u>\$ (31,032)</u>	<u>\$ -</u>	<u>\$ 10,337,445</u>

	Balance at September 30, 2023	Additions	Deletions	Balance at September 30, 2024
Capital assets, not being depreciated				
Land	\$ 787,486	\$ -	\$ -	\$ 787,486
Construction in progress	2,263,449	396,770	(964,901)	1,695,318
Capital assets, being depreciated				
Buildings	16,398,454	296,345	-	16,694,799
Improvements other than buildings	5,047,525	1,510,703	-	6,558,228
Machinery and equipment	4,046,879	34,261	(13,500)	4,067,640
Total capital assets	28,543,793	2,238,079	(978,401)	29,803,471
Less accumulated depreciation	(18,683,684)	(764,808)	13,500	(19,434,992)
Total capital assets, net	<u>\$ 9,860,109</u>	<u>\$ 1,473,271</u>	<u>\$ (964,901)</u>	<u>\$ 10,368,479</u>

**NOTE 4 - LONG TERM LIABILITIES**

Long-term liability activities for the year ended September 30, 2025 and September 30, 2024 are reflected in the following tables:

	Balance at September 30, 2024	Additions	Deletions	Balance at September 30, 2025	Amounts Due Within One Year
Capital lease	\$ 4,164	\$ -	\$ (4,164)	\$ -	\$ -
Net pension liability (asset)	309,296	-	(238,810)	70,486	-
Compensated absences	190,978	268,589	(124,056)	335,511	132,272
Total long-term liabilities	<u>\$ 504,438</u>	<u>\$ 268,589</u>	<u>\$ (367,030)</u>	<u>\$ 405,997</u>	<u>\$ 132,272</u>

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

**NOTE 5 - LEASES**

The Hidalgo Bridge leases property and buildings to the United States Government, the state of Texas, and various commercial dealers. The Hidalgo Bridge has also entered into license agreements with various telecommunications companies in relation to the utilization of international telephone and/or fiber optic cables connecting in the Republic of Mexico. Current leases range from monthly leases with commercial dealers to a 15-year lease with the General Service Administration (GSA). This 15-year lease consists of a 10-year firm term and an additional 5-year non-firm term. The Hidalgo Bridge also has a 5-year lease with three additional 5-year extension options with the United Export Traders Association (UETA) of Texas, Inc. and a 10-year lease with Transtelco, Inc. Interest rates range from 0.2280% to 2.8220%.

Lease payments received during the current year were as follows:

Year ending September 30,	Principal	Interest	Total
2025	\$ 2,755,820	\$ 49,134	\$ 2,804,954

Future minimum lease payments to be received are as follows:

Year ending September 30,	Principal	Interest	Total
2026	\$ 2,772,791	\$ 36,580	\$ 2,809,371
2027	2,764,446	23,774	2,788,220
2028	2,431,616	11,705	2,443,321
2029	2,007,182	4,101	2,011,283
2030	63,781	742	64,523
	<u>\$ 10,039,816</u>	<u>\$ 76,902</u>	<u>\$ 10,116,718</u>

**NOTE 6 - RETIREMENT PLAN**

The City and Hidalgo Bridge provide pension benefits for all full-time employees, except firefighters, through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (the “TMRS”), an agent multiple-employer public employee retirement system.

TMRS issues a publicly available Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained by writing to Texas Municipal Retirement System, P.O. Box 149153, Austin, Texas 78714-9153 or by calling 1-877-634-8595; in addition, the report is available on TMRS’ website at [www.TMRS.com](http://www.TMRS.com).

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

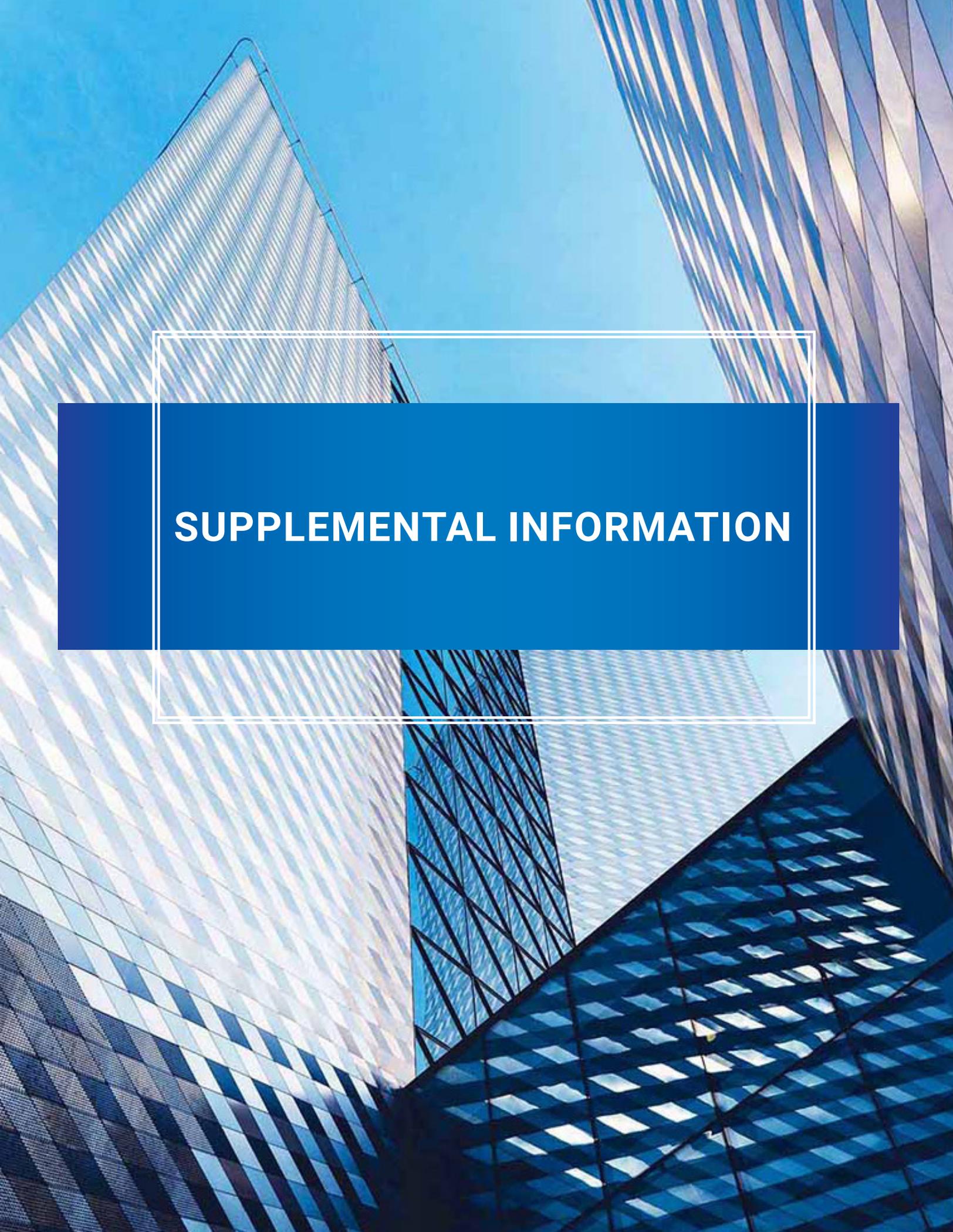
The table below describes the plan provisions adopted by the City:

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

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member’s projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. The City contributes to the TMRS at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. Since the Hidalgo Bridge is a component of the overall financial City wide audit report, additional pension disclosures are reflected in the City’s Annual Comprehensive Financial Report. Included in the financial statements are Hidalgo Bridge’s allocable share of the net pension liability of \$70,486, deferred outflow of resources – pension of \$94,761, and deferred inflow of resources – pension of \$110,789.

**NOTE 7 - ACCOUNTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The City, as an entity wide, will report all required disclosures of GASB Statement Number 75 in the City’s Annual Comprehensive Financial Report. The City instituted an internal service fund to account for health benefits related to current and future retirees. The Hidalgo Bridge has thirty five full time employees. For the current year, the fund contributed \$12,216 towards the annual required contribution. Since the current staffing represents a fraction of total City employees, management believes that any future requirements will have minimal impact on the Hidalgo Bridge.



**SUPPLEMENTAL INFORMATION**

**Schedule of Income Distribution  
Last Ten Years**

	Year Ended September 30,			
	2016	2017	2018	2019
Bridge revenues (1)	\$ 14,521,021	\$ 14,761,094	\$ 14,447,224	\$ 13,888,525
Deductible operating expenses (1)	<u>2,653,694</u>	<u>2,791,331</u>	<u>2,776,938</u>	<u>2,798,776</u>
	<u>11,867,327</u>	<u>11,969,763</u>	<u>11,670,286</u>	<u>11,089,749</u>
Surplus from contingency, construction, and debt service funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>11,867,327</u>	<u>11,969,763</u>	<u>11,670,286</u>	<u>11,089,749</u>
Less:				
Required transfers to restricted assets (2)	-	-	-	-
Transfer to Anzalduas International Bridge Fund (3)	-	-	-	-
Transfer to Capital Improvement Fund	1,251,894	1,431,298	1,395,748	1,319,338
Transfer to Health Insurance Fund	55,744	8,443	14,863	93,150
Transfer to Marketing Fund	-	-	-	-
Long term note principal	168,710	176,460	184,568	195,824
Capital lease principal - Motorola	-	-	-	-
Transfer to start up fund	-	-	-	-
Deductions for capital assets acquisitions (3)	-	-	-	-
Board advance Series 2007 "A" Bonds	-	-	-	-
Base revenues	<u>\$ 10,390,979</u>	<u>\$ 10,353,562</u>	<u>\$ 10,075,107</u>	<u>\$ 9,481,437</u>
Distributions and reservations of surplus revenues:				
Net distribution to City of Hidalgo	<u>3,740,752</u>	<u>3,727,282</u>	<u>3,627,039</u>	<u>3,375,018</u>
City of McAllen:	6,650,227	6,626,280	6,448,068	6,068,119
Less: Series "B" Bonds debt service	(949,755)	(914,417)	(846,258)	(844,742)
Less: Implied interest expense on Series "B" Bonds	-	-	-	-
Net distribution to City of McAllen	<u>5,700,472</u>	<u>5,711,863</u>	<u>5,601,810</u>	<u>5,223,377</u>
Base revenue only	<u>\$ 10,390,979</u>	<u>\$ 10,353,562</u>	<u>\$ 10,075,107</u>	<u>\$ 9,481,437</u>

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

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

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

Year Ended September 30,

	2020	2021	2022	2023	2024	2025
\$	10,764,761	\$ 10,209,588	\$ 13,420,232	\$ 15,322,301	\$ 15,970,137	\$ 15,125,855
	2,889,650	2,739,511	3,141,523	3,432,216	3,748,832	3,853,447
	7,875,111	7,470,077	10,278,709	11,890,085	12,221,305	11,272,408
	-	-	-	-	-	-
	7,875,111	7,470,077	10,278,709	11,890,085	12,221,305	11,272,408
	-	-	-	-	-	-
	-	-	-	-	-	-
	944,722	825,136	1,292,380	1,460,126	1,530,695	1,311,831
	40,865	24,811	22,801	46,560	44,225	32,330
	-	-	-	9,000	9,000	9,000
	133,600	-	-	-	-	-
	1,766	1,820	1,875	1,932	1,989	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	6,754,158	\$ 6,618,311	\$ 8,961,653	\$ 10,372,467	\$ 10,635,396	\$ 9,919,247
	2,469,797	2,378,377	3,226,195	3,734,088	3,827,054	3,570,929
	4,322,662	4,235,719	5,735,458	6,638,379	6,803,652	6,348,318
	(842,725)	(846,642)	(850,792)	(778,327)	-	-
	-	-	-	-	-	-
	3,479,937	3,389,077	4,884,666	5,860,052	6,803,652	6,348,318
\$	6,754,158	\$ 6,618,311	\$ 8,961,653	\$ 10,372,467	\$ 10,630,706	\$ 9,919,247

**Schedule of Rental Income  
Year Ended September 30, 2025**

Lessee	Amount
General Services Administration	\$ 2,486,772
United Export Traders Association	286,531
Texas Alcoholic Beverage Commission	33,537
Money Exchange House	24,000
ATM	16,030
PALBA	29,790
AT&T	89,511
McAllen Data Center	50,547
Transtelco	50,547
	\$ 3,067,265

**Schedule of Expenses by Department  
Years Ended September 30, 2025 and 2024**

	Department		2025 Total	2024 Total
	Administration	Operations		
Salaries and wages				
Exempt salaries	\$ 311,399	\$ 42,477	\$ 353,876	\$ 214,740
Nonexempt wages and part time	41,025	1,141,340	1,182,365	1,011,258
Board of trustees fees	2,968	-	2,968	3,018
Overtime	824	124,897	125,721	112,820
Longevity Pay	9,075	33,725	42,800	40,525
Total salaries and wages	<u>365,291</u>	<u>1,342,439</u>	<u>1,707,730</u>	<u>1,382,361</u>
Payroll taxes and benefits				
Social security and unemployment tax	22,761	95,572	118,333	106,269
Employee retirement	26,089	105,458	131,547	117,853
Employee benefits	37,612	190,935	228,547	183,307
Transportation and telephone allowance	11,154	6,858	18,012	16,086
Total payroll taxes and benefits	<u>97,616</u>	<u>398,823</u>	<u>496,439</u>	<u>423,515</u>
Materials and supplies				
Janitorial	-	57,017	57,017	66,814
Office supplies	13,269	-	13,269	11,858
Clothing and uniforms	1,062	17,497	18,559	16,055
Operating supplies	11,162	14,375	25,537	32,055
Equipment	-	68,864	68,864	37,885
Total materials and supplies	<u>25,493</u>	<u>157,753</u>	<u>183,246</u>	<u>164,667</u>
Maintenance				
Vehicles	2,349	-	2,349	1,150
Buildings	-	92,490	92,490	161,104
Fuel	1,928	269	2,197	3,414
Equipment	3,464	85,183	88,647	153,706
Total maintenance	<u>7,741</u>	<u>177,942</u>	<u>185,683</u>	<u>319,374</u>
Other services and charges				
Auditing services	20,942	-	20,942	20,000
Advertising	65,149	-	65,149	64,818
Dues and subscription	26,890	-	26,890	25,898
Management fee	185,000	-	185,000	185,000
Postage	702	-	702	-
Professional services	172,091	-	172,091	186,480
Photocopier rental	2,682	-	2,682	2,243
Rental and contractual	21,894	185,414	207,308	229,490
Bridge security	-	317,901	317,901	313,641
Travel and training	26,200	-	26,200	21,091
Telephone	5,448	-	5,448	4,173
Utilities	-	94,468	94,468	88,891
General insurance	64,399	-	64,399	64,399
Miscellaneous	44,560	207,311	251,871	261,306
Total other services and charges	<u>635,957</u>	<u>805,094</u>	<u>1,441,051</u>	<u>1,467,430</u>
Total expenses before depreciation	<u>1,132,098</u>	<u>2,882,051</u>	<u>4,014,149</u>	<u>3,757,347</u>
Depreciation and amortization	<u>793,479</u>	<u>-</u>	<u>793,479</u>	<u>764,809</u>
Total operating expenses	<u>1,925,577</u>	<u>\$ 2,882,051</u>	<u>\$ 4,807,628</u>	<u>\$ 4,522,156</u>

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

	McAllen International Toll Bridge	Anzalduas International Crossing	Total
<b>ASSETS</b>			
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
<b>Total current assets</b>	<b>6,948,922</b>	<b>5,877,431</b>	<b>12,826,353</b>
Noncurrent assets:			
Restricted assets:			
Investments	10,755,357	17,234,401	27,989,758
Deferred contributions	-	84,542,324	84,542,324
<b>Total noncurrent restricted assets</b>	<b>10,755,357</b>	<b>101,776,725</b>	<b>112,532,082</b>
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	(20,228,472)	(23,713,706)	(43,942,178)
<b>Total capital assets, net of accumulated depreciation and amortization</b>	<b>10,337,445</b>	<b>32,390,642</b>	<b>42,728,087</b>
Other noncurrent assets:			
Lease receivable - noncurrent	7,267,025	-	7,267,025
Board advances	23,886,550	-	23,886,550
<b>Total other noncurrent assets</b>	<b>31,153,575</b>	<b>-</b>	<b>31,153,575</b>
<b>Total noncurrent assets</b>	<b>52,246,377</b>	<b>134,167,367</b>	<b>186,413,744</b>
<b>Total assets</b>	<b>59,195,299</b>	<b>140,044,798</b>	<b>199,240,097</b>
Deferred outflows of resources			
Deferred charges - pensions	94,761	23,398	118,159
<b>Total deferred outflows of resources</b>	<b>94,761</b>	<b>23,398</b>	<b>118,159</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 59,290,060</b>	<b>\$ 140,068,196</b>	<b>\$ 199,358,256</b>

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

	McAllen Int'l Toll Bridge	Anzalduas Int'l Crossing	Total
<b>LIABILITIES</b>			
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 non current 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>
<b>NET POSITION</b>			
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	24,448,663	(19,763,638)	4,685,025
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>

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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 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
<b>Cash flows from operating activities</b>			
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>
<b>Cash flows from noncapital financing activities</b>			
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>
<b>Cash flows from capital and related financing activities</b>			
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>
<b>Cash flows from investing activities</b>			
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	416,644	455,707	872,351
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
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>			
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>
<b>Reconciliation to statement of net position:</b>			
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>
<b>Noncash investing, capital and financing activities:</b>			
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	2,896,421	2,862,748	2,794,901	2,642,179
Trucks	11,554	10,652	11,597	11,911
Buses	17,330	15,979	17,396	17,866
<b>Total vehicles (1)</b>	<b>2,925,305</b>	<b>2,889,379</b>	<b>2,823,894</b>	<b>2,671,956</b>
Passenger traffic southbound:				
Passengers in cars (2)	7,241,053	7,156,870	6,987,253	6,605,448
Pedestrians	1,705,111	1,641,614	1,522,221	1,521,170
Passengers and drivers – buses and trucks	502,570	463,379	504,478	518,120
<b>Total persons</b>	<b>9,448,734</b>	<b>9,261,863</b>	<b>9,013,952</b>	<b>8,644,738</b>

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

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

Year Ended September 30,

2020	2021	2022	2023	2024	2025
1,890,935	1,647,489	2,587,595	2,922,848	3,066,626	2,629,166
7,730	6,596	7,221	6,975	6,349	4,866
11,596	9,893	10,832	10,463	9,524	7,299
<u>1,910,261</u>	<u>1,663,978</u>	<u>2,605,648</u>	<u>2,940,286</u>	<u>3,082,499</u>	<u>2,641,331</u>
4,727,338	4,118,723	6,468,988	7,307,120	7,666,565	6,572,915
1,521,170	815,956	1,089,784	1,286,289	1,306,330	1,415,265
336,272	286,765	313,965	303,270	276,053	211,562
<u>6,584,780</u>	<u>5,221,444</u>	<u>7,872,737</u>	<u>8,896,679</u>	<u>9,248,948</u>	<u>8,199,742</u>

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

	Year Ended September 30,			
	2016	2017	2018	2019
Southbound traffic:				
Cars	2,886,421	2,862,748	2,794,901	2,642,179
Trucks	11,554	10,652	11,597	11,911
Total car and truck traffic	<u>2,897,975</u>	<u>2,873,400</u>	<u>2,806,498</u>	<u>2,654,090</u>
Truck traffic percentage	0.40%	0.37%	0.41%	0.45%
Car and truck revenue:				
Cars	\$ 10,125,250	\$ 10,019,618	\$ 9,782,154	\$ 9,247,627
Trucks	80,878	74,564	81,179	83,376
Total car and truck revenue	<u>\$ 10,206,128</u>	<u>\$ 10,094,182</u>	<u>\$ 9,863,333</u>	<u>\$ 9,331,003</u>
Truck revenue percentage	0.79%	0.74%	0.82%	0.89%
Average revenue per car	\$ 3.51	\$ 3.50	\$ 3.50	\$ 3.50
Average revenue per truck	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00

Year Ended September 30,

2020	2021	2022	2023	2024	2025
1,890,935	1,647,489	2,587,595	2,922,848	3,066,626	2,629,166
7,730	6,596	7,221	6,975	6,349	4,866
<u>1,898,665</u>	<u>1,654,085</u>	<u>2,594,816</u>	<u>2,929,823</u>	<u>3,072,975</u>	<u>2,634,032</u>
0.41%	0.40%	0.28%	0.24%	0.21%	0.18%
\$ 6,618,273	\$ 5,766,212	\$ 9,056,583	\$ 10,229,968	\$ 10,733,191	\$ 9,964,539
54,113	46,169	50,548	48,826	44,443	34,062
<u>\$ 6,672,385</u>	<u>\$ 5,812,381</u>	<u>\$ 9,107,131</u>	<u>\$ 10,278,794</u>	<u>\$ 10,777,634</u>	<u>\$ 9,998,601</u>
0.81%	0.79%	0.56%	0.48%	0.41%	0.34%
\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.79
\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00

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**Schedule of Board Advances to Anzalduas International Crossing  
September 30, 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
	\$ 22,973,672	\$ -	\$ 912,878	\$ 23,886,550

**Schedule of Board Advances to Anzalduas International Crossing  
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.

	Bond Rate	# Days	Advance	Interest	(Payment)	Balance
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 to Anzalduas International Crossing  
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 to Anzalduas International Crossing  
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			**Loss of Revenue / Extra Expense / Rental Value for all City owned locations			.2% Maximum of Total Bldg Value
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						
			- Forgery or Alteration	\$1,000,000		\$2,500
			- Theft, Disappearance & Destruction	\$1,000,000		\$2,500

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

To the Board of Trustees  
McAllen International Toll Bridge

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the McAllen International Toll Bridge (the Bridge) as of and for the years ended September 30, 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  
McAllen International Toll Bridge

**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