

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

A Component Unit of County of Hidalgo, Texas

Annual Comprehensive Financial Report For
the Fiscal Year Ended December 31, 2023

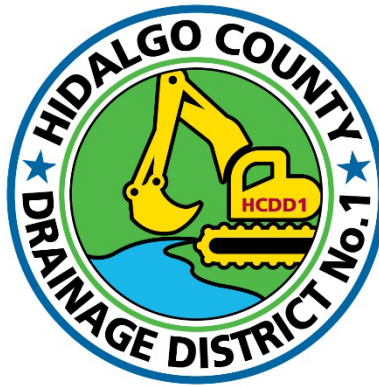
Hidalgo County Drainage District No. 1

A Component Unit of County of Hidalgo, Texas

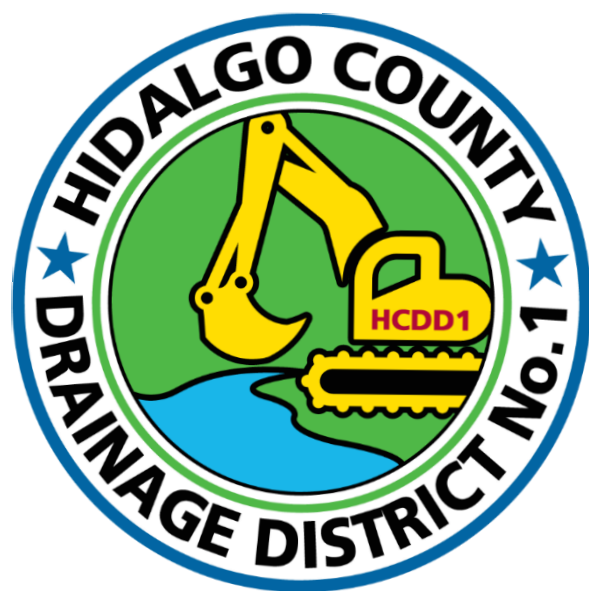
Annual Comprehensive Financial Report

For the Fiscal Year Ended

December 31, 2023



Prepared By:
Accounting Department
Lora D. Briones
Chief Financial Officer
902 N. Doolittle
Edinburg, Texas 78542



HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A Component Unit of Hidalgo County, Texas)
FOR THE YEAR ENDED DECEMBER 31, 2023

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STATISTICAL SECTION

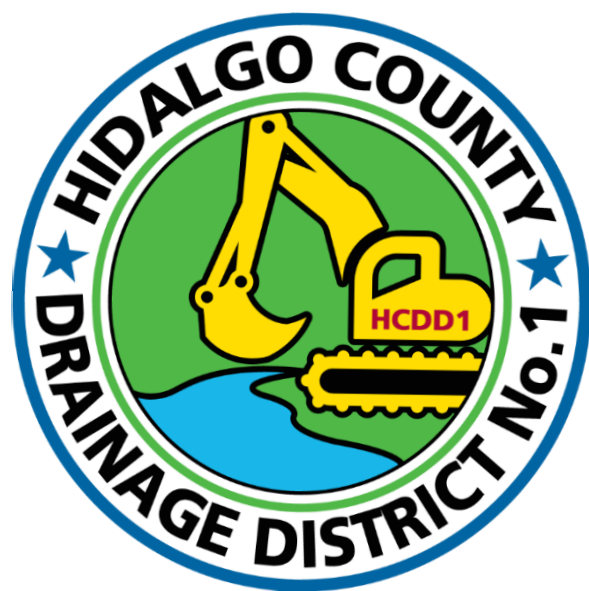
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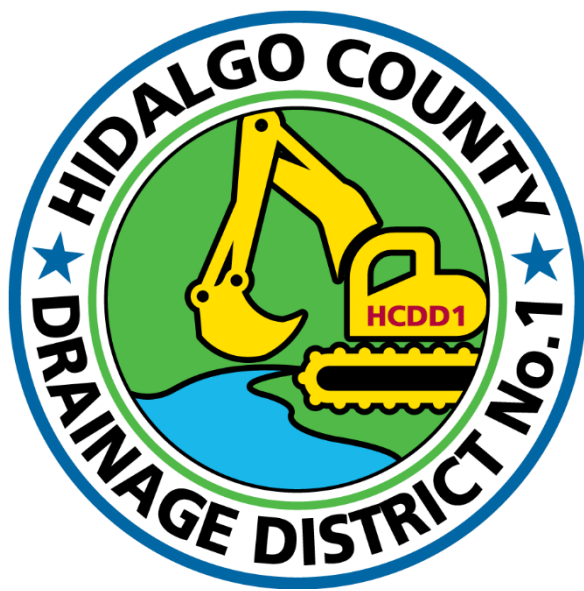
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This report is also available online at <https://www.hcdd1.org>



INTRODUCTORY SECTION





HIDALGO COUNTY DRAINAGE DISTRICT No. 1

RAUL E. SESIN, PE, CFM

District General Manager

Hidalgo County Floodplain Administrator

BOARD OF DIRECTORS

DAVID L. FUENTES
Board Member

EDUARDO "EDDIE" CANTU
Board Member

RICHARD F. CORTEZ
Chairman of the Board

EVERARDO "EVER" VILLARREAL
Board Member

ELLIE TORRES
Board Member

July 26, 2024

The Honorable Richard F. Cortez, Chairman of the Board
The Honorable David L. Fuentes, Board Member
The Honorable Eduardo "Eddie" Cantu, Board Member
The Honorable Everardo "Ever" Villarreal, Board Member
The Honorable Ellie Torres, Board Member

Honorable Members of the Hidalgo County Drainage District No. 1 and Citizens of Hidalgo County, Texas

The Hidalgo County Drainage District No. 1 (District) Annual Comprehensive Financial Report for the year ended December 31, 2023, is submitted herewith.

Hidalgo County Drainage District No. 1 was created on April 9, 1908 by Order of the Commissioners' Court of Hidalgo County, Texas, pursuant to an election held within the territory affected on March 24, 1908. Originally organized under provisions of Article III, Section 52 of the Constitution of Texas, the District was later converted to a Conservation and Reclamation District under the provisions of Article XVI, Section 59 of the Texas Constitution. Since its creation, the Board of Directors has been made up of the County Judge and four County Commissioners.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to obtain the maximum understanding of the District's financial affairs have been included.

In 2002, the District initiated the implementation of Governmental Accounting Standards Board Statement Number 34 (GASB 34), *Basic Financial Statements – And Management's Discussion and Analysis – For State and Local Governments*. GASB Statement 34, labeled by GASB as "the most significant change in the history of government financial reporting," amends the financial reporting model to include supplementary information about an entity and fiscal health including the status of public infrastructure. This report for 2023 was prepared in accordance with this statement and is presented in the following three sections:

- The Introductory Section, which includes this Transmittal Letter.
- The Financial Section, which includes the Independent Auditors' Report, Management's Discussion and Analysis (MD&A), the basic statements, and combining statements and schedules.
- Supplementary information, as required by Texas Commission on Environmental Quality (TCEQ), and statistical information that is generally presented on a multi-year basis.

Burton, McCumber & Longoria, LLP, an independent certified public accounting firm, has audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the year ended December 31, 2023 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

Based on the independent audit performed by our external auditors, they concluded that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for year ended December 31, 2023 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The Independent Auditor's Report is presented as the first component of the Financial Section of this report.

Generally accepted accounting principles require that management provide a narrative overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction therewith. The District's MD&A can be found immediately following the report of the independent auditors.

The five members of the Board of Directors for the District are the same members as the Hidalgo County Commissioners Court. One member is the county judge who is elected to a four-year term. The other four members are county commissioners, each elected from a road and bridge precinct to a four-year term.

Among its duties and responsibilities, the five-member board has exclusive authority over a wide range of areas in the operation of the District. These duties and responsibilities include the approval of the District's operating budget and budgetary amendments, setting ad valorem property tax rates, auditing, and directing settlement of all claims against the District. The board also determines when propositions to issue bonds will be submitted to the voters.

Internal Controls

Management of the District is responsible for the establishment and maintenance of internal accounting controls that have been designed to ensure assets are safeguarded and financial transactions are properly recorded and adequately documented. Such internal controls require estimates and judgments from management that, in attaining reasonable assurance as to the adequacy of such controls, the cost does not exceed the benefit obtained.

Budget Process and Fiscal Policy

Texas Water Code Chapter 49 Section 49.057 establishes that the board shall adopt an annual budget. After appraised values are received from the Appraisal District and the Tax Assessor provides benchmark calculations, the tax rate for the tax levy is proposed and presented to the Board of Directors. The level of budgetary control for the District's General Fund and debt service funds is at the fund level, for the other funds, budgetary control is implemented at various levels. The adoption of supplemental budgets may be approved by Board of Directors for the limited purpose of spending grant or aid money for capital projects through issuance of bonds for intergovernmental contracts and for new sources of revenue not anticipated at the adoption of original budget. The Board of Directors consistently emphasize and maintain at least fifty percent of the unassigned fund balance levels of the District's main operating fund – General fund, to meet obligations of payroll and operating costs, thus assisting in maintaining financial stability for retaining or enhancing the District's bond ratings. The District also strives to maintain significant amounts to fund the repairs of structures in the event of excessive rainfall, hurricanes or disasters that may occur during the year.

Cash Management

The District invests its funds in investments authorized by Texas laws in accordance with investment policies approved by the Board of Directors. Under Texas Law, the District is required to invest its funds to primarily emphasize safety of principal and liquidity. The interest income in 2023 totaled \$9,001,258 an increase of \$6,306,887 from the prior year total of \$2,694,371. Interest income increased due to the Federal Reserve's interest rate hikes in attempts to curb high inflation and bonds were sold for \$59,205,000.

Capital Assets

These financial statements include the capital assets of the District. Accounting for capital assets is discussed in the MD&A that is part of the basic financial statements. More detailed information about the capital assets can be found in the notes to the financial statements.

Risk Management and Insurance

The District provides for a risk manager, who is primarily responsible for identifying and assessing the District's exposure to all types of risk and recommending the safest and most cost-effective methods to eliminate or reduce the identified risks. The District, through its risk management policies, assumes substantially all risks associated with general tort claims that parties may file against the District and liability claims against the District due to conditions of property or equipment. Additional information on the District's risk management activity can be found in the notes to the financial statements.

Economic Conditions and Outlook

Hidalgo County, in which the District operates, is an attractive place to live and do business. With an estimated population of 898,471 people, Hidalgo County is the 9th most populated out of 254 Texas counties. Population since the 2020 Census has grown by 3.2% according to the U.S. Census. Also, the traditional agricultural and international based economy has increasingly diversified with education, health services, and government sector employment. Ecotourism has seen a recent growth in Hidalgo County attracting new travelers to this area for birding due to the prime location of the county along the transcontinental migratory flight paths. Also seeing a growth is the healthcare field, with the commitment of the University of Texas Rio Grande Valley's Medical School and Texas A&M campus in North McAllen. This will help in further diversifying by adding highly skilled employment to the trade centered economy in Hidalgo County.

The McAllen-Edinburg-Mission metropolitan area is the 50th fastest growing region in the nation since the 2020 census. McAllen, which is the largest city in the County, has a current population of 145,671 according to worldpopulationreview.com and Edinburg has an estimated population of 106,087 and is considered the educational and technological capital of the Texas-Mexico border region. The unemployment rate as of December 2023 was 5.8% compared to 2022 rate of 6.2%.

Hidalgo County provides factors which are considered to be an excellent quality of life, high-tech medical facilities, comprehensive financial services community, a demonstrated logistics advantage necessary to reach existing and new markets, and bicultural/bilingual population. According to the Census Bureau, the median household income for this area as of 2022 is \$49,371.

Current Developments and Programs

On May 6, 2023, Hidalgo County voters passed a \$195 Million bond referendum to Improve the District's drainage system. There were 26 identified projects to alleviate flooding issues throughout the District. As of December 31, 2023, \$59,205,000 of the 2023 bond referendum have been sold. Progress continues on the 2018 Bond Referendum program with a focus on the following projects:

Raymondville Main Drain Project

The Raymondville Drain Project currently exists as an authorized federal project with the US Army Corps of Engineers-Galveston District (USACE) as the Project for Flood Control, Lower Rio Grande Basin, Texas under Title IV, Section 401 of WRDA 1986, as amended by the Water Resources Development Act (WRDA) 2007. Major flooding problems exist in the areas drained by the Raymondville Drain because of significant urban growth that has occurred in recent years. The project will implement flood control improvements along an approximate 60-mile long channel alignment, including 12 miles of new ditch, major detention ponds, in-line detention, retention, hydraulic control structures, bridges, culverts and utility crossings. The District is the lead sponsor for the project working in partnership with the US Army Corps of Engineers. The District has a current agreement with the USACE, invoking provisions of general WRDS Section 211, whereby the District has taken over the USACE's portion of the project, anticipating reimbursement at the time of construction for the federal cost share of the project. Concurrently, the District is also pursuing congressional designation for the project to be a demonstration project under Section 211 (f), to ensure that reimbursement of the federal cost share could occur intermittently, as the planning documents-studies progress prior to construction. The project was ranked as the No. 1 project for the Lower Rio Grande Valley Regional Drainage Plan. It is anticipated that the project will get environmental clearance in 2024; portions of construction commenced in 2018 as well as parcel acquisition on various segments.

Delta Regional Reservoir

Once the project is complete, it will provide over 200 acres of off-line detention ponds in the North East quadrant of the District near the City of Mercedes, Texas. This will mitigate flooding up and downstream of the Main Floodwater Channel Drain.

Mission/Palmview Lateral

This project will widen and enhance the linear detention and functionality of the District's Mission Lateral Ditch while also adding culvert crossing and detention facilities.

Mile 10 N & Mile 1 W, Mile 11 N & FM 1015, and Mile 11 N & Texas Boulevard Projects

These projects in the District's Precinct 1 area will add four new regional detention ponds and new storm drainage systems along several neighborhoods that were severely impacted with the 500-year rain events that occurred in 2018 and 2019.

South Lateral Drain and Structure

These projects will add detention facilities at the upstream end connecting to the Main Floodway as well as widening the channel to improve drain flow. Also, the structure project will improve the culvert and widening of drain ditches leading up to the outfall points at the South Lateral Drain.

Status of projects can also be found in the District's website www.hcdd1.org.

Award and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hidalgo County Drainage District No. 1 for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2022. This was the sixth year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the professional services provided by our independent auditors, Burton McCumber & Longoria, LLP. I would like to express our appreciation to the District's accounting staff and the various departments of Hidalgo County who assisted and contributed to the preparation of this report. I wish to express my thanks to the Board of Directors for their unfailing support for maintaining the highest standards of professionalism in managing the District's financial affairs.

Sincerely,
Hidalgo County Drainage District No. 1



Raul E. Sesin, PE, CFM
District General Manager



Lora Briones,
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Hidalgo County Drainage District #1
Texas**

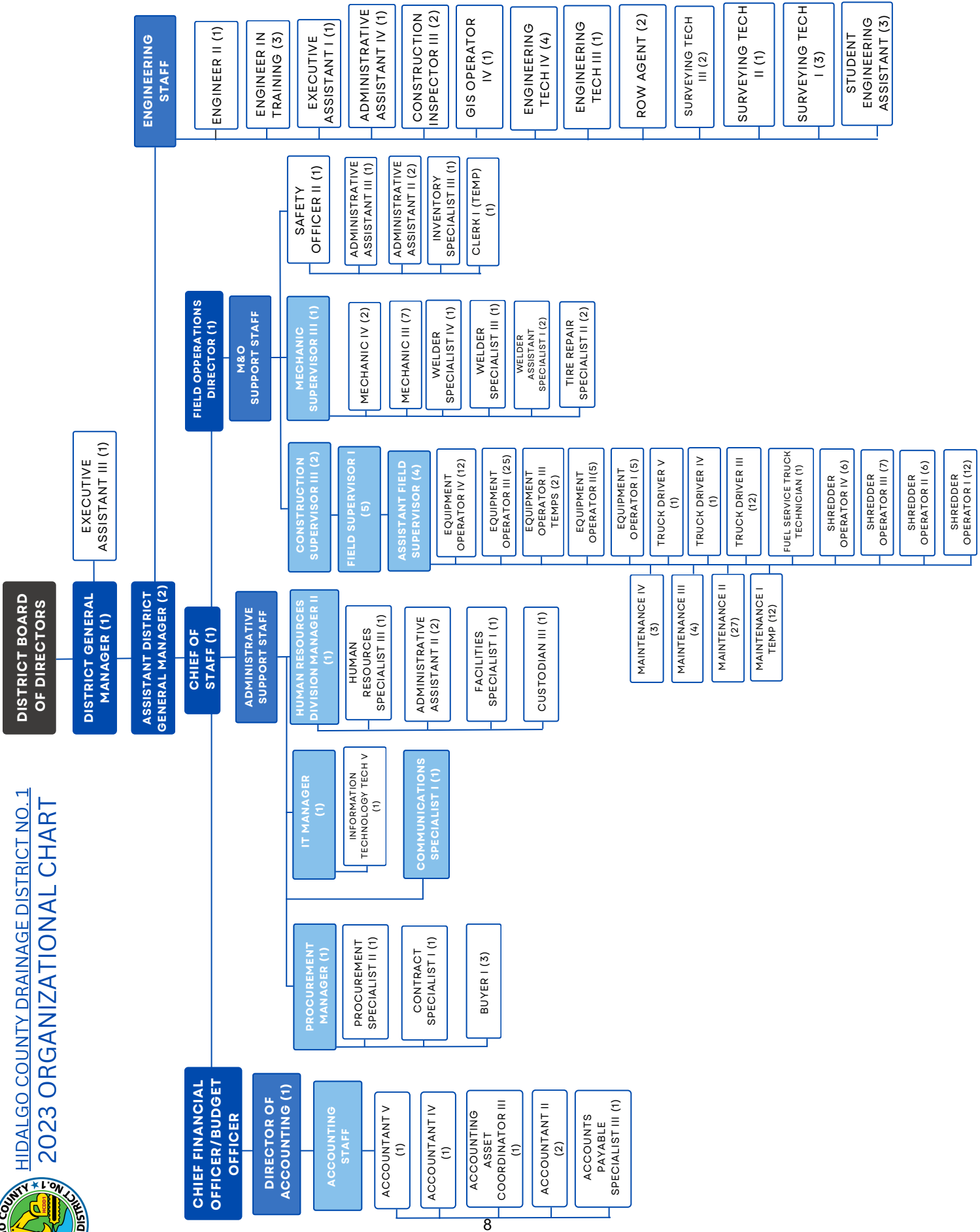
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Executive Director/CEO



HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
2023 ORGANIZATIONAL CHART



HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
Governing Body
As of December 31, 2023

County Judge Richard F. Cortez.....	Chairman
Commissioner David L. Fuentes.....	Board Member
Commissioner Eduardo Cantu.....	Board Member
Commissioner Everardo Villarreal.....	Board Member
Commissioner Ellie Torres.....	Board Member

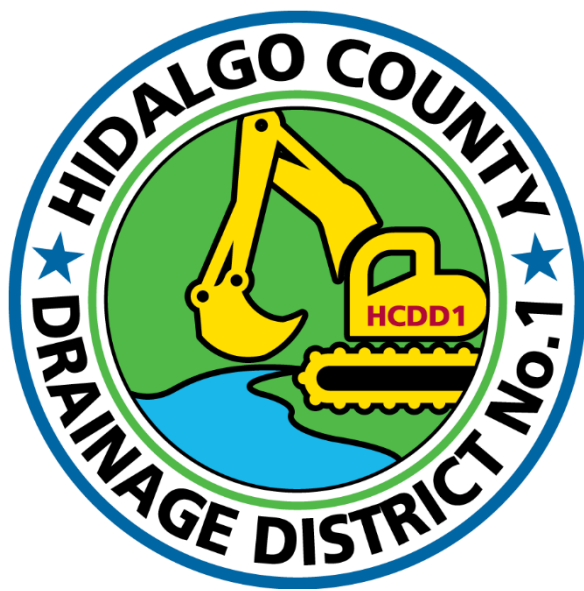
HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

Principal Officials

As of December 31, 2023

Richard F. Cortez.....	County Judge	Chairman
David L. Fuentes.....	Commissioner	Board Member
Eduardo Cantu.....	Commissioner	Board Member
Everardo Villarreal.....	Commissioner	Board Member
Ellie Torres.....	Commissioner	Board Member
Raul E. Segin, P.E., CFM.....	General Manager	General Manager
Letty Chavez.....	County Auditor	County Auditor
Pablo "Paul" Villarreal, Jr.....	Tax Assessor	Tax Assessor/Collector
Lita L. Leo	County Treasurer	Investment Officer

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hidalgo County Drainage District No. 1
Edinburg, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hidalgo County Drainage District No. 1 (the District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District'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 and OPEB liability and pension information on pages 18–24 and 67–70 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, budgetary comparison schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical sections and Texas Supplementary Information (TSI) as required by Texas Commission for Environmental Quality (TCEQ) but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

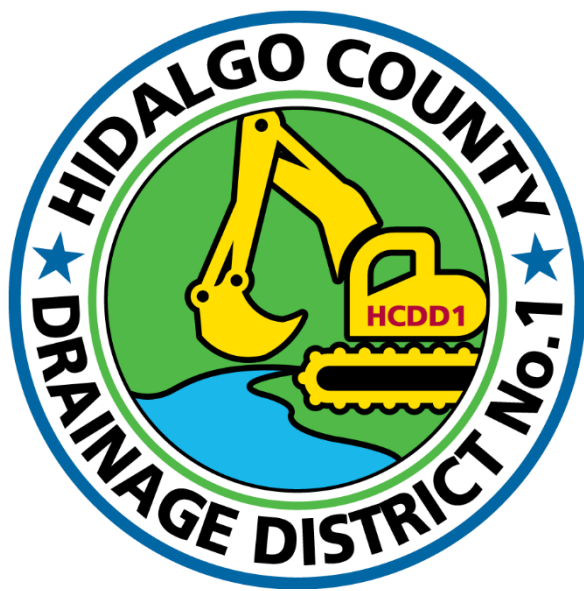
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2024, on our consideration of the District'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Benton McComb & Longo, L.P.

McAllen, Texas
July 26, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Hidalgo County Drainage District No. 1
(A Component Unit of Hidalgo County, Texas)
Management's Discussion and Analysis
December 31, 2023

Management's Discussion and Analysis (MD&A) of Hidalgo County Drainage District No. 1 (the District), Edinburg, Texas is intended to provide an overview of the District's financial position and results of operations for the fiscal year ended December 31, 2023. Please read it in conjunction with the letter of transmittal on page 3 and the District's financial statements, which begin on page 26.

FINANCIAL HIGHLIGHTS

General Fund

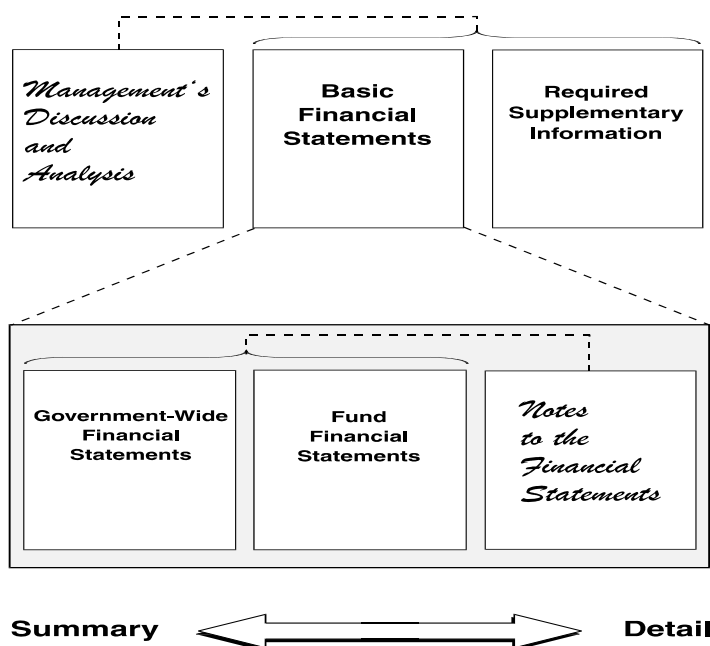
- At fiscal year end, the unassigned fund balance in the general fund totaled \$21,978,143 which represents a \$103,491 decrease from fiscal year 2022 primarily due to an increase of reserved and assigned projects such as the M&O Training Facility and Raymondville Drain Restore Project.
- The collection of the 2022 tax levy for general fund increased to \$23,675,645, an increase of 5.1 percent primarily due to increase in the overall property value assessments. The general fund revenues increased by \$4,172,863 to \$29,163,370, an increase of 16.7 percent over fiscal year 2022. The increase in revenues is mainly attributed to tax collection revenue that resulted from a higher tax levy as well as higher interest revenue.
- General fund expenditures increased by \$2,445,447 to \$23,041,798, an increase of 11.9 percent over fiscal year 2022 primarily due to capital outlay.

Government-Wide

- The District's governmental activities reported expenses of \$35,373,882 net of program revenues totaling \$6,822,062. General revenues totaled \$69,439,394 resulting in an increase in net position of \$40,887,574.
- At fiscal year-end, the District's governmental activities reported combined total net position of \$227,524,946.
- A significant portion of net position is invested in capital assets or is restricted for specific purposes.

USING THIS ANNUAL REPORT

The following illustration is provided to facilitate the understanding of the GASB 34 reporting format and its components:



OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

- The Statement of Net Position and the Statement of Activities are government-wide financial statements that provide information about the activities of the District as a whole and present a long-term view of the District's finances.
- Fund financial statements provide information as to how services are financed in the short-term, as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds or "major" funds rather than fund types.
- The accompanying notes provide essential information about certain accounts disclosed on the face of the financial statements. Consequently, the notes form an integral part of the basic financial statements.

The following summarizes the major features of the District's financial statements:

	Government-Wide	Governmental Funds
Scope	Entire District government	The activities of the District
Required financial statements	◆ Statement of Net Position	◆ Balance Sheet
	◆ Statement of Activities	◆ Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities that is helpful in determining whether the District's position has improved or deteriorated as a result of the current year activities. Both statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, both short and long-term, and deferred inflows of resources. The Statement of Activities reports all of the current year revenues and expenses regardless of when cash is received or paid.

The two government-wide statements report the District's net position and changes in them. Net position (the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources) are one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the District's property tax base and the condition of the District's drainage facilities, should also be considered in assessing the overall health of the District.

The Statement of Net Position and the Statement of Activities operate as governmental activities. The District's services consist primarily of drainage flood control and administration. Property taxes, interest earnings, and miscellaneous revenue finance most of these activities.

Fund Financial Statements

The fund financial statements provide a detailed short-term view of the District's operations, focusing on its most significant or "major" funds. Certain funds are required by state law and by bond covenants. Other funds are established to ensure and demonstrate compliance with finance related legal requirements and prudent fiscal management. The District has only governmental fund types.

Governmental funds – all of the District's basic services are reported in governmental funds. The measurement focus and basis of accounting continues to be the modified accrual basis, which measures inflows and outflows of current financial resources and the balances left at year-end that are available for spending. The District's major governmental funds are the General Fund, 2019 Bond Series Capital Projects Fund, 2021 Bond Series Capital Project Fund, 2021 A Taxable Bond Series Capital Projects Fund, 2023 Bond Series Capital Projects Fund, and the 2021 A Taxable Bond Series Debt Service Fund. The reconciliations of the fund financial statements to the government-wide statements explain the differences between the governmental fund statements and the government-wide statements.

Statement of Net Position (Government-Wide)

The following comparative analysis table summarizes the District's net position as of December 31,:

	2023	2022
Assets:		
Current and other assets	\$ 289,165,898	\$ 244,326,364
Capital assets, net	283,811,515	246,541,943
Total assets	572,977,413	490,868,307
Deferred Outflows of Resources:		
Deferred charges on refunding	195,194	766,722
Deferred resources for pension	2,639,908	2,079,281
Deferred resources for OPEB	812,356	722,255
Total deferred outflows of resources	3,647,458	3,568,258
Liabilities:		
Long-term liabilities	294,059,827	256,334,835
Other liabilities	12,952,609	12,502,376
Total liabilities	307,012,436	268,837,211
Deferred Inflows of Resources:		
Deferred resources for pension	154,629	3,106,861
Deferred resources for OPEB	1,375,213	1,579,151
Deferred revenue for property taxes	40,557,647	33,798,800
Total deferred inflows of resources	42,087,489	38,484,812
Net position:		
Net investment in capital assets	199,558,798	167,416,519
Restricted	20,078,107	18,058,630
Unrestricted	7,888,041	1,639,393
Total net position	\$ 227,524,946	\$ 187,114,542

At the close of the current fiscal year, \$199,558,798 represents the portion the District has invested in capital assets (i.e., land, infrastructure, buildings, machinery and equipment), net of accumulated depreciation less any outstanding debt used to construct or acquire those assets.

The District uses these capital assets to provide services to citizens; consequently, these are not available for future spending. At the end of the fiscal year, the District reported a positive balance of \$20,078,107 for the District's restricted net position that may be used to meet the ongoing obligations to citizens and creditors. The District's unrestricted net position increased to \$7,888,041 in connection with the District's governmental activities related to the debt associated with Drainage Development Projects, Control Structures, and Weir Rehabilitation as well as capital outlays.

Statement of Activities (Government-Wide)

The following table summarizes the change in the District's net position from its activities for the fiscal years ended December 31,

	2023	2022
Revenues:		
Program revenues:		
Operating grants and contributions	\$ 5,505,282	\$ 2,916,223
Capital grants and contributions	1,000,000	3,010,766
Charges for services	316,780	245,254
Total program revenues	6,822,062	6,172,243
General revenues:		
Property taxes	54,608,296	51,139,480
Interest income	9,001,257	2,694,371
Tax penalties and interest	1,106,951	1,130,728
Miscellaneous	4,440,503	1,176,356
Gain on sale of capital assets	282,387	-
Total general revenues	69,439,394	56,140,935
Total revenues	76,261,456	62,313,178
Expenses:		
General government	(3,475,477)	(5,227,737)
Drainage flood control	(23,919,429)	(18,009,707)
Interest on long-term debt	(7,978,976)	(7,088,079)
Total expenses	(35,373,882)	(30,325,523)
Increase (decrease) in net position	40,887,574	31,987,655
Net Position - beginning	187,114,542	155,126,887
Prior Period Adjustment	(477,170)	-
Net Position - ending	\$ 227,524,946	\$ 187,114,542

The District's general revenues totaled \$69,439,394. Property taxes contributed \$54,608,296, or 78.6% of total general revenues an increase of \$3,468,816 from last year primarily due to a 6.2 billion or 15.1% increase in property valuations driven by increased real estate market values. The remaining 21.4% of general revenues was derived from interest, tax penalties and other sources. The increase in interest income was due to the Federal Reserve rate hikes and the sale of the Unlimited Tax Improvement Bonds, Series 2023 in late September. The total expenses for services totaled \$35,373,882 an increase of \$5,048,359 from previous year primarily due to increases of in-house construction projects, fuel prices, and higher debt service payments. Expenditures necessary for the maintenance and operations of drainage facilities accounted for 67.3% of expenses. General governmental activities and interest on long-term debt expenses accounted for 10.4% and 22.3% percent of the total expenses, respectively.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Financial information is presented separately in the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds for the District's major funds: General Fund, 2019 Bond Series Capital Projects Fund, 2021 Bond Series Capital Projects Fund, 2021 A Taxable Bond Series Capital Projects Fund, 2023 Bond Series Capital Projects Fund, and the 2021 A Taxable Bond Series Debt Service Fund. Financial information for the non-major governmental funds is presented in single columns by fund type.

General Fund

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the fund balance of the General Fund totaled \$28,150,844 which represents a \$3,713,417 increase from fiscal year 2022. The increase in fund balance was attributed to a combination of an increase of tax collection revenue, interest revenue, and revenue from the Raymondville Drain Restore Act Project.

Over the course of the year, the Board revised the District's budget. These budget amendments fall into three categories. The first category includes the appropriation of the prior year's remaining balance for new projects the Board took action on during 2023. The second category includes line-item transfers within the department to cover underfunded line items. Finally, the Board approved budget amendments to certain line items (including: engineering, rentals, insurance, and other heavy equipment) to record expenditures that were necessary for maintenance and operations of the drainage systems.

The District experienced a negative variance for general government and drainage flood control between original and final budgets in the amount of \$3,969,080. Most of the variance came from the in-house construction of drainage ditches and equipment units that are not part of the bond funded projects.

The 2019 Bonds Series Capital Project Fund balance decreased by \$12,140,597, and the 2021 Bonds Series Capital Project Fund decreased by \$15,577,829 which was attributed to the ongoing engineering, land acquisitions, and construction costs of the 37 identified projects. The 2021 A Taxable Bonds Series Capital Project Fund balance increased by \$1,661,676 due to interest revenue. The 2021 A Taxable Bond Series Debt Service Fund increased by \$106,401 due to interest revenue. The 2023 Bond Series Capital Projects Fund was established and had \$59,597,059 Fund Balance at year end.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the District had \$283,811,515 invested in capital assets, including land and easements, infrastructure, construction in progress, buildings and renovations, and machinery and equipment. Land, easements and construction in progress are not depreciated. Subscriptions Based Information Technology Arrangements are amortized. Additional information on the District's capital assets can be found in the notes to the financial statements (See Note F).

Capital assets at year-end (Net of depreciation & amortization)		
	2023	2022
Land and easements	\$ 43,309,389	\$ 38,865,055
Construction in progress	109,539,581	101,599,476
Infrastructure	113,712,900	90,663,319
Buildings and renovations	2,634,453	2,740,447
Machinery and equipment	14,554,231	12,673,646
Subscriptions	60,961	-
Total	<u>\$ 283,811,515</u>	<u>\$ 246,541,943</u>

Outstanding Debt

At year end, the District's outstanding long-term liabilities were as follows:

Outstanding Debt at Year-End		
	2023	2022
Bond Series 2013	\$ 41,415,000	\$ 45,225,000
Refunding Bond 2014	7,665,000	7,665,000
Refunding Bond 2016	23,265,000	28,965,000
Bond Series 2019	64,355,000	67,270,000
Bond Series 2021	28,075,000	28,775,000
Bond Series 2021 A Taxable	31,055,000	40,940,000
Bond Series 2021 Taxable FIF	21,343,000	22,106,000
Bond Series 2023	59,205,000	-
SBITA	37,823	-
Compensated Absences	446,818	400,032
	<u>\$ 276,862,641</u>	<u>\$ 241,346,032</u>

Additional debt information can be found on Note G Long-Term Liabilities beginning on page 49.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2024 Levy experienced almost a 5.8 billion dollar increase in the appraised valuation from prior years, due in part to the growth of the economy and the limited supply of available homes for sale. The District will continue maintenance and expansion of its facilities as well as new projects as Hidalgo County's population and infrastructure needs continue to grow.

The Board of Directors considered these factors when setting the budget requirements for fiscal year 2024. A balanced budget was approved with revenues and expenditures for 2024 totaling \$26,945,837 available for appropriation in the General Fund budget. The District passed a tax rate of .1139 per \$100 valuation for the 2024 budget year. The 2024 budget year includes additional employees. Other operational expenditures were evaluated and adjusted, including items that have been affected by economic trends and other items used for emergencies. Capital improvements are in the future plans of the District for the 2024 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives and can also be found at www.hcdd1.org. Additional financial information can be requested at:

Hidalgo County Drainage District No. 1
902 North Doolittle Road
Edinburg, Texas 78542
956-292-7080

BASIC FINANCIAL STATEMENTS

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2023

EXHIBIT A-1

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 236,808,394
Receivables (net of allowance for uncollectibles)	
Property taxes	40,557,647
Other accounts	42,711
Due from other governments	11,756,146
Prepaid items	1,000
Capital assets, not being depreciated	
Land and easements	43,309,389
Construction in progress	109,539,581
Capital assets (net of accumulated depreciation & amortization)	
Infrastructure	113,712,900
Buildings and renovations	2,634,453
Machinery and equipment	14,554,231
SBITA	60,961
Total assets	572,977,413
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	195,194
Deferred resources for pension	2,639,908
Deferred resources for OPEB	812,356
Total deferred outflows of resources	3,647,458
LIABILITIES	
Accounts payable	5,789,210
Salaries and benefits payable	415,264
Retainage payable	2,398,897
Due to other governments	621,116
Unearned revenue	298,401
Accrued interest	3,253,146
Other liabilities	176,575
Long-term liabilities:	
Due within one year	
Bond Series 2013	4,125,163
Bond Series 2014	1,897,073
Bond Series 2016	4,576,326
Bond Series 2019	4,198,272
Bond Series 2021 Taxable FIF	763,000
Bond Series 2021	922,064
Bond Series 2021 A Taxable	11,098,029
Bond Series 2023	1,058,466
SBITA	18,859
Compensated absences	37,760
Due in more than one year	
Bond Series 2013	37,282,014
Bond Series 2014	5,961,523
Bond Series 2016	20,056,396
Bond Series 2019	65,611,963
Bond Series 2021 Taxable FIF	20,580,000
Bond Series 2021	31,339,117
Bond Series 2021 A Taxable	20,567,867
Bond Series 2023	59,535,082
SBITA	18,963
Compensated absences	409,058
Net pension	2,588,398
Other post employment benefits	1,414,434
Total liabilities	307,012,436
DEFERRED INFLOWS OF RESOURCES	
Deferred resources for pension	154,629
Deferred resources for OPEB	1,375,213
Deferred revenues-property taxes	40,557,647
Total deferred inflows of resources	42,087,489
Net investment in capital assets	199,558,798
Restricted for:	
Debt service	18,841,607
Grants	1,236,500
Unrestricted	7,888,041
Total net position	\$ 227,524,946

The accompanying notes are an integral part of this statement.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT A-2

Functions\ Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ (3,475,477)	\$ -	\$ -	\$ -	\$ (3,475,477)
Drainage flood control	(23,919,429)	316,780	5,505,282	1,000,000	(17,097,367)
Interest on long-term debt	(7,978,976)	-	-	-	(7,978,976)
Total Governmental Activities	\$ (35,373,882)	\$ 316,780	\$ 5,505,282	\$ 1,000,000	\$ (28,551,820)
General Revenues:					
Property taxes					54,608,296
Interest income					9,001,257
Tax penalties and interest					1,106,951
Miscellaneous					4,440,503
Gain on sale of capital assets					282,387
Total General Revenues					69,439,394
Change in Net Position					40,887,574
Net Position - Beginning					187,114,542
Prior Period Adjustment					(477,170)
Net Position - Ending					\$ 227,524,946

The accompanying notes are an integral part of this statement.

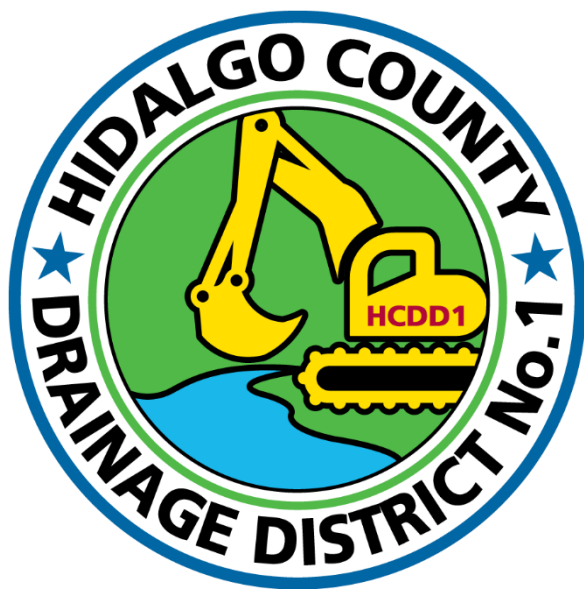
HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	2019 Bond Series Capital Projects Fund	2021 Bond Series Capital Projects Fund	2021 A Taxable Bond Series Capital Projects Fund
ASSETS				
Cash and cash equivalents	\$ 46,003,571	\$ 15,844,525	\$ 21,606,606	\$ 51,590,280
Receivables (net of allowance for uncollectibles)				
Property taxes	16,882,263	-	-	-
Other accounts	37,386	-	-	-
Due from other governments	3,186,428	-	-	-
Due from other funds	3,907,769	10,389	-	-
Advance to other funds	300,000	-	-	-
Prepaid items	1,000	-	-	-
Total Assets	<u>\$ 70,318,417</u>	<u>\$ 15,854,914</u>	<u>\$ 21,606,606</u>	<u>\$ 51,590,280</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 979,726	\$ 764,292	\$ 3,058,474	\$ 65,770
Salaries and benefits payable	385,577	-	-	-
Held in escrow	176,575	-	-	-
Retainage payable	-	1,321,299	777,651	-
Due to other governments	273,251	-	-	-
Due to other funds	13,638,547	-	10,389	-
Advance from other funds	-	-	-	-
Unearned revenue	188,662	-	-	-
Total Liabilities	<u>15,642,338</u>	<u>2,085,591</u>	<u>3,846,514</u>	<u>65,770</u>
Deferred inflows of resources:				
Unavailable revenue-property taxes	9,642,972	-	-	-
Deferred revenue-property taxes	16,882,263	-	-	-
Total Deferred Inflows of Resources	<u>26,525,235</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Non-spendable:				
Prepaid items	1,000	-	-	-
Restricted:				
Special revenue	-	-	-	-
Capital projects	-	13,769,323	17,760,092	51,524,510
Debt service	-	-	-	-
Assigned	6,171,701	-	-	-
Unassigned	21,978,143	-	-	-
Total Fund Balances	<u>28,150,844</u>	<u>13,769,323</u>	<u>17,760,092</u>	<u>51,524,510</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 70,318,417</u>	<u>\$ 15,854,914</u>	<u>\$ 21,606,606</u>	<u>\$ 51,590,280</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-3

2023 Bond Series Capital Projects Fund	2021 A Taxable Bond Series Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 60,170,167	\$ 1,224,110	\$ 40,369,135	\$ 236,808,394
-	6,918,425	16,756,959	40,557,647
-	-	5,325	42,711
-	-	8,569,718	11,756,146
143,986	3,829,726	10,994,976	18,886,846
-	-	-	300,000
-	-	-	1,000
<u>\$ 60,314,153</u>	<u>\$ 11,972,261</u>	<u>\$ 76,696,113</u>	<u>\$ 308,352,744</u>
\$ 181,410	\$ -	\$ 739,538	\$ 5,789,210
-	-	29,687	415,264
-	-	-	176,575
-	-	299,947	2,398,897
-	-	347,865	621,116
535,684	-	4,702,226	18,886,846
-	-	300,000	300,000
-	-	109,739	298,401
<u>717,094</u>	<u>-</u>	<u>6,529,002</u>	<u>28,886,309</u>
-	4,496,784	9,737,173	23,876,929
-	6,918,425	16,756,959	40,557,647
<u>-</u>	<u>11,415,209</u>	<u>26,494,132</u>	<u>64,434,576</u>
-	-	-	1,000
-	-	1,236,500	1,236,500
59,597,059	-	38,385,881	181,036,865
-	557,052	4,050,598	4,607,650
-	-	-	6,171,701
-	-	-	21,978,143
<u>59,597,059</u>	<u>557,052</u>	<u>43,672,979</u>	<u>215,031,859</u>
<u>\$ 60,314,153</u>	<u>\$ 11,972,261</u>	<u>\$ 76,696,113</u>	<u>\$ 308,352,744</u>



HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

EXHIBIT A-4

Total fund balance - balance sheet governmental funds \$ 215,031,859

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

1. Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Those assets consist of:

Land and easements	43,309,389	
Construction in progress	109,539,581	
Infrastructure	113,712,900	
Buildings and renovations	2,634,453	
Machinery and equipment	14,554,231	
SBITA	<u>60,961</u>	283,811,515

2. Deferred outflows of resources represent a consumption of net position that applies to future periods, therefore, they are not recognized as an outflow until then. For refunding debt, the deferred charges on refundings are amortized over the shorter of the life of refunded or refunding debt.

Refunding	195,194	
Pensions	2,639,908	
OPEB	812,356	3,647,458

3. A portion of the District's taxes collected during the year are not available to pay for the current period's expenditures and, therefore, are reported as unavailable revenue in the funds. 23,876,929

4. Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities (both current and long-term), are reported in the statement of net position.

Accrued interest	(3,253,146)	
Bond Series 2013 - outstanding balance	(41,415,000)	
Bond Series 2013 - unamortized premium	7,823	
Bond Series 2014 - outstanding balance	(7,665,000)	
Bond Series 2014 - unamortized premium	(193,596)	
Bond Series 2016 - outstanding balance	(23,265,000)	
Bond Series 2016 - unamortized premium	(1,367,722)	
Bond Series 2019 - outstanding balance	(64,355,000)	
Bond Series 2019 - unamortized premium	(5,455,235)	
Bond Series 2021 Taxable FIF - outstanding balance	(21,343,000)	
Bond Series 2021 - outstanding balance	(28,075,000)	
Bond Series 2021 - unamortized premium	(4,186,181)	
Bond Series 2021 A Taxable - outstanding balance	(31,055,000)	
Bond Series 2021 A Taxable - unamortized premium	(610,896)	
Bond Series 2023 - outstanding balance	(59,205,000)	
Bond Series 2023 - unamortized premium	(1,388,548)	
SBITA liability	(37,822)	
Compensated absences	(446,818)	
Pension liability	(2,588,398)	
Other post employment benefits	<u>(1,414,434)</u>	(297,312,973)

5. Deferred inflows related to the pension are not reported in the funds. (154,629)
Deferred inflows related to the OPEB are not reported in the funds. (1,375,213) (1,529,842)

Total net position of governmental activities \$ 227,524,946

The accompanying notes are an integral part of this statement.

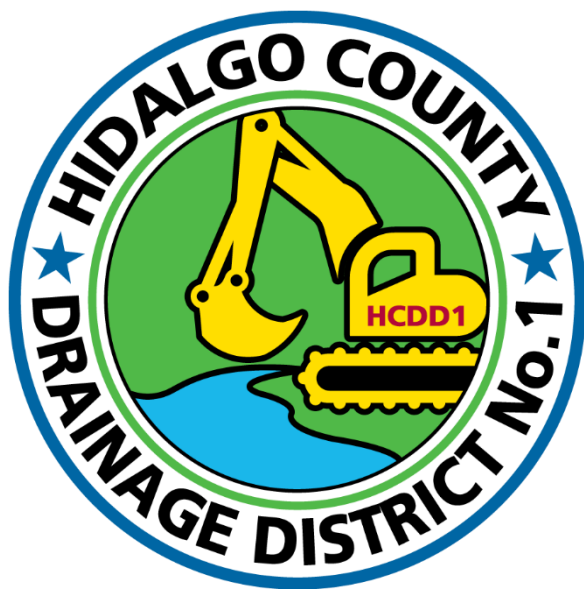
HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	2019 Bond Series Capital Projects Fund	2021 Bond Series Capital Projects Fund
REVENUES			
Property taxes	\$ 23,675,645	\$ -	\$ -
Grant revenue	-	-	-
Intergovernmental	-	-	-
Charges for services	316,780	-	-
Interest	2,394,910	1,042,452	1,405,352
Miscellaneous	2,776,035	55,071	144,986
Total revenues	<u>29,163,370</u>	<u>1,097,523</u>	<u>1,550,338</u>
EXPENDITURES			
Current:			
General government	3,295,756	-	-
Drainage flood control	14,902,418	-	-
Debt service:			
Principal	-	-	-
SBITA principal	96,093	-	-
Interest	695	-	-
Issuance cost and fiscal charges	-	-	-
Advance refunding escrow	-	-	-
Capital Outlay:			
General government	1,995,380	-	-
Drainage flood control	2,751,456	13,238,120	17,128,167
Total expenditures	<u>23,041,798</u>	<u>13,238,120</u>	<u>17,128,167</u>
Excess (deficiency) of revenues over (under) expenditures	6,121,572	(12,140,597)	(15,577,829)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(2,845,289)	-	-
Sale of capital assets	437,134	-	-
Bonds issued	-	-	-
Premium on bond issued	-	-	-
Refunding escrow deposit	-	-	-
Total other financing sources (uses)	<u>(2,408,155)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,713,417	(12,140,597)	(15,577,829)
Fund balances at beginning of year	24,437,427	25,909,920	33,337,921
Fund balances at the end of year	<u>\$ 28,150,844</u>	<u>\$ 13,769,323</u>	<u>\$ 17,760,092</u>

The accompanying notes are an integral part of this statement.

2021 A Taxable Bond Series Capital Projects Fund	2023 Bond Series Capital Projects Fund	2021 A Taxable Bond Series Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ -	\$ 10,819,439	\$ 21,332,088	\$ 55,827,172
-	-	-	-	-
-	-	-	6,505,282	6,505,282
-	-	-	-	316,780
2,406,541	779,797	108,747	863,458	9,001,257
-	-	-	1,464,411	4,440,503
<u>2,406,541</u>	<u>779,797</u>	<u>10,928,186</u>	<u>30,165,239</u>	<u>76,090,994</u>
-	275,813	-	-	3,571,569
-	6,692	-	661,197	15,570,307
-	-	9,885,000	13,888,000	23,773,000
-	-	-	-	96,093
-	-	936,285	7,445,713	8,382,693
-	607,972	500	4,050	612,522
-	-	-	-	-
-	-	-	-	1,995,380
744,865	428,627	-	8,908,903	43,200,138
<u>744,865</u>	<u>1,319,104</u>	<u>10,821,785</u>	<u>30,907,863</u>	<u>97,201,702</u>
1,661,676	(539,307)	106,401	(742,624)	(21,110,708)
-	-	-	3,317,087	3,317,087
-	(471,798)	-	-	(3,317,087)
-	-	-	-	437,134
-	59,205,000	-	-	59,205,000
-	1,403,164	-	-	1,403,164
-	-	-	-	-
<u>-</u>	<u>60,136,366</u>	<u>-</u>	<u>3,317,087</u>	<u>61,045,298</u>
1,661,676	59,597,059	106,401	2,574,463	39,934,590
49,862,834	-	450,651	41,098,516	175,097,269
<u>\$ 51,524,510</u>	<u>\$ 59,597,059</u>	<u>\$ 557,052</u>	<u>\$ 43,672,979</u>	<u>\$ 215,031,859</u>



HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**EXHIBIT A-6**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balances - total governmental funds		\$ 39,934,590
Amounts reported for governmental activities in the statement of activities is different because:		
1. Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	43,426,794	
Depreciation	<u>(5,563,102)</u>	37,863,692
2. Sales and other dispositions of capital assets are reported in the governmental funds as other financing sources. The gain or loss on the sale of capital assets should be reported in the statement of activities. A gain is reported as general revenue and a loss should be included as part of the general government function.		282,387
3. Governmental funds typically report proceeds they receive in connection with the disposal of capital assets as other financing sources. This amount must be removed and replaced by an adjustment to the appropriate capital asset and the accumulated depreciation account. Any gain or loss should be reported as discussed above.		(437,134)
4. Certain property tax revenues reported in the funds are unavailable in the statement of activities. This is the change in these amounts this year.		
Related to prior years	(23,988,854)	
Earned but unavailable	<u>23,876,929</u>	(111,925)
5. Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis; expenses and liabilities are reported regardless of when financial resources are available.		
Amortization of debt premiums	2,143,035	
Amortization of deferred charge on refunding	(571,528)	
Change in accrued interest on bonds	(459,150)	
Change in compensated absences	(46,786)	
Change in deferred outflow of resources - pension	560,628	
Change in deferred inflow of resources - pension	2,952,232	
Net pension liability	(4,321,459)	
Change in deferred outflow of resources - OPEB	203,939	
Change in deferred inflow of resources - OPEB	90,102	
Other post employment benefits	<u>(359,858)</u>	191,155
6. Debt proceeds are reported as financing sources in governmental funds and thus contribute to changes in fund balances. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of position.		
2023 bond series	(59,205,000)	
Premium	(1,403,164)	
Bond payments	23,773,000	
SBITA interest Exp	<u>(27)</u>	<u>(36,835,191)</u>
Change in net position of governmental activities - statement of activities		<u>\$ 40,887,574</u>

The accompanying notes are an integral part of this statement.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**EXHIBIT A-7**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 23,662,325	\$ 23,662,325	\$ 23,675,645	\$ 13,320
Grant revenue	-	-	-	-
Intergovernmental	525,000	525,000	-	(525,000)
Charges for services	60,000	60,000	316,780	256,780
Interest	398,000	998,000	2,394,910	1,396,910
Miscellaneous	95,000	1,295,000	2,776,035	1,481,035
Total revenues	24,740,325	26,540,325	29,163,370	2,623,045
EXPENDITURES				
Current:				
General government	6,258,204	3,867,513	3,295,756	571,757
Drainage flood control	17,982,121	18,341,892	14,902,418	3,439,474
Debt Service:				
SBITA principal	-	-	96,093	(96,093)
Interest	-	-	695	(695)
Capital Outlay:				
General government	-	2,500,000	1,995,380	504,620
Drainage flood control	-	3,500,000	2,751,456	748,544
Total expenditures	24,240,325	28,209,405	23,041,798	5,167,607
Excess (deficiency) of revenues over (under) expenditures	500,000	(1,669,080)	6,121,572	7,790,652
OTHER FINANCING SOURCES (USES)				
Transfers out	(600,000)	(3,445,289)	(2,845,289)	600,000
Sale of capital assets	-	-	437,134	437,134
Total other financing sources (uses)	(600,000)	(3,445,289)	(2,408,155)	1,037,134
Net change in fund balance	(100,000)	(5,114,369)	3,713,417	8,827,786
Fund balance at beginning of year	24,437,427	24,437,427	24,437,427	-
Fund balance at the end of year	\$ 24,337,427	\$ 19,323,058	\$ 28,150,844	\$ 8,827,786

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note A. General Statement and Summary of Significant Accounting Policies

General Statement

Hidalgo County Drainage District No. 1 (the District) was created on April 9, 1908, by order of the Commissioners' Court of Hidalgo County, Texas (the County), pursuant to an election held within the territory affected. Originally organized under provisions of Article III, Section 52 of the Texas Constitution, the District was later converted into a Conservation and Reclamation district under the provisions of Article XVI, Section 59 of the Texas Constitution, and has continued to exercise all of the powers and functions of such a district. The District operates under Chapter 56 of the Texas Water Code.

Summary of Significant Accounting Policies

The accounting and reporting policies of the District, as reflected in the accompanying financial statements, conform to generally accepted accounting principles (GAAP) in the United States of America applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During 2023, the District implemented applicable GASB standards:

Statement No. 94, Public-Private and Public Partnerships and Availability Payment Arrangements. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. GASB 94 was implemented and had no effect on the District's financial statements.

Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. SBITAs are contracts that give governmental entities the right to use a vendor's IT software for a specified time in exchange for payment. GASB 96 was implemented by the District, resulting in recognition of \$60,961 of right-to-use subscription assets and subscription payable as of December 31, 2023 within the government-wide financial statements.

Statement No. 99, Omnibus 2022 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature in Statements No. 53, 63, 87, 94, 96, and 34. Provisions of Statement 34 as amended and Statements 53 and 63 are effective upon issuance. The requirements related to leases, PPPs, SBITAs are effective for fiscal years beginning after June 15, 2022. Changes for Statement 53 are effective for fiscal years beginning after June 15, 2023. GASB 99 was implemented by the District resulting in the financial statement impact to Subscription-Based Information Technology Arrangements as mentioned In GASB 96

Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. This statement prescribes the accounting and financial reporting for each type of accounting change and error corrections. GASB 100 was implemented by the District with no impact on the financial statements.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note A. General Statement and Summary of Significant Accounting Policies – Continued

New Reporting Standards

Statement No. 101, Compensated Absences. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. This statement is effective for fiscal years beginning after December 15, 2023.

Statement No. 102, Certain Risk Disclosure. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The implementation of GASB 102 are effective for fiscal years beginning after June 15, 2024.

The impact of this statement on the District's financial statements has not been determined as of yet.

The District will evaluate this new pronouncement and will implement as applicable by the effective date.

The following significant accounting policies were applied in the preparation of the accompanying basic financial statements.

1. Reporting Entity

GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB No. 61, provides guidance for determining which governmental organizations should be included within the reporting entity. GASB Statement No. 61 sets forth financial accountability as the basic criterion for inclusion of a governmental unit in a governmental reporting entity. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose its will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

The District is a discretely presented component unit of County of Hidalgo, Texas. The District is a legal separate entity that is governed by the five members of the County's Commissioners Court of Hidalgo County, Texas. The County does not have operational responsibility for activities, and it's not obligated in any manner for the District's debt.

On June 22, 1976, the District and the Willacy County Drainage District No. 1 entered into an agreement for the use of an outfall drainage ditch to be constructed, owned, and operated by the District in Willacy County. An advisory committee composed of two members for each district determined the type of maintenance needed and to be performed. The District has no oversight responsibility over Willacy County Drainage District No. 1; therefore, the financial activity for Willacy County Drainage District No. 1 is not included in this report.

2. Basis of Presentation

Government-Wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. The purpose of these statements is to present the financial position and the operating results of the District as a whole. The District's activities are categorized as "governmental activities" because it is financed primarily through property taxes, intergovernmental revenues, and other transactions. Eliminations have been made to minimize the double counting of internal activities.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note A. General Statement and Summary of Significant Accounting Policies – Continued

2. Basis of Presentation – Continued

The Statement of Net Position focuses on the net position of the District, where the net position equals the assets and deferred outflows less the liabilities and deferred inflows of resources.

The Statement of Activities presents a comparison between direct expenses and program revenues of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges for services and (b) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all property taxes, are presented as general revenues.

Governmental Fund Financial Statements provide information about the District's governmental funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund balance, and revenues, expenditures, and other financing services (uses) as appropriate.

The District reports the following major governmental funds:

General Fund - This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

2019 Bond Series Capital Projects Fund - The bonds were issued to pay (1) construction of and equipment for drainage improvement projects, (2) acquisitions of rights of way, and (3) costs of issuance of the bonds.

2021 Bond Series Capital Projects Fund - The bonds were issued to pay (1) construction of and equipment for drainage improvement projects, (2) acquisitions of rights of way, and (3) costs of issuance of the bonds.

2021 A Taxable Bond Series Capital Projects Fund - The bonds were issued to pay (1) construction of and equipment for drainage improvement projects, (2) acquisitions of rights of way, and (3) costs of issuance of the bonds.

2023 Bond Series Capital Projects Fund - The bonds were issued to pay (1) construction of and equipment for drainage improvement projects, (2) acquisitions of rights of way, and (3) costs of issuance of the bonds.

2021 A Taxable Bond Series Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, bonds long-term debt principal, interest, and related costs.

Additionally, the District reports the following fund types:

Special revenue funds account for specific revenue resources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

3. Basis of Accounting

Government-Wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note A. General Statement and Summary of Significant Accounting Policies – Continued

3. Basis of Accounting – Continued

when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined and available

when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers collections within 60 days of the end of the current fiscal period to be revenues. Expenditures generally are recorded when a liability is incurred, similar to accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Unearned revenue arises when potential revenues do not meet both the measurable and available test for recognition in the current period and when resources are received by the District before the District is legally entitled to them. In succeeding periods when both revenue recognition criteria are met or when the District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

4. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

5. Cash and Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date acquired by the District and external investment pools. Investments are stated at fair market value. It is the District's intent to hold all investments to maturity.

6. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note A. General Statement and Summary of Significant Accounting Policies – Continued

7. Receivables and Payables

All trade and property taxes receivable are shown net of an allowance for uncollectible accounts. Property taxes are levied October 1st and become delinquent on February 1st, at which time penalties and interest are assessed.

Activities between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as “due to/from other funds.”

8. Capital Assets

Capital assets, which include property, equipment, and infrastructure, are reported in government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. When no historical records are available, capital assets are valued at estimated acquisition value on the date received.

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

Capital assets of the District are depreciated using the straight-line method over their estimated useful lives. Standard capitalization thresholds have been established for each major class of assets.

The following lists the thresholds and useful lives by class:

Asset Class	Capitalization Threshold	Useful Lives in Months
Land/land improvement	Capitalize all	N/A
Easements	Capitalize all	N/A
Infrastructure	\$100,000	420
Buildings and renovations	\$50,000	480
Machinery and equipment	\$1,000	15-180
SBITA		24-60

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses / expenditures) until then. The District has three items that qualify for reporting in this category. A deferred charge on refunding bonds results from the difference between the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District also has a deferred outflow of resources related to pension expense that results from the differences between expected and actual experience, changes in assumptions, and contributions made subsequent to the measurement date. The third are outflows of resources related to Other Post-Employment Benefits for the differences between the expected and actual experience, changes of assumptions or other inputs, and differences in actual benefits and proportionate share of benefits. For the year ended December 31, 2023, the District had deferred outflows of resources for refunding bond, pension, and OPEB in the amount of \$195,194, and \$2,639,908, and \$812,356, respectively.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note A. General Statement and Summary of Significant Accounting Policies – Continued

9. Deferred Outflows/Inflows of Resources - Continued

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. A deferred inflow of resources related to pensions for the difference between the expected and actual experience on the plan and net difference between projected and actual earned is reported on the statement of net position. A deferred inflow related to OPEB is for the changes of assumptions and other inputs is also reported on the Statement of Net Position. At December 31, 2023, the District had deferred inflow of resources related to pension, OPEB, and property taxes in the amount of \$154,629, \$1,375,213, and \$40,557,647, respectively.

10. Fund Balance

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Non-spendable fund balance – amounts that are not in spendable form or are required to be maintained intact. As such, the prepaid items have been properly classified as non-spendable in the Governmental Funds Balance Sheet.

Restricted fund balance – amounts that can be spent only for specific purposes because of local, state, or federal laws, or externally imposed conditions by grantors or creditors. The District reports restricted fund balances for amounts restricted for debt service and capital projects.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. Board of Directors). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. At December 31, 2023, the District did not have committed funds.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official body to which the Board of Directors delegates the authority. These funds represent amounts the District intends to use for the Raymondville Drain, Hidalgo County Urban County GLO 2015 and 2016 projects as well as the Region 15 Flood Planning Group.

Unassigned fund balance – amounts that are available for any purpose.

For purposes of fund balance classifications, expenditures are to be spent from restricted fund balance first and then unrestricted. Expenditures incurred in the unrestricted fund balances shall be reduced first from the committed fund balance, then from the assigned fund balance, and lastly, the unassigned fund balance.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note A. General Statement and Summary of Significant Accounting Policies – Continued

11. Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized as an extension of formal budgetary integration in governmental funds.

Although appropriations lapse at year-end for annually budgeted funds, the District honors encumbrances outstanding at year-end. Outstanding encumbrances do not constitute expenditures or liabilities since the commitments will be honored during the subsequent year. The District has active construction projects as of December 31, 2023. At year-end, the District's remaining commitments totaled \$39,765,970; therefore, this amount is encumbered. Encumbrances for the general fund, 2019 bond series capital project funds, 2021 Bond series capital project funds, 2021 A Taxable Bond series capital projects fund, and 2023 Bond series capita projects fund totaled \$2,870,824, \$8,992,812, \$9,249,689, \$3,167,864, and 10,015,958 respectively. Encumbrances for non-major funds totaled \$5,468,823.

12. Budgets

The District's budget is adopted after public hearings have been held. All revisions must be approved by the Board of Directors of the District. The District can't overspend the budget.

Formal budgetary integration is utilized as a management control device during the year for the General and Debt Service Funds. Budgets for the General and Debt Service Funds are adopted on a basis consistent with GAAP. Appropriations for annually budgeted funds lapse at year-end. Appropriations at year-end for grant-funded special revenue funds and capital project funds are carried forward to subsequent years until the grant has terminated or the project is completed.

The appropriated budget is prepared by fund, function, budget, and object codes. Transfers of appropriations between budgets require the approval of the Board of Directors. The legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed appropriations) is at the fund level and all budgets are annual.

13. Compensated Absences

Regular full-time employees accumulate vacation leave at varying rates depending on their years of service with the District. They are as follows:

Number of Years of Service	Vacation Leave Hours Earned Per Year
0 to 5 years	96
5 to 10 years	108
Over 10 years	120

Vacation leave may be accumulated up to a maximum of 160 hours (20 days) for employees with less than 10 years of continuous service. Employees with more than 10 years but less than 15 years of continuous service may accumulate 240 hours (30 days). Employees with more than 15 years may maintain an accrued leave of 320 hours (40 days). Employees lose, without pay, unused vacation leave which exceed set limits. Regular part-time employees accumulate vacation leave of 48 hours regardless of years of service. As of December 31, 2023, the District's total liability for vested vacation leave totaled \$446,818. Vested vacation benefits are expected to be liquidated with expendable and

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note A. General Statement and Summary of Significant Accounting Policies – Continued

13. Compensated Absences - Continued

available financial resources and are reported as an expense and a long-term liability in the government-wide statement of net position. The District estimates \$37,760 of the total compensated absences balance will be due within one year.

Each regular full-time employee earns sick leave at the rate of 12 working days per year and may accumulate a maximum sick leave balance of 45 working days. Permanent part-time employees earn 6 days per year and may accumulate a maximum of 45 working days. Outstanding sick leave balances are cancelled, without recompense, upon termination, resignation, retirement, or death. In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences," no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

The accrued liability for accumulated compensated absences reported in the government-wide financial statements consists of unpaid accumulated vacation leave, compensatory time, and holiday leave balances. Budgets for vested benefits for vacation or sick leave are not legally adopted in the District's operating budget.

The accrued amount for the current year is as follows:

Vacation leave	\$	402,027
Compensatory time		42,180
Holiday leave		2,611
Total	\$	<u>446,818</u>

14. Rounding Adjustments

Throughout this report, dollar amounts are rounded, thereby creating differences between the detail and the totals.

Note B. Deposits and Investments

The District's Depository Agreement requires its designated financial institution to secure by collateral valued at fair value, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance, deposits and accrued interest thereon by 105%. At December 31, 2023, the District's deposits were entirely covered by FDIC insurance pursuant to the Depository Agreement. At December 31, 2023, the carrying amount of the District's deposits totaled \$34,123,430 and was entirely covered by federal deposit insurance or secured by collateral held by the pledging financial institutions agent in the District's name.

Investments of the District are pooled for investment purposes in each of the District's fund types. Earnings on pooled investments are allocated to the funds having equity in the pool on the basis of their relative contribution to the pool.

At December 31, 2023, the District had investments in Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) local government pool. Texas Class investment pools' investments are not evidenced by securities that exist in physical or book entry form and, accordingly, do not have custodial risk. Texas Class is organized under the authority of the Interlocal Cooperation Act, Chapter 2256, of the Texas Government Code.

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Note B. Deposits and Investments – Continued

Texas Class was created in 1996 and is governed by a board of trustees to provide for joint investments of participant's public funds. Texas Class policy seeks to invest pooled assets in order to preserve principal, maintain the liquidity of the funds, and to maximize yield. Public Trust Advisors, LLC is the program administrator and Wells Fargo Bank Texas, N.A. is custodian. The Texas Range Investment Program ("Texas Range") was created by and for Texas Local governments. The Program provides investment options tailored to the needs of Texas cities, counties, school districts and other public investors.

The District had investments in Texas Class and Texas Range. On December 31, 2023, the District had cash and cash equivalents which totaled \$213,939,394. The District had no items classified as investments for 2023.

The District's investments are categorized into the following three levels of credit risk:

Level 1 – Quoted prices in active markets for identical assets

Level 2 – Observable inputs other than quoted market prices

Level 3 – Unobservable inputs

Interest rate risk. In accordance with its investment policy, the District manages its exposure to decreases in fair value by utilizing controlled disbursement, cash flow analysis, and portfolio analysis or similar cash management techniques and limiting the weighted average maturity of its investment portfolio to one year or less.

Credit risk. The Public Funds Investment Act (Government Code Chapter 2256) limits authorized investments to obligations of, or guaranteed by, governmental entities, certificates of deposit and share certificates, repurchase agreements, securities lending program, banker's acceptances, commercial paper, mutual funds, guaranteed investment contracts, and investment pools. The District's investment policy further limits investments to obligations of, or guaranteed by, governmental entities, certificates of deposit, repurchase agreements, banker's acceptances, AAA rated mutual funds, and investment pools.

Concentration of credit risk. To limit the concentration of credit risk, the District's investment policy does not allow investment in banker's acceptances to exceed 10 percent of the District's total investments. Additionally, the District's investment policy prohibits funds held for debt service to be invested in mutual funds and prohibits the District from investing in the aggregate more than eighty percent of its monthly average fund balance, excluding funds held for debt service, in AAA rated money market mutual funds.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's depository agreement requires its designated depository financial institution to secure the District's uninsured deposits by 105% with securities held in the District's name at a third-party financial institution.

Custodial credit risk – investments. For an investment, this is the risk that in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy reduces the District's exposure to custodial credit risk by limiting investments to securities that are backed by the full faith and credit of the State of Texas, the United States, or their respective agencies and instrumentalities. The District's investment policy strictly prohibits riskier-type investments such as commercial paper.

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Note C. Taxes Receivable

A summary of the taxes receivable by fund is as follows at December 31, 2023:

	General Fund	Debt Service Funds	Total
Taxes receivable - current	\$ 15,310,389	\$ 22,599,462	\$ 37,909,851
Taxes receivable - delinquent	2,748,187	2,460,733	5,208,920
Allowance for uncollectibles	(1,176,313)	(1,384,811)	(2,561,124)
Taxes receivable, net of allowance for uncollectibles	<u>\$ 16,882,263</u>	<u>\$ 23,675,384</u>	<u>\$ 40,557,647</u>

Property taxes attach as an enforceable lien on property as of January 1. The taxes are levied on or about October 1, based on the assessed value listed as of the date the enforceable lien attaches. Appraised values are established by the Hidalgo County Appraisal District, assessed at 100% of appraised value, and certified by the Appraisal Review Board. The County Tax Assessor-Collector (CTAC) bills and collects taxes for the District. The District paid CTAC \$568,835 in fees during 2023. Taxes are due from October 1 of the year in which levied until January 31 of the following year without interest or penalty. No discounts are offered.

On February 1, these taxes become delinquent, at which time penalty and interest charges are applicable. Collections on the levy for October 1, 2023, as well as the balances due on all taxes receivable related thereto, are reflected as deferred inflows of resources because they are not available to finance 2023 operations.

The 2022 tax levy, for the 2023 year, totaled \$54,854,200 based on a total taxable value of \$46,526,039,016 and a tax rate of 0.1179.

Note D. Interfund Receivables and Transfers

Balances of due to/from other funds consisted of the following at December 31, 2023:

Due to General Fund from DHS Levee Grant	\$ 1,012
Due to General Fund from Raymondville Drain Restore Act Grant Fund	3,361,360
Due to General Fund from GLO 2015-2016 Hidalgo County Urban Program	9,713
Due to General Fund from 2023 Bond Series Capital Projects Fund	535,684
Due to Non-Major Capital Projects Fund from General Fund	1,521,150
Due to Non-Major Debt Service Funds from General Fund	8,287,671
Due to 2021 A Taxable Bond Series Debt Service Fund from General Fund	3,829,726
Due to 2023 from Bond Series Capital Projects Fund from TDEM North Main Drain Expansion	143,986
Due to GLO 2015-2016 Hidalgo County Urban Program from TDEM North Main Drain Expansion 2023 from	1,100,000
Due to 2019 Bond Series Capital Projects Fund to 2021 Bond Series Capital Projects Fund	10,389
Due to GLO 2015-2016 Hidalgo County Urban Program from Region 15 Planning Group Grant	81,655
Due to GLO 2015-2016 Hidalgo County Urban Program from TWDB FIF Willacy County Grant	4,500
Total due to/from other funds	<u>\$ 18,886,846</u>

These balances resulted from the time lag between the dates that (1) inter-fund goods and services are provided, or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made.

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Note D. Interfund Receivables and Transfers - Continued

Transfers are used to (1) move revenues from the fund that statute or budget requires (2) move funds restricted to debt service for debt service payments, and (3) use unrestricted revenues collected in the general fund to finance various projects accounted for in other funds in accordance with budgetary authorizations. Inter-fund transfers consisted of the following for the year ended December 31, 2023:

Transfers In:	Transfers Out:		
	General Fund	2023 Bond Series	Total
Non major Special Revenue Fund	\$ 1,345,289	\$ 471,798	\$ 1,817,087
Non major Debt Service Fund	1,500,000	-	1,500,000
Total Inter-fund transfers	<u>\$ 2,845,289</u>	<u>\$ 471,798</u>	<u>\$ 3,317,087</u>

Note E. Due From Other Governments

Due from other governments consisted of the following at December 31, 2023:

Fund	Due From	Purpose	Amount
General Fund	County of Hidalgo	American Rescue Plan Act	\$ 2,129
General Fund	County of Hidalgo Precinct #1	Inter-local agreement project	37,890
General Fund	County of Hidalgo Precinct #2	Inter-local agreement project	188,662
General Fund	Willacy County Drainage District No. 1	Inter-local agreement project	43,329
General Fund	Hidalgo County Tax Office	Collection of taxes	2,857,090
General Fund	Irrigation District #9	Sale of 2 New Holland Tractors	57,328
DHS Levee Grant	Department of Homeland Security	Inter-local agreement project	28,971
Raymondville Drain Restore Act Grant	Texas Commission Environmental Quality	Raymondville Drain Restoration	2,460,994
Region 15 Planning Group Grant	Texas Water Development Board	Region 15 Planning Group	356,712
TWDB FIF Willacy County Grant	Willacy County Drainage District No. 1	Partnership with Willacy County & Willacy County Irrigation #1	4,500
TDEM North Main Drain Expansion	Texas Division of Emergency Management	North Main Drain expansion	1,415,394
Capital Projects Fund	Texas Water Development Board	Hidalgo County RMA	3,303,147
Capital Projects Fund	Texas Water Development Board	Reimbursement for Construction	1,000,000
	Total due from other governments		<u>\$ 11,756,146</u>

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Note F. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2023:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capitals assets not being depreciated:				
Land and easements	\$ 38,865,055	\$ 5,309,064	(864,730)	\$ 43,309,389
Construction in progress	101,599,476	35,873,988	(27,933,883)	109,539,581
Total capital assets not being depreciated	140,464,531	41,183,052	(28,798,613)	152,848,970
Capitals assets being depreciated:				
Property Plant & Equipment:				
Infrastructure	151,144,760	-	26,472,192	177,616,952
Building and renovations	3,648,244	-	-	3,648,244
Machinery and equipment	29,087,566	4,012,466	(1,682,742)	31,417,290
SBITA's	252,021	-	(29,433)	222,588
Total capital assets being depreciated	184,132,591	4,012,466	24,760,017	212,905,074
Less accumulated depreciation for:				
Infrastructure	(60,481,441)	(3,479,974)	57,363	(63,904,052)
Building and renovations	(907,797)	(105,994)	-	(1,013,791)
Machinery and equipment	(16,413,920)	(1,977,134)	1,527,995	(16,863,059)
Total accumulated depreciation	(77,803,158)	(5,563,102)	1,585,358	(81,780,902)
Less accumulated depreciation for:				
SBITA	(94,942)	(96,118)	29,433	(161,627)
Total accumulated amortization	(94,942)	(96,118)	29,433	(161,627)
Total capital assets being depreciated and amortized, net	106,234,491	(1,646,754)	26,374,808	130,962,545
Governmental activities capital assets, net	\$ 246,699,022	\$ 39,536,298	\$ (2,423,805)	\$ 283,811,515

Depreciation expense totaling \$5,563,102 was charged to the drainage flood control function under governmental activities for the year ended December 31, 2023. Accumulated amortization totaling \$96,118 was charged to the general government under governmental activities for the year ended December 31, 2023.

Note G. Long-Term Liabilities

The District issues unlimited tax improvement bonds to provide for the resources for construction of capital assets. The beginning balances of the unlimited tax improvement bonds issued in prior years 2013, 2014, 2016, 2019, 2021, 2021A and 2021 FIF were \$48,835,000, \$7,665,000, \$34,410,000, \$70,080,000, \$29,570,000, \$49,910,000, and \$22,869,000, respectively. During fiscal year 2023, Unlimited Tax Improvement Bonds, Series 2023 totaling \$59,205,000 were issued to pay for the construction and equipment for drainage improvement projects in the District. This issuance is part of the \$195,000,000 authorization approved on May 6, 2023. The unlimited improvement bonds are direct obligations of the District, payable from the levy and collection of a direct and continuing ad valorem

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
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Note G. Long-Term Liabilities – Continued

tax, within the limits prescribed by law, on all taxable property located within the District in an amount sufficient to provide payment of principal and interest.

The Unlimited Tax Improvement Bond Series 2008, 2013, and 2019, respectively, have a call option for bonds maturing on or after September 1, 2024, and September 1, 2028 prior to stated maturity, in multiples of \$5,000, in whole or in part, on September 1, 2023, and September 1, 2027 or any date thereafter, at par plus accrued interest. The 2021 Unlimited Tax Improvement Bonds, Taxable Series 2021 has a stated maturity of September 1, 2051 with the bonds being redeemed at any date at the option of the District. The Unlimited Tax Improvement Bonds, Series 2021 and the Unlimited Tax Improvement Bonds, Taxable Series 2021A have stated maturities on and after September 1, 2032, in multiples of \$5,000 on September 1, 2031 or any date thereafter, at par value thereof plus accrued interest to the date fixed for redemption. The Unlimited Tax Improvement Bonds, Series 2023 have stated maturities on and after September 1, 2034, in multiples of \$5,000 on September 1, 2033 or any date thereafter, at par value thereof plus accrued interest to the date fixed for redemption.

1. Advance Refunding and Defeasances

The following refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position.

On December 1, 2014, the District issued Unlimited Tax Refunding Bonds Series 2014 in the amount of \$7,810,000 to advance refund a portion of Unlimited Tax Improvement Bonds, Series 2007. Bond proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. The reacquisition price exceeded the net carrying amount of the old debt resulting in an economic gain of \$634,376, which will be amortized over the term of the bonds. Deferred charges on refunding at December 31, 2023 totaled \$195,194.

On February 17, 2016, the District issued Unlimited Tax Refunding Bonds Series 2016 in the amount of \$52,625,000 to advance refund \$11,210,000 Unlimited Tax Improvement Bonds, Series 2007 and \$46,555,000 of the Unlimited Tax Improvement Bonds Series 2008. Bond proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. The reacquisition price exceeded the net carrying amount of the old debt resulting in an economic gain of \$5,946,059, which will be amortized over the term of the bonds. Deferred charges on refunding at December 31, 2023 totaled \$0.

2. Prior Year Defeasance of Debt

In prior years, the District defeased unlimited tax improvement bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

At December 31, 2023, the following defeased bonds remain outstanding:

Description	Refunded Bonds	Maturity	Amount Outstanding
Unlimited Tax Improvement Bonds, Series 2008	\$ 46,555,000	2019-2028	\$ 25,865,000
Unlimited Tax Improvement Bonds, Series 2013	6,095,000	2025-2028	6,095,000
	<u>\$ 52,650,000</u>		<u>\$ 31,960,000</u>

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Note G. Long-Term Liabilities – Continued

3. Debt Service Requirements

Annual debt service requirements to maturity for unlimited improvement tax bonds are as follows:

Year(s) Ending December 31	Governmental Activities		Total
	Principal	Interest	
2024	\$ 26,788,000	\$ 9,962,030	\$ 36,750,030
2025	26,998,000	9,374,138	36,372,138
2026	15,473,000	8,115,617	23,588,617
2027	16,093,000	7,493,585	23,586,585
2028	16,753,000	6,827,579	23,580,579
2029-2033	64,946,000	25,940,801	90,886,801
2034-2038	47,575,000	15,187,157	62,762,157
2039-2043	33,120,000	7,277,732	40,397,732
2044-2048	26,345,000	2,460,151	28,805,151
2049-2051	2,287,000	-	2,287,000
Total	<u>\$ 276,378,000</u>	<u>\$ 92,638,790</u>	<u>\$ 369,016,790</u>

4. Other Debt

Subscription Based Information Technology Arrangements are as follows:

For the year ended December 31, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On January 1, 2022, the District, entered into a 28 month subscription for the use of Elite License. An initial subscription liability was recorded in the amount of \$48,858. As of December 31, 2023, the value of the subscription liability is \$0. The District is required to make annual fixed payments of \$24,500. The subscription has an interest rate of 0.3300%. The value of the right to use asset as of December 31, 2023 of \$48,858 with accumulated amortization of \$40,999 is included with Software on the Subscription Class activities table found below.

On January 1, 2022, the District, entered into a 19 month subscription for the use of MIP Cloud Subscription. An initial subscription liability was recorded in the amount of \$22,843. As of December 31, 2023, the value of the subscription liability is \$0. The District is required to make monthly fixed payments of \$1,169. The subscription has an interest rate of 0.3300%. The value of the right to use asset as of December 31, 2023 of \$0 with accumulated amortization of \$0 is included with Software on the Subscription Class activities table found below.

On April 5, 2022, the District, entered into a 24 month subscription for the use of DLT AECC License. An initial subscription liability was recorded in the amount of \$18,017. As of December 31, 2023, the value of the subscription liability is \$0. The District is required to make annual fixed payments of \$8,685. The subscription has an interest rate of 1.9017%. The value of the right to use asset as of December 31, 2023 of \$18,017 with accumulated amortization of \$15,665 is included with Software on the Subscription Class activities table found below.

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Note G. Long-Term Liabilities – Continued

4. Other Debt

On March 10, 2022, the District, entered into a 24 month subscription for the use of SHI AECC Software. An initial subscription liability was recorded in the amount of \$45,204. As of December 31, 2023, the value of the subscription liability is \$0. The District is required to make annual fixed payments of \$21,945. The subscription has an interest rate of 0.3300%. The value of the right to use asset as of December 31, 2023 of \$45,204 with accumulated amortization of \$40,872 is included with Software on the Subscription Class activities table found below.

On January 1, 2022, the District, entered into a 24 month subscription for the use of VLA Adobe Pro. An initial subscription liability was recorded in the amount of \$11,847. As of December 31, 2023, the value of the subscription liability is \$0. The District is required to make annual fixed payments of \$4,082. The subscription has an interest rate of 0.3300%. The value of the right to use asset as of December 31, 2023 of \$11,847 with accumulated amortization of \$11,542 is included with Software on the Subscription Class activities table found below. Hidalgo County Drainage District #1, TX had a termination period of 1 month as of the subscription commencement.

On January 1, 2022, the District, entered into a 24 month subscription for the use of VLA Office 365. An initial subscription liability was recorded in the amount of \$11,955. As of December 31, 2023, the value of the subscription liability is \$0. The District is required to make annual fixed payments of \$5,988. The subscription has an interest rate of 0.3300%. The value of the right to use asset as of December 31, 2023 of \$11,955 with accumulated amortization of \$11,839 is included with Software on the Subscription Class activities table found below. Hidalgo County Drainage District #1, TX had a termination period of 1 month as of the subscription commencement.

On January 1, 2022, the District, entered into a 20 month subscription for the use of Fuel Master System. An initial subscription liability was recorded in the amount of \$2,644. As of December 31, 2023, the value of the subscription liability is \$0. The District is required to make annual fixed payments of \$2,650. The subscription has an interest rate of 0.3300%. The value of the right to use asset as of December 31, 2023 of \$0 with accumulated amortization of \$0 is included with Software on the Subscription Class activities table found below.

On January 1, 2022, the District, entered into a 51 month subscription for the use of Workforce Time Keeping SaaS. An initial subscription liability was recorded in the amount of \$75,511. As of December 31, 2023, the value of the subscription liability is \$37,823. The District is required to make annual fixed payments of \$36,943. The subscription has an interest rate of 0.5517%. The value of the right to use asset as of December 31, 2023 of \$85,511 with accumulated amortization of \$39,543 is included with Software on the Subscription Class activities table found below.

On January 19, 2022, the District, entered into a 24 month subscription for the use of Stormwater Design Software. An initial subscription liability was recorded in the amount of \$1,196. As of December 31, 2023, the value of the subscription liability is \$0. The District is required to make annual fixed payments of \$599. The subscription has an interest rate of 0.3300%. The value of the right to use asset as of December 31, 2023 of \$1,196 with accumulated amortization of \$1,166 is included with Software on the Subscription Class activities table found below.

On January 1, 2022, the District, entered into a 24 month subscription for the use of VRS subscription. An initial subscription liability was recorded in the amount of \$2,995. As of December 31, 2023, the value of the subscription liability is \$0. The District is required to make annual fixed payments of \$1,500. The subscription has an interest rate of 0.3300%.

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Note G. Long-Term Liabilities – Continued

4. Other Debt

The value of the right to use asset as of December 31, 2023 of \$0 with accumulated amortization of \$0 is included with Software on the Subscription Class activities table found below. The District had a termination period of 1 month as of the subscription commencement.

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 18,859	\$ 209	\$ 19,068
2025	18,963	105	19,068
Total	\$ 37,822	\$ 314	\$ 38,136

Amount of Subscription Assets by Major Classes of Underlying Asset		
Asset Class	As of Fiscal Year-end	
	Subscription Asset Value	Accumulated Amortization
Software	\$ 222,586	\$ 161,626
Total Subscriptions	\$ 222,586	\$ 161,626

5. Debt Service Requirements

The following is a summary of changes in long-term liabilities for the year ended December 31, 2023:

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Amounts Due Within One Year
Governmental activities:					
Bonds					
Bond Series 2013	\$ 45,225,000	\$ -	\$ (3,810,000)	\$ 41,415,000	\$ 4,020,000
Bond Series 2014	7,665,000	-	-	7,665,000	1,815,000
Bond Series 2016	28,965,000	-	(5,700,000)	23,265,000	4,085,000
Bond Series 2019	67,270,000	-	(2,915,000)	64,355,000	3,305,000
Bond Series 2021	28,775,000	-	(700,000)	28,075,000	730,000
Bond Series 2021A	40,940,000	-	(9,885,000)	31,055,000	11,070,000
Bond Series 2021 FIF	22,106,000	-	(763,000.00)	21,343,000	763,000
Bond Series 2023	-	59,205,000	-	59,205,000	1,000,000
Bond Premiums	13,934,222	1,403,024	(2,143,036)	13,194,210	1,850,528
Total bonds	254,880,222	60,608,024	(25,916,036)	289,572,210	28,638,528
Other liabilities:					
SBITA	133,916		(96,093)	37,823	18,859
Total other liabilities	133,916	-	(96,093)	37,823	18,859
Governmental activities long-term liabilities	\$ 255,014,138	\$ 60,608,024	\$ (26,012,129)	\$ 289,610,033	\$ 28,657,387
	Balance January 1, 2023			Balance December 31, 2023	Amounts Due Within One Year
Compensated absences	400,032			446,818	37,760

Matured compensated absences are paid out each year when an employee resigns, retires, or is terminated with expendable available resources from the General Fund.

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Note H. Other Post-Employment Benefits (OPEB)

1. Plan Description and Benefits Provided

The District provides healthcare for its employees, retirees, and eligible dependents. Two plans are maintained: The Basic Preferred Provider Organization (PPO) and the Buy Up PPO Plan. Healthcare benefits include medical and prescription drug coverage. The plan is a single-employer, self-funded benefit plan administered by a third-party administrator and the District purchases stop loss insurance for claims that exceed a determined threshold. The District allows retired employees to participate in the Hidalgo County Health Benefits Program by purchasing health care benefits at the same group rate as provided to current active employees at the time they end their service to the District. Retirees are eligible to continue their medical insurance coverage.

The District does not have a formal post-employment benefits plan; however, the District allows retired employees to participate in the County's Health Benefits Program by purchasing health care benefits at the same group rate as provided to current active employees at the time they end their service to the District. Members may retire upon attaining one of the following: (1) age 60 and above with 10 or more years of service, (2) 20 years of service regardless of age, or (3) when the sum of their age and years of service equals 80 or more. Spouses and dependents are eligible to continue insurance under COBRA for 36 months after the retiree dies. If a dependent is not yet 26 years of age at the time of the members' death, the same rule applies. Once the dependent attains the age of 26, Aetna will terminate coverage automatically.

A cost sharing premium is a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. A retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an "implicit rate subsidy." GASB Statement No. 75, *Accounting and Financial Reporting by Employer for Postemployment Benefits other than Pensions*, is applicable to the District due to the implicit rate subsidy. This "plan" is not a standalone plan and therefore, does not issue its own financial statements.

Membership in the plan as of the measurement date of December 31, 2023 was as follows:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	16
Active employees	187
	<u>203</u>

2. Funding Policy

The District collects insurance premiums from the participating retirees each month and deposits them in the County's Group Insurance Fund. The District then pays the health insurance premiums for the retirees at the blended rate to the County's self-funded Health Benefits Program. The required contribution to the program includes the employer's pay-as-you-go amount and the amount paid by retirees. The District has elected not to prefund the actuarially determined future cost but will accrue the liability as of December 31, 2023 to reflect proper treatment and will disclose the Health Care Benefits for Retired Employees in accordance with GASB No. 75.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note H. Other Post-Employment Benefits (OPEB) – Continued

2. Funding Policy – Continued

Monthly medical contributions required by the retiree for medical and prescriptions are as follows:

Basic PPO Plan		
	Under 65	65 & Over
Retiree only	\$ 632	\$ 320
Retiree + spouse	1,094	782
Retiree + child(ren)	764	452
Retiree + family	1,226	914
Surviving spouse	632	320
Surviving spouse + child(ren)	764	452
Surviving spouse + family	632	320

3. Actuarial Assumptions

The District's total OPEB liability of \$1,414,434 was measured as of December 31, 2023 and was determined by an actuarial valuation as of December 31, 2023.

Actuarial assumptions – The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Salary increases:	2.00%
Inflation:	2.50%
Discount Rate:	3.26%
Prior Year Discount Rate:	3.72%

Mortality: The Mortality assumption was updated to utilize Scale MP-2021 applied to general, safety, and teacher members.

The discount rate was based on the Bond Buyer 20 Bond GO Index.

4. Changes in Total OPEB Liability

Balance as of December 31, 2022	\$ 1,054,576
Changes for the year:	
Service cost	89,352
Interest on total OPEB liability	42,193
Changes in assumptions or other inputs	135,941
Changes in proportionate share	101,067
Differences in actual benefits and prop. share of benefits	(8,695)
Net changes	359,858
Balance as of December 31, 2023	<u>\$ 1,414,434</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note H. Other Post-Employment Benefits (OPEB) – Continued

5. Sensitivity Analysis

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District, calculated using the discount rate of 3.26%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.26%) or one percentage point higher (4.26%) than the current rate:

	Decrease 2.26%	Discount Rate 3.26%	Increase 4.26%
Total OPEB liability	<u>\$ 1,668,621</u>	<u>\$ 1,414,434</u>	<u>\$ 1,091,940</u>

Sensitivity of the total OPEB liability to changes in the current healthcare cost trend rate – The following presents the total OPEB liability of the District, calculated using the current healthcare cost trend rates, as well as District's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	<u>\$ 1,062,987</u>	<u>\$ 1,414,434</u>	<u>\$ 1,713,994</u>

6. OPEB Expense/(Income) and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the District recognized OPEB expense of \$65,818. At December 31, 2023 deferred outflows and inflows of resources related to OPEB were reported from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 177,060	\$ (216,946)
Changes of assumptions/inputs	\$ 242,539	\$ (858,802)
Changes in proportionate share	\$ 381,550	\$ (240,412)
Differences between projected and actual investments	\$ 11,206	\$ (59,053)
	<u>\$ 812,356</u>	<u>\$ (1,375,213)</u>

Amounts reported and deferred outflows of resources and deferred inflows of resources related to OPEB expense will be recognized in OPEB expense as follows:

Year ended December 31 ,	
2024	\$ (65,726)
2025	(48,912)
2026	(48,912)
2027	(117,746)
2028	(117,746)
Thereafter	(163,815)
	<u>\$ (562,857)</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note I. Employee Retirement Benefits

1. Plan Description

The District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of nearly 850 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034 and online at www.tcdrs.org.

The plan provisions are adopted by the governing body of the District within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with 10 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of services equals 80 or more. Members are vested after 10 years of service but must leave their accumulated contributions in the plan to receive any employer financed benefit. Members who withdraw their personal contributions in a lump sum before retirement eligibility are not entitled to any amounts contributed by the employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the District within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the District's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

The employees covered by the plan at December 31, 2023 are as follows:

Inactive employees or beneficiaries currently receiving benefits	79
Inactive employees entitled to but not yet receiving benefits	78
Active employees	187
	<hr/>
	344

2. Funding Policy

The District has elected the annually determined contribution rate (ADCR) plan provision of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the District is actuarially determined annually. Contributions were made using the actuarially determined rate of 14.19% for calendar year 2023. The contribution rate payable by the employee member is 7.00% as adopted by the governing body of the District. The employee contribution rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

3. Net Pension Liability

Governmental Accounting Standards Board issued GASB Statement No. 68 for public pension plans and participating employers which address specifics of reporting public pension plan obligations for employers. Net pension Liability (NPL) for the District was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note I. Employee Retirement Benefits – Continued

3. Net Pension Liability – Continued

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement; which can be found in the required supplemental data as a note to the respective employer contribution schedules.

Mortality assumptions are as follows:

Updated mortality assumptions were adopted in 2020.

Depositing members:

135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for females, projected with 100% of the MP-2021 Ultimate Scale after 2010.

Service retirees, beneficiaries, and non-depositing members:

135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Disabled retirees:

160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant Cliffwater LLC. The numbers shown are based on January 2023 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a long-term horizon; TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The following table summarizes the real rate of return for the Drainage District.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note I. Employee Retirement Benefits – Continued

3. Net Pension Liability – Continued

The target asset allocation and geometric real rates of return are shown below:

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometrical Rate of Return ⁽²⁾
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.95%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment - Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	4.00%	7.60%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

⁽¹⁾ Target asset allocation adopted at the March 2023 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.3%, per Cliffwater's 2023 capital market assumptions.

⁽³⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

The discount rate used to measure the total pension asset was 7.60% at December 31, 2022. The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note I. Employee Retirement Benefits – Continued

3. Net Pension Liability – Continued

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments.

If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied. In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability shall be amortized as a level percent of pay over 20-year closed layered periods.

2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.

3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.

4. Any increased cost due to the adoption of COLA is required funded over a period of 15 years, if applicable.

Changes in Net Pension Liability/(Asset) were as follows:

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2022	\$ 23,967,816	\$ 25,700,877	\$ (1,733,061)
Changes for the year			
Service Cost	1,357,473	-	1,357,473
Interest on total pension liability (1)	1,875,427	-	1,875,427
Effect of plan changes (2)	1,173,566	-	1,173,566
Effect of economic/demographic gains or losses	97,563	-	97,563
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(73,576)	(73,576)	-
Benefit payments	(1,247,847)	(1,247,847)	-
Administrative expenses	-	(14,394)	14,394
Member contributions	-	601,656	(601,656)
Net investment income	-	(1,535,766)	1,535,766
Employer contributions	-	1,061,485	(1,061,485)
Other (3)	-	69,589	(69,589)
Balances as of December 31, 2023	\$ 27,150,422	\$ 24,562,024	\$ 2,588,398

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note I. Employee Retirement Benefits – Continued

3. Net Pension Liability – Continued

- (1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
- (2) No plan changes valued.
- (3) Relates to allocation of system-wide items.

**The District's TCDRS actuarial report with a measurement date of December 31, 2022, to be used for audit periods ending January 1, 2023 to December 31, 2023, shows a net pension liability of \$2,588,398.

The following represents the net pension liability of the District, calculated using the discount rate of 7.60%, as well as what District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 30,750,054	\$ 27,150,423	\$ 24,123,863
Fiduciary net position	24,562,025	24,562,025	24,562,025
Net pension liability/ (asset)	\$ 6,188,029	\$ 2,588,398	\$ (438,162)

	January 1, 2022 to December 31, 2022
Pension expense/ (income)	
Service cost	\$ 1,357,473
Interest on total pension liability ⁽¹⁾	1,875,427
Effect of plan changes	1,173,566
Administrative expenses	14,394
Member contributions	(601,656)
Expected investment return net of investment expenses	(1,968,073)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(28,201)
Recognition of assumption changes or inputs	211,908
Recognition of investment gains or losses	72,959
Other ⁽²⁾	(69,589)
Pension expense/ (income)	<u>\$ 2,038,208</u>

- (1) Reflects the change in liability due to the time value of money. TCDRS does not charge fees or interest.
- (2) Related to allocation of system-wide system.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note I. Employee Retirement Benefits – Continued

3. Net Pension Liability – Continued

As of December 31, 2022, the deferred inflows and outflows of resources were as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 154,629	\$ 215,633
Changes of assumptions	-	617,961
Net difference between projected and actual earnings	-	576,705
Contributions made subsequent to measurement date	-	1,229,609
	<u>\$ 154,629</u>	<u>\$ 2,639,908</u>

The \$1,229,609 reported as deferred outflows of resources related to pension resulted from contributions made subsequent to the measurement date and will be recognized as a deduction of the net position liability in the year ended December 31, 2024. Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

<u>Year ended December 31 ,</u>	
2023	\$ (56,707)
2024	262,308
2025	316,783
2026	717,028
2027	16,258
	<u>\$ 1,255,670</u>

Note J. Deferred Inflows/Outflows of Resources and Unearned Revenues

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds report unearned revenue for resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned and unavailable revenue reported in the governmental funds were as follows:

	Deferred inflows		Unearned	Total
	Unavailable Revenue- Property Taxes	Deferred Revenue- Property Taxes	Revenue	
Property taxes (General Fund)	\$ 9,642,972	\$ 16,882,263	\$ -	\$ 26,525,235
Property taxes (Debt Service Funds)	14,233,957	23,675,384	-	37,909,341
Unearned (Interlocal & Grant)	-	-	298,401	298,401
	<u>\$ 23,876,929</u>	<u>\$ 40,557,647</u>	<u>\$ 298,401</u>	<u>\$ 64,732,977</u>

Note K. Risk Management

The District is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of property; errors and omissions; injuries to employees; and natural disasters. The District covers such risks by participating in a public entity risk pool. The District has not experienced a significant reduction insurance coverage in the last 5 of years.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note K. Risk Management – Continued

The District participates in the Texas Municipal League Intergovernmental Risk Pool (the Pool) for coverage in the following areas: general liability, errors and omissions, auto physical damage, auto liability, real and personal property, and workers compensation. Limits on insurance coverage are as provided in Texas State Statutes Civil Practices and Remedies Code Chapter 101.023. The District paid premiums totaling \$486,241 in 2023.

Annual aggregate limits and deductibles are as follows at December 31, 2023:

	Deductible	Annual Aggregate Limits
General liability	\$ 5,000	\$ 10,000,000
Errors and omissions liability	\$ 25,000	\$ 4,000,000
Auto physical damage	\$ 10,000	N/A
Auto liability	\$ 1,000	N/A
Real and personal property	\$ 10,000	N/A
Workers compensation	N/A	Fully Funded

The District participates in the Hidalgo County Health Insurance Fund (Fund) and makes payments to the Fund based on the number of participants. The Fund provides coverage for up to a maximum of \$150,000 per individual per year. Claims in excess of \$150,000 and up to \$1,000,000 per individual per occurrence are covered by commercial insurance purchased by the Fund. The Fund's health insurance provider is Aetna. Payments to the fund totaled \$1,599,437 in 2023.

Note L. Litigation

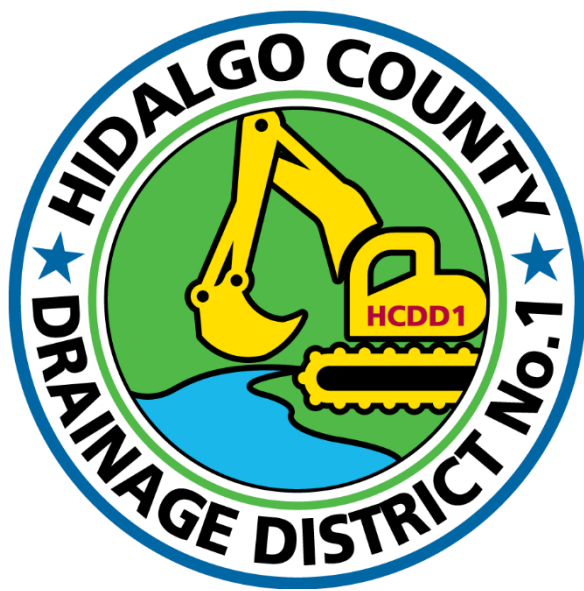
The District is currently involved in potential claims and litigation involving civil and contractual matters. In the opinion of District management, the potential claims against the District not covered by insurance resulting from litigation will not materially affect the financial position of the District.

Note M. Subsequent Events

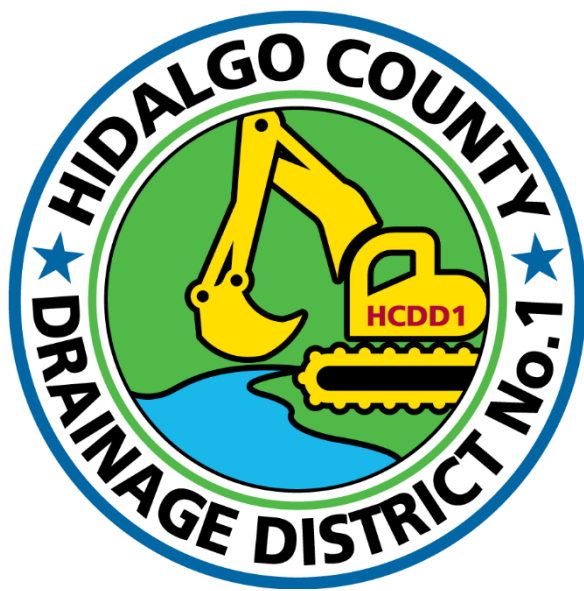
The District has evaluated all events and transactions that occurred after December 31, 2023 through July 26, 2024, the date these financials statements were available to be issued. No material events have occurred.

Note N. Prior Period Adjustments

	Governmental Activities
Net Position as of December 31, 2022, as previously reported	\$ 187,114,542
Implementation of GASB 96	23,163
Accounting adjustment, Hidalgo County Regional Mobility (HCRMA) Outfall Projects asset that didn't pertain to the District	(500,333)
Net Position as of December 31, 2022, as restated	<u>\$ 186,637,372</u>



REQUIRED SUPPLEMENTAL INFORMATION



HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN MEASUREMENT YEARS

EXHIBIT B-1

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 89,352	\$ 124,093	\$ 113,443	\$ 256,562	\$ 57,293	\$ 68,022
Interest	42,193	29,658	24,623	59,018	45,410	43,888
Differences between expected and actual experience	-	(266,253)	-	58,631	374,011	6,974
Changes in assumptions or other inputs	135,941	(435,432)	29,790	(794,737)	261,526	(132,135)
Changes in proportionate share	101,067	268,945	99,757	(350,608)	(63,712)	-
Differences in actual benefits and proportionate share of benefits	(8,695)	13,575	(2,925)	(70,675)	(15,631)	1,013
Benefit payments	-	-	-	-	-	(13,866)
Net Change in Total OPEB Liability	359,858	(265,414)	264,688	(841,809)	658,897	(26,104)
Total OPEB Liability - beginning	1,054,576	1,319,990	1,055,302	1,897,111	1,238,214	1,264,318
Total OPEB Liability - end	\$ 1,414,434	\$ 1,054,576	\$ 1,319,990	\$ 1,055,302	\$ 1,897,111	\$ 1,238,214
Covered Employee Payroll	\$ 8,432,773	\$ 8,187,158	\$ 7,529,381	\$ 7,310,079	\$ 6,600,265	\$ 5,353,191
Total OPEB Liability as a percentage of covered employee payroll	17.0%	13.0%	18.0%	14.4%	28.7%	23.1%

Notes to Schedule:

Changes of Benefit Terms:

None

Changes of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	RPH-2014 Employee and Healthy Annuitant Generational with MP-2018
2019	PubG-H-2010 Employee and Healthy Annuitant Generational with MP-201
2020	SOA MP-2020
2021	SOA MP-2020
2022	Bond Buyer 20-Bond GO Index
2023	Bond Buyer 20-Bond GO Index
2017	3.31%
2018	3.71%
2019	2.75%
2020	2.12%
2021	2.06%
2022	3.72%
2023	3.26%

This schedule should present 10 years from GASB 75 implementation forward. Total OPEB liability and related ratios will be presented prospectively as data becomes available in accordance with GASB 75. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the Pension/OPEB plan

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MEASUREMENT YEARS ENDED DECEMBER 31,

EXHIBIT B-2

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service cost	\$ 1,357,473	\$ 1,298,749	\$ 1,088,422	\$ 999,005	\$ 865,082	\$ 820,277	\$ 756,250	\$ 611,534
Interest on total pension liability	1,875,427	1,728,684	1,621,557	1,498,179	1,355,574	1,286,524	1,153,337	1,071,637
Effect of plan changes	1,173,566	-	-	-	128,866	-	-	236,044
Effect of assumption changes or input	-	9,567	1,206,670	-	-	62,184	-	101,178
Effect on economic/demographic (gains) or losses	97,563	135,704	(166,866)	(3,312)	185,179	(488,413)	67,163	(237,892)
Refund of contributions	-	(71,432)	(119,620)	(59,632)	(27,704)	-	-	-
Benefit payments/refunds of contributions	(1,321,423)	(1,209,080)	(1,067,201)	(878,584)	(851,383)	(866,948)	(700,255)	(659,497)
Net change in total pension liability	3,182,606	1,892,192	2,562,962	1,555,656	1,655,614	813,624	1,276,495	1,123,004
Total pension liability, beginning	23,967,816	22,075,625	19,512,663	17,957,006	16,301,391	15,487,767	14,211,272	13,088,268
Total pension liability, ending (a)	27,150,422	23,967,817	22,075,625	19,512,662	17,957,005	16,301,391	15,487,767	14,211,272
Fiduciary Net Position								
Employer contributions	1,061,485	993,164	919,104	806,270	780,237	708,176	657,951	523,193
Member contributions	601,656	592,177	542,932	478,701	434,502	394,685	351,578	301,925
Investment income net of investment expenses	(1,535,766)	4,602,300	1,922,029	2,574,326	(287,455)	1,965,172	904,024	(164,681)
Refund of contributions	-	(71,432)	(119,620)	(59,632)	(27,704)	-	-	-
Benefit payments/refunds of contributions	(1,321,423)	(1,209,080)	(1,067,201)	(878,584)	(851,383)	(866,948)	(700,255)	(659,497)
Administrative expenses	(14,394)	(13,904)	(15,215)	(14,174)	(12,593)	(10,395)	(9,827)	(8,801)
Other	69,589	14,369	11,653	14,463	11,570	3,064	47,881	(28,176)
Net change in fiduciary net position	(1,138,853)	4,907,594	2,193,682	2,921,370	47,174	2,193,754	1,251,352	(36,037)
Fiduciary net position, beginning	25,700,878	20,793,284	18,599,601	15,678,230	15,631,055	13,437,301	12,185,949	12,221,987
Fiduciary net position, ending (b)	24,562,025	25,700,878	20,793,283	18,599,600	15,678,229	15,631,055	13,437,301	12,185,950
Net pension liability/ (asset), ending = (a)-(b)	\$ 2,588,397	\$ (1,733,061)	\$ 1,282,342	\$ 913,062	\$ 2,278,776	\$ 670,336	\$ 2,050,466	\$ 2,025,322
Fiduciary net position as a % of total pension liability	90.47%	107.23%	94.19%	95.32%	87.31%	95.89%	86.76%	85.75%
Pensionable covered payroll	\$ 8,595,083	\$ 8,459,674	\$ 7,756,177	\$ 6,838,590	\$ 6,207,174	\$ 5,638,364	\$ 5,022,541	\$ 4,313,210
Net pension asset as a % of covered payroll	30.11%	-20.49%	16.53%	13.35%	36.71%	11.89%	40.83%	46.96%

Note: This schedule should present 10 years. Since GASB 68 implementation forward. Net pension liability and related ratios will be presented prospectively as data becomes available in accordance with GASB 68.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN YEARS

EXHIBIT B-3

Year Ending	Actuarially	Actual Employer	Contribution	Pensionable	Actual
2014	\$ 493,873	\$ 493,873	\$ -	\$ 3,916,520	12.6%
2015	523,193	523,193	-	4,313,210	12.1%
2016	657,951	657,951	-	5,022,541	13.1%
2017	708,176	708,176	-	5,638,364	12.6%
2018	780,237	780,237	-	6,207,174	12.6%
2019	806,270	806,270	-	6,838,590	11.8%
2020	919,104	919,104	-	7,756,177	11.8%
2021	993,164	993,164	-	8,459,674	11.7%
2022	1,061,485	1,061,485	-	8,595,083	12.3%
2023	1,229,609	1,229,609	-	8,665,321	14.2%

(1) TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicate: the employer should report employer contribution amounts on a fiscal year basis.

(2) Payroll is calculated based on contributions as reported to TCDRS

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2023

EXHIBIT B-4

Valuation Date: Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	16.8 years (based on contribution rate calculated in 12/31/2022 valuation)
Assets Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected 2017: New mortality assumptions were reflected 2019: New inflation, mortality and other assumptions were reflected 2022: New investment return and inflation assumptions were reflected
Changes in Plan Provisions Reflected in the Schedule*	2015: No changes in plan provisions were reflected in the Schedule 2016: Employer contributions reflect that a 100% CPI COLA was adopted. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017 2018: No changes in plan provisions were reflected in the schedule. 2019: Employer contributions reflect that a 2% flat COLA was adopted 2020: No changes in plan provisions were reflected in the Schedule 2021: No changes in plan provisions were reflected in the Schedule 2022: No changes in plan provisions were reflected in the Schedule

*Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.

The above table includes information for the District according to the agent multiple-employer defined benefits pension plan administered by TCDRS.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

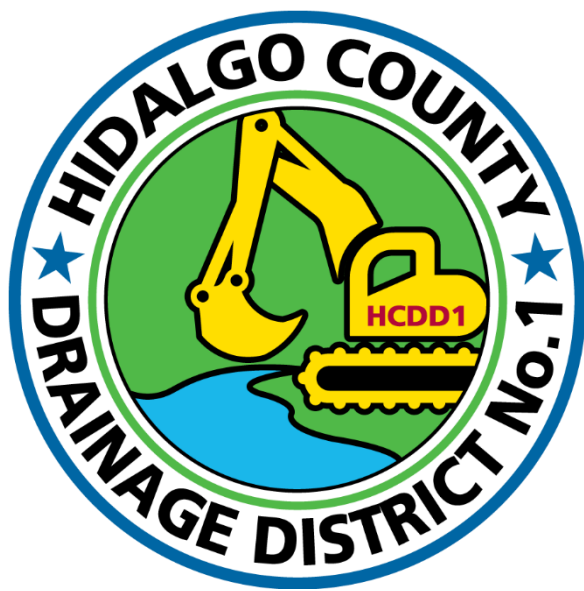
EXHIBIT C-1

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS				
Cash and cash equivalents	\$ 1,529,685	\$ 5,500,100	\$ 33,339,350	\$ 40,369,135
Receivables (net of allowance for uncollectibles)				
Property taxes	-	16,756,959	-	16,756,959
Other accounts	-	-	5,325	5,325
Due from other governments	4,266,571	-	4,303,147	8,569,718
Due from other funds	1,186,155	8,287,671	1,521,150	10,994,976
Total assets	\$ 6,982,411	\$ 30,544,730	\$ 39,168,972	\$ 76,696,113
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 73,634	\$ -	\$ 665,904	\$ 739,538
Salaries and benefits payable	29,687	-	-	29,687
Retainage payable	182,760	-	117,187	299,947
Due to other governments	347,865	-	-	347,865
Due to other funds	4,702,226	-	-	4,702,226
Advance from other funds	300,000	-	-	300,000
Unearned revenue	109,739	-	-	109,739
Total liabilities	5,745,911	-	783,091	6,529,002
Deferred inflows of resources:				
Unavailable revenue-property taxes	-	9,737,173	-	9,737,173
Deferred revenue-property taxes	-	16,756,959	-	16,756,959
Total deferred inflows of resources	-	26,494,132	-	26,494,132
Fund Balances:				
Restricted:				
Special revenue	1,236,500	-	-	1,236,500
Capital projects	-	-	38,385,881	38,385,881
Debt service	-	4,050,598	-	4,050,598
Total fund balances	1,236,500	4,050,598	38,385,881	43,672,979
Total liabilities, deferred inflows and fund balances	\$ 6,982,411	\$ 30,544,730	\$ 39,168,972	\$ 76,696,113

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT C-2

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
REVENUES				
Property taxes	\$ -	\$ 21,332,088	\$ -	\$ 21,332,088
Intergovernmental	5,505,282	-	1,000,000	6,505,282
Interest	44	263,758	599,656	863,458
Miscellaneous	-	-	1,464,411	1,464,411
Total revenues	<u>5,505,326</u>	<u>21,595,846</u>	<u>3,064,067</u>	<u>30,165,239</u>
EXPENDITURES				
Current:				
Drainage flood control	661,197	-	-	661,197
Debt service:				
Principal	-	13,888,000	-	13,888,000
Interest	-	7,445,713	-	7,445,713
Issuance cost and fiscal agent fees	-	4,050	-	4,050
Capital Outlay:				
Drainage flood control	5,424,716	-	3,484,187	8,908,903
Total expenditures	<u>6,085,913</u>	<u>21,337,763</u>	<u>3,484,187</u>	<u>30,907,863</u>
Excess (deficiency) of revenues over (under) expenditures	(580,587)	258,083	(420,120)	(742,624)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,817,087	-	1,500,000	3,317,087
Total other financing sources (uses)	<u>1,817,087</u>	<u>-</u>	<u>1,500,000</u>	<u>3,317,087</u>
Net change in fund balances	1,236,500	258,083	1,079,880	2,574,463
Fund balances at beginning of year	-	3,792,515	37,306,001	41,098,516
Fund balances at the end of year	<u>\$ 1,236,500</u>	<u>\$ 4,050,598</u>	<u>\$ 38,385,881</u>	<u>\$ 43,672,979</u>



SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
Special Revenue Funds
December 31, 2023

DHS Levee Grant

This fund was created in May of 2008 to account for a Federal Financial Assistance Award (cooperative agreement DHS-CBP-08-0112-001-005) issued by the U.S. Department of Homeland Security and the U.S. Customs and Border Protection, titled Hidalgo County Border Infrastructure Program.

The District participated in the construction of the Border Wall and Levee Rehabilitation projects. Construction of the projects have been completed yet the closeout of the grant award has not occurred.

Raymondville Drain Restore Act Grant

This fund was established on October 13, 2020 to account for the Subgrant Reimbursement Contract No. 582-20-10601 with the Texas Commission on Environmental Quality (TCEQ) in the amount of \$7,000,000. The funds are for the restoration of over 60 miles of the Raymondville drain that will be restored using in house force labor and equipment.

Region 15 Planning Group Grant

This fund was established on April 15, 2021 to account for the Regional Flood Planning Contract No. 2101792500 with the Texas Water Development Board (TWDB) in the total amount of \$2,072,100. The funds are for the financial assistance to develop a Regional Flood Plan for the Flood Planning Region.

TWDB FIF Willacy County Grant

This fund was created on April 5, 2022 to account for Hidalgo County Drainage District No. 1 (HCDD1) partnership with Willacy County and Willacy County Drainage District No. 1 (WCDD1). Willacy County received funds from Texas Water Development Board (TWDB) Flood Infrastructure (FIF) and together with HCDD1 will implement the Lateral G Project that will increase capacity in the Main Drain, which in turn will mitigate flooding in South Texas to provide community resiliency and economic growth. HCDD1 is responsible for implementation and construction of the project.

TDEM North Main Drain Expansion

This fund was created on November 15, 2022 to account for the FEMA award identification number EMT-2022-PD-0001 and project number LPDM-PJ-06-TX-2022-001 that was sub granted to Texas Division of Emergency Management for the FY 2022 Pre-Disaster Mitigation program and the District. Total project cost award is for a total subgrant amount of \$4,941,689 with 75% federal share of \$3,706,267 and 25% local cost share amount of \$1,235,422. Project name is North Main Drain Expansion and is located in Precinct 4 of Hidalgo County.

GLO 2015-2016 Hidalgo County Urban Program

This fund was created to account for the Interlocal Cooperation Agreement Between the County of Hidalgo, Texas and the District for CDBG/GLO Mitigation Program. Whereas Hidalgo County, Texas received a grant award for Community Development Block Grant through the General Land Office in the amount of \$9,858,499 through GLO Contract No. 22-083-004-D209. The District is responsible for providing engineering services as the In-kind contribution. The project is identified as Expansion Phase-1 at Donna Drain on the Existing Main Floodwater Channel between Engelman Gardens Road and Jesus Flores Road then eastward along Existing Main Floodwater Channel to Mile 4 West.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2023

EXHIBIT D-1

	DHS Levee Grant	Raymondville Drain Restore Act Grant	Region 15 Planning Group Grant	TWDB FIF Willacy County Grant	TDEM North Main Drain Expansion	GLO 2015-2016 Hidalgo County Urban Program	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS							
Cash and cash equivalents	\$ 390,575	\$ 1,035,044	\$ -	\$ -	\$ 18,359	\$ 85,707	\$ 1,529,685
Due from other governments	28,971	2,460,994	356,712	4,500	1,415,394	-	4,266,571
Due from other funds	-	-	-	-	-	1,186,155	1,186,155
Total assets	<u>\$ 419,546</u>	<u>\$ 3,496,038</u>	<u>\$ 356,712</u>	<u>\$ 4,500</u>	<u>\$ 1,433,753</u>	<u>\$ 1,271,862</u>	<u>\$ 6,982,411</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 15,060	\$ 4,991	\$ 20,927	\$ -	\$ 7,007	\$ 25,649	\$ 73,634
Salaries and benefits payable	-	29,687	-	-	-	-	29,687
Held in escrow	-	-	-	-	-	-	-
Retainage payable	-	-	-	-	182,760	-	182,760
Due to other governments	347,865	-	-	-	-	-	347,865
Due to other funds	1,012	3,361,360	81,655	4,500	1,243,986	9,713	4,702,226
Advance from other funds	-	100,000	200,000	-	-	-	300,000
Unearned revenue	55,609	-	54,130	-	-	-	109,739
Total liabilities	<u>419,546</u>	<u>3,496,038</u>	<u>356,712</u>	<u>4,500</u>	<u>1,433,753</u>	<u>35,362</u>	<u>5,745,911</u>
Deferred inflows of resources:							
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Restricted:							
Special revenue	-	-	-	-	-	1,236,500	1,236,500
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,236,500</u>	<u>1,236,500</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 419,546</u>	<u>\$ 3,496,038</u>	<u>\$ 356,712</u>	<u>\$ 4,500</u>	<u>\$ 1,433,753</u>	<u>\$ 1,271,862</u>	<u>\$ 6,982,411</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT D-2

	DHS Levee Grant	Raymondville Drain Restore Act Grant	Region 15 Planning Group Grant	TWDB FIF Willacy County Grant	TDEM North Main Drain Expansion	GLO 2015-2016 Hidalgo County Urban Program	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
REVENUES							
Intergovernmental	\$ -	\$ 3,428,691	\$ 656,697	\$ 4,500	\$ 1,415,394	\$ -	\$ 5,505,282
Interest	-	44	-	-	-	-	44
Total revenues	-	3,428,735	656,697	4,500	1,415,394	-	5,505,326
EXPENDITURES							
Current:							
Drainage flood control	-	-	656,697	4,500	-	-	661,197
Capital Outlay:							
Drainage flood control	-	3,428,735	-	-	1,887,192	108,789	5,424,716
Total expenditures	-	3,428,735	656,697	4,500	1,887,192	108,789	6,085,913
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	(471,798)	(108,789)	(580,587)
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	471,798	1,345,289	1,817,087
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	471,798	1,345,289	1,817,087
Net change in fund balances	-	-	-	-	-	1,236,500	1,236,500
Fund balances at beginning of year	-	-	-	-	-	-	-
Fund balances at the end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,236,500</u>	<u>\$ 1,236,500</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
RAYMONDVILLE DRAIN RESTORE ACT GRANT
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT D-3

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 3,428,691	\$ 3,428,691
Interest	-	-	44	44.00
Total revenues	<u>-</u>	<u>-</u>	<u>3,428,735</u>	<u>3,428,735</u>
EXPENDITURES				
Capital Outlay:				
Drainage flood control	-	5,156,492	3,428,735	1,727,757
Total expenditures	<u>-</u>	<u>5,156,492</u>	<u>3,428,735</u>	<u>1,727,757</u>
Excess (deficiency) of revenues over (under) expenditures	-	(5,156,492)	-	5,156,492
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(5,156,492)	-	5,156,492
Fund balance at beginning of year	-	-	-	-
Fund balance at the end of year	<u>\$ -</u>	<u>\$ (5,156,492)</u>	<u>\$ -</u>	<u>\$ 5,156,492</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
REGION 15 PLANNING GROUP GRANT
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT D-4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 822,669	\$ 656,697	\$ (165,972)
Total revenues	-	822,669	656,697	(165,972)
EXPENDITURES				
Current:				
Drainage flood control	-	822,669	656,697	165,972
Total expenditures	-	822,669	656,697	165,972
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at the end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**EXHIBIT D-5**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 NONMAJOR SPECIAL REVENUE FUNDS
 TWDB FIF WILLACY COUNTY GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 4,500	\$ 4,500
Total revenues	-	-	4,500	4,500
EXPENDITURES				
Current:				
General government	-	-	4,500	(4,500)
Total expenditures	-	-	4,500	(4,500)
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at the end of year	\$ -	\$ -	\$ -	\$ -

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**EXHIBIT D-6**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 NONMAJOR SPECIAL REVENUE FUNDS
 TDEM NORTH MAIN DRAIN EXPANSION
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,415,394	\$ 1,415,394
Total revenues	-	-	1,415,394	1,415,394
EXPENDITURES				
Current:				
Capital Outlay:				
Drainage flood control	-	-	1,887,192	(1,887,192)
Total expenditures	-	-	1,887,192	(1,887,192)
Excess (deficiency) of revenues over (under) expenditures	-	-	(471,798)	(471,798)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	471,798	471,798
Total other financing sources (uses)	-	-	471,798	471,798
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at the end of year	\$ -	\$ -	\$ -	\$ -

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
GLO 2015 2016 HIDALGO COUNTY URBAN PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT D-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Capital Outlay:				
Drainage flood control	-	1,345,289	108,789	1,236,500
Total expenditures	-	1,345,289	108,789	1,236,500
Excess (deficiency) of revenues over (under) expenditures	-	(1,345,289)	(108,789)	1,236,500
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,345,289	1,345,289	-
Total other financing sources (uses)	-	1,345,289	1,345,289	-
Net change in fund balance	-	-	1,236,500	1,236,500
Fund balance at beginning of year	-	-	-	-
Fund balance at the end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,236,500</u>	<u>\$ 1,236,500</u>

DEBT SERVICE FUNDS

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The essential purpose of a debt service fund is to account for accumulations of resources.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
Debt Service Funds
December 31, 2023

MAJOR:

2021A Taxable Bond Series Debt Service

This fund accounts for the payment of principal and interest on the Unlimited Tax Improvement Bonds, Taxable Series 2021A in the amount of \$49,910,000 for the construction of and equipment for drainage improvement projects and the acquisitions of rights of way therefor, and to pay bond issuance costs.

NONMAJOR:

2013 Bond Series

This fund accounts for the payment of principal and interest on Unlimited Tax Improvement Bond Series 2013 issued in 2013 in the amount of \$77,130,000 for the construction of drainage improvements, the acquisition of right of way, and to pay costs related to the issuance of bonds.

2014 Refunding Bonds

This fund accounts for the payment of principal and interest on refunding bonds issued in 2014 in the amount of \$ 7,810,000. The bonds were issued for the purpose of refunding a portion of the Unlimited Tax Improvement Bond Series 2007 and Series 2008.

2016 Refunding Bonds

This fund accounts for the payment of principal and interest on refunding bonds issued in 2016 in the amount of \$52,625,000. The bonds were issued for the purpose of refunding a portion of the Unlimited Tax Improvement Bond Series 2007 and Series 2008. Also, in 2017, \$1,960,000 was refunded to maintain the tax rate.

2019 Bond Series

This fund accounts for the payment of principal and interest on the Unlimited Tax Improvement Bonds, Series 2019 in the amount of \$73,845,000 for the construction of and equipment for drainage improvement projects in the District and the acquisitions of rights of way and bond issuance costs.

2021 Taxable Bond Series – FIF

This fund accounts for the payment of principal on the Unlimited Tax Improvement Bonds, Taxable Series 2021 in the amount of \$22,869,000 for the construction of projects 21 (Mile 10 N & Mile 1 W), 22 (Mile 11 N & FM 1015), and 23 (Mile 11 N & Texas Boulevard) as identified on the 2018 Bond Referendum.

2021 Bond Series

This fund accounts for the payment of principal and interest on the Unlimited Tax Improvement Bonds, Series 2021 in the amount of \$29,570,000 for the construction of and equipment for drainage improvement projects and the acquisitions of rights of way therefor, and to pay bond issuance costs.

2023 Bond Series

This fund accounts for the proceeds of the \$59,205,000 Unlimited Tax Improvements Bonds, Series 2023 to be used to pay for the construction and equipment for drainage improvements projects in the District and the acquisition of rights of way thereof, and pay costs of issuance of the bonds.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2023

	2013 Bond Series	2014 Refunding Bonds	2016 Refunding Bonds
ASSETS			
Cash and cash equivalents	\$ 1,850,421	\$ 352,546	\$ 1,509,587
Receivables (net of allowance for uncollectibles)			
Property taxes	3,806,273	1,260,951	3,935,218
Due from other funds	1,795,960	692,885	1,736,559
Total assets	<u>\$ 7,452,654</u>	<u>\$ 2,306,382</u>	<u>\$ 7,181,364</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:			
Unavailable revenues-property taxes	2,107,795	818,256	2,032,793
Deferred revenue-property taxes	3,806,273	1,260,951	3,935,218
	<u>5,914,068</u>	<u>2,079,207</u>	<u>5,968,011</u>
Fund balances:			
Restricted:			
Debt service	1,538,586	227,175	1,213,353
Total fund balances	<u>1,538,586</u>	<u>227,175</u>	<u>1,213,353</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,452,654</u>	<u>\$ 2,306,382</u>	<u>\$ 7,181,364</u>

EXHIBIT D-8

2019 Bond Series	2021 Taxable Bond Series-FIF	2021 Bond Series	2023 Bond Series	Total Nonmajor Debt Service Funds (See Exhibit C-1)
\$ 1,338,500	\$ 59,408	\$ 174,049	\$ 215,589	\$ 5,500,100
3,699,103	454,646	1,521,075	2,079,693	16,756,959
2,041,145	251,945	588,825	1,180,352	8,287,671
<u>\$ 7,078,748</u>	<u>\$ 765,999</u>	<u>\$ 2,283,949</u>	<u>\$ 3,475,634</u>	<u>\$ 30,544,730</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
2,396,255	295,683	691,032	1,395,359	9,737,173
3,699,103	454,646	1,521,075	2,079,693	16,756,959
<u>6,095,358</u>	<u>750,329</u>	<u>2,212,107</u>	<u>3,475,052</u>	<u>26,494,132</u>
983,390	15,670	71,842	582	4,050,598
<u>983,390</u>	<u>15,670</u>	<u>71,842</u>	<u>582</u>	<u>4,050,598</u>
<u>\$ 7,078,748</u>	<u>\$ 765,999</u>	<u>\$ 2,283,949</u>	<u>\$ 3,475,634</u>	<u>\$ 30,544,730</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2013 Bond Series	2014 Refunding Bonds	2016 Refunding Bonds
REVENUES			
Property taxes	\$ 5,421,969	\$ 297,789	\$ 7,147,188
Interest	102,361	8,601	85,154
Total revenues	<u>5,524,330</u>	<u>306,390</u>	<u>7,232,342</u>
EXPENDITURES			
Debt service:			
Principal	3,810,000	-	5,700,000
Interest	1,612,650	297,363	1,448,250
Issuance cost & fiscal agent fees	500	500	500
Total expenditures	<u>5,423,150</u>	<u>297,863</u>	<u>7,148,750</u>
Excess (deficiency) of revenues over (under) expenditures	101,180	8,527	83,592
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	101,180	8,527	83,592
Fund balances at beginning of year	1,437,406	218,648	1,129,761
Fund balances at the end of year	<u>\$ 1,538,586</u>	<u>\$ 227,175</u>	<u>\$ 1,213,353</u>

2019 Bond Series	2021 Taxable Bond Series-FIF	2021 Bond Series	2023 Bond Series	Total Nonmajor Debt Service Funds (See Exhibit C-2)
\$ 5,912,826	\$ 763,341	\$ 1,788,975	\$ -	\$ 21,332,088
42,428	11,680	12,952	582	263,758
<u>5,955,254</u>	<u>775,021</u>	<u>1,801,927</u>	<u>582</u>	<u>21,595,846</u>
2,915,000	763,000	700,000	-	13,888,000
2,998,600	-	1,088,850	-	7,445,713
500	1,550	500	-	4,050
<u>5,914,100</u>	<u>764,550</u>	<u>1,789,350</u>	<u>-</u>	<u>21,337,763</u>
41,154	10,471	12,577	582	258,083
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
41,154	10,471	12,577	582	258,083
942,236	5,199	59,265	-	3,792,515
<u>\$ 983,390</u>	<u>\$ 15,670</u>	<u>\$ 71,842</u>	<u>\$ 582</u>	<u>\$ 4,050,598</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND
2013 BOND SERIES
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT D-10

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 5,383,680	\$ 5,383,680	\$ 5,421,969	\$ 38,289
Interest	17,707	17,707	102,361	84,654
Total revenues	<u>5,401,387</u>	<u>5,401,387</u>	<u>5,524,330</u>	<u>122,943</u>
EXPENDITURES				
Debt Service:				
Principal	3,810,000	3,810,000	3,810,000	-
Interest	1,612,650	1,612,650	1,612,650	-
Issuance cost and fiscal agent fees	500	500	500	-
Total expenditures	<u>5,423,150</u>	<u>5,423,150</u>	<u>5,423,150</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(21,763)	(21,763)	101,180	122,943
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(21,763)	(21,763)	101,180	122,943
Fund balance at beginning of year	1,437,406	1,437,406	1,437,406	-
Fund balance at the end of year	<u>\$ 1,415,643</u>	<u>\$ 1,415,643</u>	<u>\$ 1,538,586</u>	<u>\$ 122,943</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND
2014 REFUNDING BONDS
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT D-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 296,077	\$ 297,771	\$ 297,789	\$ 18
Interest	973	973	8,601	7,628
Total revenues	<u>297,050</u>	<u>298,744</u>	<u>306,390</u>	<u>7,646</u>
EXPENDITURES				
Debt Service:				
Interest	297,363	297,363	297,363	-
Issuance costs and fiscal agent fees	500	500	500	-
Total expenditures	<u>297,863</u>	<u>297,863</u>	<u>297,863</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(813)	881	8,527	7,646
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(813)	881	8,527	7,646
Fund balance at beginning of year	218,648	218,648	218,648	-
Fund balance at the end of year	<u>\$ 217,835</u>	<u>\$ 219,529</u>	<u>\$ 227,175</u>	<u>\$ 7,646</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND
2016 REFUNDING BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT D-12

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 7,105,901	\$ 7,105,901	\$ 7,147,188	\$ 41,287
Interest	23,341	23,341	85,154	61,813
Total revenues	<u>7,129,242</u>	<u>7,129,242</u>	<u>7,232,342</u>	<u>103,100</u>
EXPENDITURES				
Debt Service:				
Principal	5,700,000	5,700,000	5,700,000	-
Interest	1,448,250	1,448,250	1,448,250	-
Issuance costs and fiscal agent fees	500	500	500	-
Total expenditures	<u>7,148,750</u>	<u>7,148,750</u>	<u>7,148,750</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(19,508)	(19,508)	83,592	103,100
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(19,508)	(19,508)	83,592	103,100
Fund balance at beginning of year	1,129,761	1,129,761	1,129,761	-
Fund balance at the end of year	<u>\$ 1,110,253</u>	<u>\$ 1,110,253</u>	<u>\$ 1,213,353</u>	<u>\$ 103,100</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**EXHIBIT D-13**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 NONMAJOR DEBT SERVICE FUND
 2019 BOND SERIES
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 5,878,653	\$ 5,878,653	\$ 5,912,826	\$ 34,173
Interest	19,310	19,310	42,428	23,118
Total revenues	<u>5,897,963</u>	<u>5,897,963</u>	<u>5,955,254</u>	<u>57,291</u>
EXPENDITURES				
Current:				
Debt Service:				
Principal	2,915,000	2,915,000	2,915,000	-
Interest	2,998,600	2,998,600	2,998,600	-
Issuance cost and fiscal agent fees	500	500	500	-
Total expenditures	<u>5,914,100</u>	<u>5,914,100</u>	<u>5,914,100</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(16,137)	(16,137)	41,154	57,291
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(16,137)	(16,137)	41,154	57,291
Fund balance at beginning of year	942,236	942,236	942,236	-
Fund balance at the end of year	<u>\$ 926,099</u>	<u>\$ 926,099</u>	<u>\$ 983,390</u>	<u>\$ 57,291</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**EXHIBIT D-14**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND
2021 TAXABLE BOND SERIES - FIF
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 761,007	\$ 761,007	\$ 763,341	\$ 2,334
Interest	2,493	2,493	11,680	9,187
Total revenues	<u>763,500</u>	<u>763,500</u>	<u>775,021</u>	<u>11,521</u>
EXPENDITURES				
Current:				
Debt Service:				
Principal	763,000	763,000	763,000	-
Issuance cost and fiscal agent fees	500	500	1,550	(1,050)
Total expenditures	<u>763,500</u>	<u>763,500</u>	<u>764,550</u>	<u>(1,050)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	10,471	10,471
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	10,471	10,471
Fund balance at beginning of year	5,199	5,199	5,199	-
Fund balance at the end of year	<u>\$ 5,199</u>	<u>\$ 5,199</u>	<u>\$ 15,670</u>	<u>\$ 10,471</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**EXHIBIT D-15**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 NONMAJOR DEBT SERVICE FUND
 2021 BOND SERIES
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 1,783,508	\$ 1,783,508	\$ 1,788,975	\$ 5,467
Interest	5,842	5,842	12,952	7,110
Total revenues	<u>1,789,350</u>	<u>1,789,350</u>	<u>1,801,927</u>	<u>12,577</u>
EXPENDITURES				
Current:				
Debt Service:				
Principal	700,000	700,000	700,000	-
Interest	1,088,550	1,088,850	1,088,850	-
Issuance costs and fiscal agent fees	500	500	500	-
Total expenditures	<u>1,789,050</u>	<u>1,789,350</u>	<u>1,789,350</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	300	-	12,577	12,577
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	300	-	12,577	12,577
Fund balance at beginning of year	59,265	59,265	59,265	-
Fund balance at the end of year	<u>\$ 59,565</u>	<u>\$ 59,265</u>	<u>\$ 71,842</u>	<u>\$ 12,577</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND
2023 BOND SERIES DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

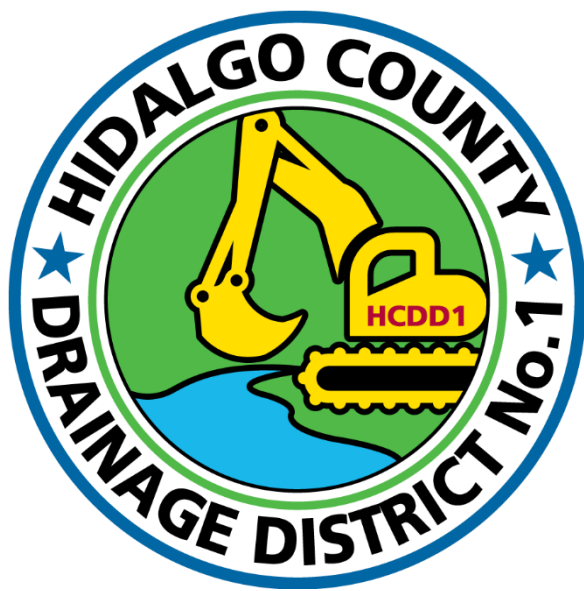
EXHIBIT D-16

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Interest	\$ -	\$ -	\$ 582	\$ 582
Total revenues	-	-	582	582
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	582	582
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	582	582
Fund balance at beginning of year	-	-	-	-
Fund balance at the end of year	\$ -	\$ -	\$ 582	\$ 582

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**EXHIBIT D-17**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 MAJOR DEBT SERVICE FUND
 2021 A TAXABLE BOND SERIES DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 10,756,923	\$ 10,756,923	\$ 10,819,439	\$ 62,516
Interest	35,334	35,334	108,747	73,413
Total revenues	<u>10,792,257</u>	<u>10,792,257</u>	<u>10,928,186</u>	<u>135,929</u>
EXPENDITURES				
Current:				
Debt Service:				
Principal	9,885,000	9,885,000	9,885,000	-
Interest	936,285	936,285	936,285	-
Issuance cost and fiscal agent fees	500	500	500	-
Total expenditures	<u>10,821,785</u>	<u>10,821,785</u>	<u>10,821,785</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(29,528)	(29,528)	106,401	135,929
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(29,528)	(29,528)	106,401	135,929
Fund balance at beginning of year	450,651	450,651	450,651	-
Fund balance at the end of year	<u>\$ 421,123</u>	<u>\$ 421,123</u>	<u>\$ 557,052</u>	<u>\$ 135,929</u>



CAPITAL PROJECTS FUNDS

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
Capital Projects Funds
December 31, 2023

MAJOR:

2019 Bond Series Capital Project Fund

This fund accounts for the proceeds of the \$73,845,000 Unlimited Tax Improvement Bonds, Series 2019 to be used to pay for the construction and equipment for drainage improvement projects in the District and the acquisitions of rights of way thereof, and to pay costs of issuance of the bonds.

2021 Bond Series Capital Project Fund

This fund accounts for the proceeds of the \$29,570,000 Unlimited Tax Improvement Bonds, Series 2021 to be used to pay for the construction and equipment for drainage improvement projects in the District and the acquisitions of rights of way thereof, and to pay costs of issuance of the bonds.

2021A Taxable Bond Series Capital Project Fund

This fund accounts for the proceeds of the \$49,910,000 Unlimited Tax Improvement Bonds, Taxable Series 2021A to be used to pay for the construction and equipment for drainage improvement projects in the District and the acquisitions of rights of way thereof, and to pay costs of issuance of the bonds.

2023 Bond Series Capital Project Fund

This fund accounts for the proceeds of the \$59,205,000 Unlimited Tax Improvements Bonds, Series 2023 to be used to pay for the construction and equipment for drainage improvements projects in the District and the acquisition of rights of way thereof, and pay costs of issuance of the bonds.

NONMAJOR:

Capital Projects Fund

This fund accounts for the accumulation of resources for capital outlay. The capital projects are the District's new administration facility, Cesar Chavez Drainage improvements, right of way acquisition, and Raymondville Drain.

2008 Bond Series

This fund accounts for the proceeds of the \$72,000,000 unlimited tax improvement bond series 2008 to be used for drainage improvement projects, right of way acquisition, and bonds issuance costs.

2013 Bond Series

This fund accounts for the proceeds of the \$77,130,000 unlimited tax improvement bonds series 2013 to be used for drainage improvement projects, right of way acquisition, and bond issuance costs.

2021 Taxable Bond Series – FIF

This fund accounts for the proceeds of the \$22,869,000 Unlimited Tax Improvement Bonds, Taxable Series 2021-FIF that were subsequently put on private placement with the Texas Water Development Board with zero percent interest. Texas Water Development Board purchased the bonds and will receive zero interest from the District; however, the funds are placed in private placement and will be disbursed on a reimbursement basis. The funds will be used for the construction of projects 21 (Mile 10 N & Mile 1 W), 22 (Mile 11 N & FM 1015), and 23 (Mile 11 N & Texas Boulevard) as identified on the 2018 Bond Referendum.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2023

	Capital Projects Fund	2008 Bond Series
ASSETS		
Cash and cash equivalents	\$ 1,098,225	\$ 2,263,782
Other accounts	-	5,325
Due from other governments	4,303,147	-
Due from other funds	1,521,150	-
Total assets	\$ 6,922,522	\$ 2,269,107
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 444,205	\$ 77,635
Retainage payable	11,063	37,403
Due to other funds	-	-
Total liabilities	455,268	115,038
Deferred inflows of resources:		
Total deferred inflows of resources	-	-
Fund balances:		
Restricted:		
Capital projects	6,467,254	2,154,069
Unassigned	-	-
Total fund balances	6,467,254	2,154,069
Total liabilities, deferred inflows and fund balances	\$ 6,922,522	\$ 2,269,107

2013 Bond Series	2021 Taxable Bond Series-FIF	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
\$ 7,113,238	\$ 22,864,105	\$ 33,339,350
-	-	5,325
-	-	4,303,147
-	-	1,521,150
<u>\$ 7,113,238</u>	<u>\$ 22,864,105</u>	<u>\$ 39,168,972</u>
\$ 144,064	\$ -	\$ 665,904
68,721	-	117,187
-	-	-
<u>212,785</u>	<u>-</u>	<u>783,091</u>
-	-	-
6,900,453	22,864,105	38,385,881
-	-	-
<u>6,900,453</u>	<u>22,864,105</u>	<u>38,385,881</u>
<u>\$ 7,113,238</u>	<u>\$ 22,864,105</u>	<u>\$ 39,168,972</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Capital Projects Fund	2008 Bond Series
REVENUES		
Intergovernmental	\$ 1,000,000	\$ -
Interest	88,423	129,015
Miscellaneous	1,464,411	-
Total revenues	<u>2,552,834</u>	<u>129,015</u>
EXPENDITURES		
Capital Outlay:		
Drainage flood control	<u>1,126,853</u>	<u>735,616</u>
Total expenditures	<u>1,126,853</u>	<u>735,616</u>
Excess (deficiency) of revenues over (under) expenditures	1,425,981	(606,601)
OTHER FINANCING SOURCES (USES):		
Transfers in	<u>1,500,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,500,000</u>	<u>-</u>
Net change in fund balances	2,925,981	(606,601)
Fund balances at beginning of year	3,541,273	2,760,670
Fund balances at the end of year	<u><u>\$ 6,467,254</u></u>	<u><u>\$ 2,154,069</u></u>

2013 Bond Series	2021 Taxable Bond Series-FIF	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
\$ -	\$ -	\$ 1,000,000
382,218	-	599,656
-	-	1,464,411
<u>382,218</u>	<u>-</u>	<u>3,064,067</u>
1,620,763	955	3,484,187
<u>1,620,763</u>	<u>955</u>	<u>3,484,187</u>
(1,238,545)	(955)	(420,120)
-	-	1,500,000
<u>-</u>	<u>-</u>	<u>1,500,000</u>
(1,238,545)	(955)	1,079,880
8,138,998	22,865,060	37,306,001
<u>\$ 6,900,453</u>	<u>\$ 22,864,105</u>	<u>\$ 38,385,881</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECT FUND
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT D-20

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Interest	-	-	88,423	88,423
Miscellaneous	-	-	1,464,411	1,464,411
Total revenues	<u>-</u>	<u>-</u>	<u>2,552,834</u>	<u>2,552,834</u>
EXPENDITURES				
Capital Outlay:				
Drainage flood control	-	2,687,881	1,126,853	1,561,028
Total expenditures	<u>-</u>	<u>2,687,881</u>	<u>1,126,853</u>	<u>1,561,028</u>
Excess (deficiency) of revenues over (under) expenditures	-	(2,687,881)	1,425,981	4,113,862
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,500,000	1,500,000	-
Total other financing sources (uses)	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Net change in fund balance	-	(1,187,881)	2,925,981	4,113,862
Fund balance at beginning of year	3,541,273	3,541,273	3,541,273	-
Fund balance at the end of year	<u>\$ 3,541,273</u>	<u>\$ 2,353,392</u>	<u>\$ 6,467,254</u>	<u>\$ 4,113,862</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECT FUND
2008 BOND SERIES
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT D-21

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 129,015	\$ 129,015
Total revenues	-	-	129,015	129,015
EXPENDITURES				
Capital Outlay:				
Drainage flood control	-	1,795,591	735,616	1,059,975
Total expenditures	-	1,795,591	735,616	1,059,975
Excess (deficiency) of revenues over (under) expenditures	-	(1,795,591)	(606,601)	1,188,990
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(1,795,591)	(606,601)	1,188,990
Fund balance at beginning of year	2,760,670	2,760,670	2,760,670	-
Fund balance at the end of year	<u>\$ 2,760,670</u>	<u>\$ 965,079</u>	<u>\$ 2,154,069</u>	<u>\$ 1,188,990</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECT FUND
2013 BOND SERIES
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT D-22

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Interest	\$ -	\$ -	\$ 382,218	\$ 382,218
Total revenues	-	-	382,218	382,218
EXPENDITURES				
Capital Outlay:				
Drainage flood control	-	7,743,521	1,620,763	6,122,758
Total expenditures	-	7,743,521	1,620,763	6,122,758
Excess (deficiency) of revenues over (under) expenditures	-	(7,743,521)	(1,238,545)	6,504,976
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(7,743,521)	(1,238,545)	6,504,976
Fund balance at beginning of year	8,138,998	8,138,998	8,138,998	-
Fund balance at the end of year	<u>\$ 8,138,998</u>	<u>\$ 395,477</u>	<u>\$ 6,900,453</u>	<u>\$ 6,504,976</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECT FUND
2021 A TAXABLE BOND SERIES - FIF
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT D-23

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Capital Outlay:				
Drainage flood control	<u>-</u>	<u>-</u>	<u>955</u>	<u>(955)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>955</u>	<u>(955)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(955)	(955)
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	(955)	(955)
Fund balance at beginning of year	22,865,060	22,865,060	22,865,060	-
Fund balance at the end of year	<u><u>\$ 22,865,060</u></u>	<u><u>\$ 22,865,060</u></u>	<u><u>\$ 22,864,105</u></u>	<u><u>\$ (955)</u></u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
MAJOR CAPITAL PROJECT FUND
2019 BOND SERIES CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT D-24

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 1,042,452	\$ 1,042,452
Miscellaneous	-	-	55,071	55,071
Total revenues	<u>-</u>	<u>-</u>	<u>1,097,523</u>	<u>1,097,523</u>
EXPENDITURES				
Capital Outlay:				
Drainage flood control	-	23,958,080	13,238,120	10,719,960
Total expenditures	<u>-</u>	<u>23,958,080</u>	<u>13,238,120</u>	<u>10,719,960</u>
Excess (deficiency) of revenues over (under) expenditures	-	(23,958,080)	(12,140,597)	11,817,483
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(23,958,080)	(12,140,597)	11,817,483
Fund balance at beginning of year	25,909,920	25,909,920	25,909,920	-
Fund balance at the end of year	<u>\$ 25,909,920</u>	<u>\$ 1,951,840</u>	<u>\$ 13,769,323</u>	<u>\$ 11,817,483</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
MAJOR CAPITAL PROJECT FUND
2021 BOND SERIES CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT D-25

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Interest	\$ -	\$ -	\$ 1,405,352	\$ 1,405,352
Miscellaneous	-	-	144,986	144,986
Total revenues	<u>-</u>	<u>-</u>	<u>1,550,338</u>	<u>1,550,338</u>
EXPENDITURES				
Capital Outlay:				
Drainage flood control	-	32,789,434	17,128,167	15,661,267
Total expenditures	<u>-</u>	<u>32,789,434</u>	<u>17,128,167</u>	<u>15,661,267</u>
Excess (deficiency) of revenues over (under) expenditures	-	(32,789,434)	(15,577,829)	17,211,605
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(32,789,434)	(15,577,829)	17,211,605
Fund balance at beginning of year	33,337,921	33,337,921	33,337,921	-
Fund balance at the end of year	<u>\$ 33,337,921</u>	<u>\$ 548,487</u>	<u>\$ 17,760,092</u>	<u>\$ 17,211,605</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
MAJOR CAPITAL PROJECT FUND
2021 A TAXABLE BOND SERIES CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

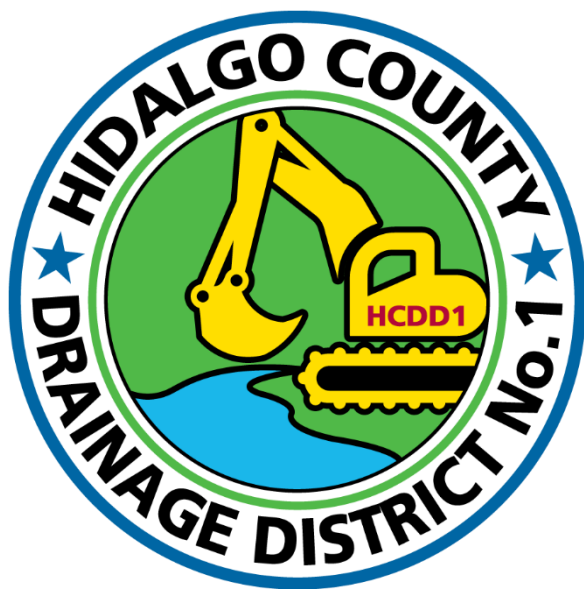
EXHIBIT D-26

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Interest	\$ -	\$ -	\$ 2,406,541	\$ 2,406,541
Total revenues	-	-	2,406,541	2,406,541
EXPENDITURES				
Capital Outlay:				
Drainage flood control	-	48,496,239	744,865	47,751,374
Total expenditures	-	48,496,239	744,865	47,751,374
Excess (deficiency) of revenues over (under) expenditures	-	(48,496,239)	1,661,676	50,157,915
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(48,496,239)	1,661,676	50,157,915
Fund balance at beginning of year	49,862,834	49,862,834	49,862,834	-
Fund balance at the end of year	<u>\$ 49,862,834</u>	<u>\$ 1,366,595</u>	<u>\$ 51,524,510</u>	<u>\$ 50,157,915</u>

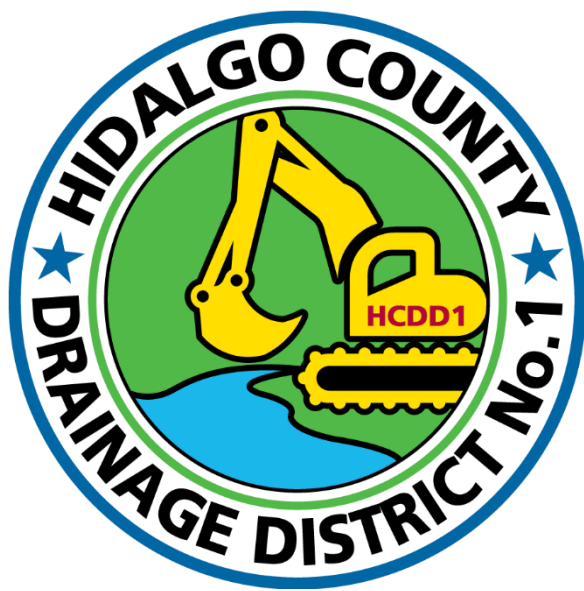
HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
MAJOR CAPITAL PROJECT FUND
2023 BOND SERIES CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT D-27

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 779,797	\$ 779,797
Total revenues	-	-	779,797	779,797
EXPENDITURES				
Current:				
General government	-	-	275,813	(275,813)
Drainage flood control	-	-	6,692	(6,692)
Debt service:				
Fiscal agent fees and issuance cost	-	608,164	607,972	192
Capital Outlay:				
General government	-	-	-	-
Drainage flood control	-	60,000,000	428,627	59,571,373
Total expenditures	-	60,608,164	1,319,104	59,289,060
Excess (deficiency) of revenues over (under) expenditures	-	(60,608,164)	(539,307)	60,068,857
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(471,798)	(471,798)
Bond proceeds	-	60,608,164	59,205,000	(1,403,164)
Premium on bond issued	-	-	1,403,164	1,403,164
Total other financing sources (uses)	-	60,608,164	60,136,366	(471,798)
Net change in fund balance	-	-	59,597,059	59,597,059
Fund balance at beginning of year	-	-	-	-
Fund balance at the end of year	\$ -	\$ -	\$ 59,597,059	\$ 59,597,059



STATISTICAL SECTION
(UNAUDITED)



HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

Statistical Section

December 31, 2023

This section of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health. This information has not been audited by the independent auditor.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District's financial performance changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the service the District provides and the activities it performs.

OTHER INFORMATION

These schedules contain information that although is not required, but is presented to help the reader obtain additional insights into the District's activities and finances.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2023	2022	2021	2020
Governmental activities:				
Net investment in capital assets	\$ 199,558,798	\$ 167,416,519	\$ 143,866,282	\$ 135,237,940
Restricted for:				
Special revenue				
Legislative (1)	-	-	-	-
Grants (1)	1,236,500	-	1,254	-
Debt service	18,841,607	18,058,630	18,842,644	11,346,900
Capital projects	-	-	-	-
Unrestricted	7,888,041	1,639,393	(7,583,293)	(14,249,375)
Subtotal governmental activities net position	\$ 227,524,946	\$ 187,114,542	\$ 155,126,887	\$ 132,335,465
% change from prior year	21.6%	20.6%	17.2%	13.0%
Business-type activities:				
Net investment in capital	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Enterprise - bond covenant	-	-	-	-
Unrestricted	-	-	-	-
Subtotal business-type activities net position	\$ -	\$ -	\$ -	\$ -
% change from prior year	0.0%	0.0%	0.0%	0.0%
Primary government:				
Net investment in capital assets	\$ 199,558,798	\$ 167,416,519	\$ 143,866,282	\$ 135,237,940
Restricted for:				
Special revenue				
Legislative (1)	-	-	-	-
Grants (1)	1,236,500	-	1,254	-
Debt service	18,841,607	18,058,630	18,842,644	11,346,900
Capital projects	-	-	-	-
Unrestricted	7,888,041	1,639,393	(7,583,293)	(14,249,375)
Total primary government net position (2)	\$ 227,524,946	\$ 187,114,542	\$ 155,126,887	\$ 132,335,465
% change from prior year	21.6%	20.6%	17.2%	13.0%

(1) Beginning in 2009, Restricted for Special Revenue was further categorized.

(2) See Exhibit E-2 for changes in net position from year to year.

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 122,823,880	\$ 113,921,907	\$ 113,245,221	\$ 110,770,579	\$ 97,975,178	\$ 91,597,072
-	-	-	-	-	-
-	-	-	2,054	426	-
11,648,315	9,400,427	9,205,175	4,627,610	10,090,911	5,204,351
-	-	-	-	-	-
(17,339,057)	(23,093,462)	(38,274,625)	(43,000,052)	(46,575,802)	(51,538,613)
<u>\$ 117,133,138</u>	<u>\$ 100,228,872</u>	<u>\$ 84,175,771</u>	<u>\$ 72,400,191</u>	<u>\$ 61,490,713</u>	<u>\$ 45,262,810</u>
16.9%	19.1%	16.3%	17.7%	35.9%	23.8%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$ 122,823,880	\$ 113,921,907	\$ 113,245,221	\$ 110,770,579	\$ 97,975,178	\$ 91,597,072
-	-	-	-	-	-
-	-	-	2,054	426	-
11,648,315	9,400,427	9,205,175	4,627,610	10,090,911	5,204,351
(17,339,057)	(23,093,462)	(38,274,625)	(43,000,052)	(46,575,802)	(51,538,613)
<u>\$ 117,133,138</u>	<u>\$ 100,228,872</u>	<u>\$ 84,175,771</u>	<u>\$ 72,400,191</u>	<u>\$ 61,490,713</u>	<u>\$ 45,262,810</u>
16.9%	19.1%	16.3%	17.7%	35.9%	23.8%

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2023	2022	2021	2020
Expenses				
<i>Governmental activities:</i>				
General government	\$ 3,475,477	\$ 5,227,737	\$ 4,611,785	\$ 4,320,518
Drainage flood control	23,919,428	18,009,707	17,466,813	15,610,610
Interest on long-term debt	7,978,976	7,088,079	6,966,417	5,953,631
Gain (loss) on sale of capital assets	-	-	-	-
Total governmental activities expenses	35,373,881	30,325,523	29,045,015	25,884,759
<i>Business-type activities:</i>				
Total business-type activities expenses	-	-	-	-
Total primary government expenses	35,373,881	30,325,523	29,045,015	25,884,759
Program revenues				
<i>Governmental activities:</i>				
Charges for services	316,780	245,254	100,692	99,380
Operating grants and contributions	5,505,282	2,916,223	1,368,045	-
Capital grants and contributions	1,000,000	3,010,766	-	-
Total governmental activities program revenues	6,822,062	6,172,243	1,468,737	99,380
<i>Business-type activities:</i>				
Total business-type activities program revenues	-	-	-	-
Total primary government program revenues	6,822,062	6,172,243	1,468,737	99,380
Net (expenses) revenues				
<i>Governmental activities</i>	(28,551,819)	(24,153,280)	(27,576,278)	(25,785,379)
<i>Business-type activities</i>	-	-	-	-
Total primary government net expenses	\$ (28,551,819)	\$ (24,153,280)	\$ (27,576,278)	\$ (25,785,379)

(1) See Exhibit E-1 for ending net position balances for reported years.

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 3,744,042	\$ 2,693,067	\$ 6,582,295	\$ 5,940,806	\$ 2,867,683	\$ 2,453,673
16,576,753	15,398,590	8,201,939	10,816,262	9,228,802	8,824,915
4,736,406	4,120,104	5,940,055	5,068,698	6,609,352	8,228,021
25,057,201	22,211,761	20,724,289	21,825,766	18,705,837	19,506,609
-	-	-	-	-	-
25,057,201	22,211,761	20,724,289	21,825,766	18,705,837	19,506,609
81,091	60,693	61,000	57,607	61,590	48,000
2,090,667	4,673,566	571,191	-	5,599,008	-
-	-	-	-	-	-
2,171,758	4,734,259	632,191	57,607	5,660,598	48,000
-	-	-	-	-	-
2,171,758	4,734,259	632,191	57,607	5,660,598	48,000
(22,885,443)	(17,477,502)	(20,092,098)	(21,768,159)	(13,045,239)	(19,458,609)
-	-	-	-	-	-
\$ (22,885,443)	\$ (17,477,502)	\$ (20,092,098)	\$ (21,768,159)	\$ (13,045,239)	\$ (19,458,609)

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2023	2022	2021	2020
General Revenues and Other Changes in Net Position				
<i>Governmental activities:</i>				
Taxes:				
Property taxes	\$ 54,608,296	\$ 51,139,480	\$ 48,776,231	\$ 38,720,572
Interest earnings	9,001,257	2,694,371	396,990	1,178,603
Penalty and Interest	1,106,951	1,130,728	995,881	876,768
Miscellaneous	4,440,503	1,176,356	215,283	196,664
Other	-	-	-	-
Gain (loss) on sale of capital assets	282,387	-	(16,685)	15,099
Transfers	-	-	-	-
Total governmental activities	69,439,394	56,140,935	50,367,700	40,987,706
<i>Business-type activities:</i>				
Total business-type activities	-	-	-	-
Total primary government	69,439,394	56,140,935	50,367,700	40,987,706
Change in net position				
<i>Governmental activities</i>	40,887,574	31,987,655	22,791,422	15,202,327
<i>Business-type activities</i>	-	-	-	-
Total primary government (1)	\$ 40,887,574	\$ 31,987,655	\$ 22,791,422	\$ 15,202,327

(1) See Exhibit E-1 for ending net position balances for reported years.

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 35,225,673	\$ 32,353,117	\$ 30,504,959	\$ 28,757,262	\$ 27,956,826	\$ 25,725,175
2,427,546	1,220,266	778,435	491,532	277,365	199,126
836,274	814,826	761,869	767,511	795,286	769,180
1,194,933	77,450	131,728	-	-	-
-	-	(309,313)	1,564,336	768,736	-
105,283	5,866	-	(7,421)	-	30,046
-	-	-	-	-	1,024,261
39,789,709	34,471,525	31,867,678	31,573,220	29,798,213	27,747,788
-	-	-	-	-	-
39,789,709	34,471,525	31,867,678	31,573,220	29,798,213	27,747,788
16,904,266	16,994,023	11,775,580	9,805,061	16,752,974	8,289,179
-	-	-	-	-	-
\$ 16,904,266	\$ 16,994,023	\$ 11,775,580	\$ 9,805,061	\$ 16,752,974	\$ 8,289,179

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2023	2022	2021	2020
General fund:				
Nonspendable:				
Prepays	\$ 1,000	\$ 1,000	\$ 5,681	\$ 1,000
Assigned:				
Designated for Raymondville Drain	6,171,701	2,354,793	1,262,504	1,162,504
Unassigned:	21,978,143	22,081,634	18,476,750	17,757,667
Total general fund	\$ 28,150,844	\$ 24,437,427	\$ 19,744,935	\$ 18,921,171
% change from prior year	15.2%	23.8%	4.4%	-9.5%
Other governmental funds:				
Restricted:				
Special revenue	1,236,500	-	1,254.00	-
Drainage improvement projects	181,036,865	146,416,676	170,964,943	88,798,284
Debt service reserve	4,607,650	4,243,166	3,915,053	3,505,450
Committed for:				
TWDB	-	-	-	-
Unassigned:				
Capital projects funds	-	-	-	-
Total other governmental funds	186,881,015	150,659,842	174,881,250	92,303,734
Total governmental funds	\$ 215,031,859	\$ 175,097,269	\$ 194,626,185	\$ 111,224,905
% change from prior year	22.8%	-10.0%	75.0%	-15.4%

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 14,236	\$ 1,100	\$ 958	\$ 10,224	\$ 192	\$ -
1,446,923	1,349,911	1,415,469	1,694,524	-	-
19,449,540	16,577,711	20,209,159	19,316,844	21,850,044	16,769,038
\$ 20,910,699	\$ 17,928,722	\$ 21,625,586	\$ 21,021,592	\$ 21,850,236	\$ 16,769,038
16.6%	-17.1%	2.9%	-3.8%	30.3%	15.1%
-	-	-	-	-	-
106,833,806	33,240,955	38,082,540	43,531,469	50,697,425	59,723,822
3,650,183	3,253,041	3,185,459	3,264,751	2,461,315	2,116,581
-	-	-	2,054	-	-
-	-	-	-	-	-
110,483,989	36,493,996	41,267,999	46,798,274	53,158,740	61,840,403
\$ 131,394,688	\$ 54,422,718	\$ 62,893,585	\$ 67,819,866	\$ 75,008,976	\$ 78,609,441
141.4%	-13.5%	-7.3%	-9.6%	-4.6%	-12.7%

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS****LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

	Fiscal Year			
	2023	2022	2021	2020
Revenues				
Taxes	\$ 55,827,172	\$ 53,917,869	\$ 40,861,852	\$ 38,821,822
Operating grants and contributions	-	-	-	-
Charges for services	316,780	245,254	100,692	99,380
Interest	9,001,257	2,694,371	396,990	1,178,603
Intergovernmental	6,505,282	5,926,989	1,368,045	-
Miscellaneous	4,440,503	1,176,356	215,283	196,664
Total revenues	\$ 76,090,994	\$ 63,960,839	\$ 42,942,862	\$ 40,296,469
% change from prior year	19.0%	48.9%	6.6%	2.0%
Expenditures				
Current:				
General government	3,571,569	5,175,442	4,611,785	4,320,519
Drainage flood control	15,570,307	13,397,599	12,465,329	10,336,862
Debt service:				
Principal	23,773,000	22,393,000	13,020,000	13,399,023
SBITA Principal	96,093	-	-	-
Interest and fiscal charges	8,995,215	8,765,140	7,435,313	8,307,957
Bond issuance costs	-	5,450	963,488	-
Advance refunding escrow	-	-	-	-
Capital outlay	45,195,518	34,053,748	28,873,344	24,134,995
Intergovernmental	-	-	-	-
Total expenditures	97,201,702	83,790,379	67,369,259	60,499,356
% change from prior year	16.0%	24.4%	11.4%	20.6%
Excess (deficiency) of revenues over (under) expenditures	(21,110,708)	(19,829,540)	(24,426,397)	(20,202,887)
Other financing sources (uses)				
Transfers in	3,317,087	409,334	1,660,000	3,143,569
Transfers out	(3,317,087)	(409,334)	(1,660,000)	(3,143,569)
Premium (discount) on bonds issued	1,403,164	-	5,282,194	-
Payment to refunded bond escrow agent	-	-	-	-
Bonds issued	59,205,000	-	102,349,000	-
Refunding bonds issued	-	-	-	-
Refunding escrow deposit	-	-	-	-
Long-term notes issued	-	-	-	-
Sale of capital assets	437,134	300,624	196,483	33,104
Total other financing sources (uses)	61,045,298	300,624	107,827,677	33,104
Net change in fund balances	\$ 39,934,590	\$ (19,528,916)	\$ 83,401,280	\$ (20,169,783)
Capital outlay	42,771,713	33,700,831	28,660,175	23,614,387
Debt service as a percentage of non-capital expenditures	63.2%	62.6%	53.1%	59.7%

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 33,706,942	\$ 32,322,210	\$ 30,614,346	\$ 29,109,043	\$ 27,663,950	\$ 26,524,982
-	4,500,000	-	-	5,599,008	-
81,091	60,693	61,000	57,607	61,590	48,000
2,427,546	1,220,266	778,436	491,530	276,687	200,699
2,090,667	173,566	571,191	204,710	-	-
1,194,933	77,450	131,728	321,257	768,736	-
\$ 39,501,179	\$ 38,354,185	\$ 32,156,701	\$ 30,184,147	\$ 34,369,971	\$ 26,773,681
3.0%	19.3%	6.5%	-12.2%	28.4%	25.8%
2,929,980	2,593,065	2,772,624	2,493,024	2,105,618	1,859,694
11,734,756	11,044,060	11,057,559	14,800,681	12,671,056	8,830,535
10,145,178	9,704,513	8,809,365	7,770,774	7,391,180	5,775,027
-	-	-	-	-	-
5,120,048	5,463,045	5,940,355	5,068,697	6,608,672	8,229,593
814,062	100,000	61,521	666,846	-	148,741
-	373,680	249,917	1,350,683	-	-
19,427,379	17,684,993	8,464,605	7,336,409	9,193,910	13,983,431
-	-	-	-	-	-
50,171,403	46,963,356	37,355,946	39,487,114	37,970,436	38,827,021
6.8%	25.7%	-5.4%	4.0%	-2.2%	-5.3%
(10,670,224)	(8,609,171)	(5,199,245)	(9,302,967)	(3,600,465)	(12,053,340)
250,000	2,225,000	6,509,939	683,630	145,959	1,062,373
(250,000)	(2,225,000)	(6,509,939)	(683,630)	(145,959)	(1,062,373)
10,172,204	-	56,605	10,402,222	-	988,117
-	-	(1,955,083)	-	-	-
73,845,000	-	-	-	-	7,810,000
-	6,095,000	1,960,000	52,625,000	-	-
-	(5,995,000)	-	(62,360,377)	-	(8,649,377)
3,320,000	-	-	1,243,079	-	406,980
304,990	38,304	211,442	203,933	-	47,997
87,642,194	138,304	272,964	2,113,857	-	603,717
\$ 76,971,970	\$ (8,470,867)	\$ (4,926,281)	\$ (7,189,110)	\$ (3,600,465)	\$ (11,449,623)
19,427,379	17,717,690	9,672,553	9,075,516	13,871,409	14,351,412
49.7%	51.8%	52.1%	46.2%	48.7%	57.0%

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**EXHIBIT E-5****ASSESSED VALUE AND MARKET VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Roll Year	Real and Personal Property (1)	Less: Tax Exempt Property	Total Assessed Value (2)	Total Direct Tax Rate	Market Value	Assessed Value as a % of Market Value
2014	2013	\$ 27,122,349,160	\$ 4,537,832,865	\$ 31,660,182,025	0.0957	\$ 34,311,538,180	92.27%
2015	2014	27,797,044,065	4,696,248,349	32,493,292,414	0.0957	35,223,180,090	92.25%
2016	2015	29,894,876,293	4,953,993,579	34,848,869,872	0.0951	37,931,888,917	91.87%
2017	2016	31,757,653,439	5,152,572,150	36,910,225,589	0.0951	39,953,840,743	92.38%
2018	2017	33,025,123,406	5,498,083,420	38,523,206,826	0.0951	41,503,168,083	92.82%
2019	2018	34,732,762,896	5,911,214,122	40,643,977,018	0.0951	43,951,582,942	92.47%
2020	2019	36,453,447,769	6,208,650,091	42,662,097,860	0.0951	46,067,775,118	92.61%
2021	2020	38,339,577,535	6,322,853,097	44,662,430,632	0.1051	48,261,660,729	92.54%
2022	2021	41,104,192,204	6,529,246,696	47,633,438,900	0.1026	51,672,387,733	92.18%
2023	2022	46,399,550,026	6,926,195,055	53,325,745,081	0.1264	58,472,472,130	91.20%

(1) Includes minerals.

(2) Recalculated for Tax Roll Years 2014-2023.

Source: Hidalgo County Tax Office Levy Rolls

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
MARKET, ASSESSED, AND TAXABLE VALUATIONS
LAST TEN FISCAL YEARS

EXHIBIT E-6

Fiscal Year	Tax Roll Year	Market Valuation	Assessed Valuation	Taxable Valuation
2014	2013	\$ 34,311,538,180	\$ 31,660,182,025	\$ 27,122,349,160
2015	2014	35,223,180,090	32,493,292,414	27,797,044,065
2016	2015	37,931,888,917	34,848,869,872	29,894,876,293
2017	2016	39,953,840,743	36,910,225,589	31,757,653,439
2018	2017	41,503,168,083	38,523,206,826	33,025,123,406
2019	2018	43,951,852,942	40,643,977,018	34,732,762,896
2020	2019	46,067,775,118	42,662,097,860	36,453,447,769
2021	2020	48,261,660,729	44,662,430,632	38,339,577,535
2022	2021	51,672,387,733	47,633,438,900	41,104,192,204
2023	2022	58,472,472,130	53,325,745,081	46,399,550,026

Source: Hidalgo County Tax Office Levy Rolls

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
PROPERTY TAX RATES (1)
LAST TEN FISCAL YEARS

EXHIBIT E-7

	Fiscal Year:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	Tax Roll Year:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Hidalgo County Drainage District No. 1											
Operating:											
General Fund		0.0500	0.0528	0.0545	0.0524	0.0521	0.0502	0.0496	0.0481	0.0466	0.0449
Total Operating		0.0500	0.0528	0.0545	0.0524	0.0521	0.0502	0.0496	0.0481	0.0466	0.0449
Debt Service:											
Unlimited Tax Improvement Bonds, Series 2007		-	-	-	-	-	-	-	0.0074	0.0491	0.0081
Unlimited Tax Improvement Bonds, Series 2008		-	-	-	-	-	0.0113	0.0119	0.0200	-	0.0220
Unlimited Tax Improvement Bonds, Series 2013		0.0115	0.0128	0.0137	0.0144	0.0095	0.0165	0.0176	0.0186	-	0.0208
Unlimited Tax Refunding Bonds, Series 2014		0.0006	0.0007	0.0008	0.0008	0.0009	0.0009	0.0009	0.0010	-	-
Unlimited Tax Refunding Bonds, Series 2016		0.0151	0.0169	0.0184	0.0193	0.0206	0.0101	0.0151	-	-	-
Unlimited Tax Refunding Bonds, Series 2018		-	-	-	0.0057	0.0120	0.0061	-	-	-	-
Unlimited Tax Improvement Bonds, Series 2019		0.0125	0.0140	0.0152	0.0125	-	-	-	-	-	-
Unlimited Tax Improvement Bonds, Series 2021 (TWDB FIF Loan)		0.0016	0.0018	-	-	-	-	-	-	-	-
Unlimited Tax Improvement Bonds, Series 2021		0.0038	0.0042	-	-	-	-	-	-	-	-
Unlimited Tax Improvement Bonds, Taxable Series 2021A		0.0228	0.0232	-	-	-	-	-	-	-	-
Notes Payable		-	-	-	-	-	-	-	-	-	-
Total Debt Service		0.0679	0.0736	0.0481	0.0527	0.0430	0.0449	0.0455	0.0470	0.0491	0.0509
Total Hidalgo County Drainage District No. 1		0.1179	0.1264	0.1026	0.1051	0.0951	0.0951	0.0951	0.0951	0.0957	0.0958
Hidalgo County Drainage District No. 1											
Operating		0.0500	0.0528	0.0545	0.0524	0.0521	0.0502	0.0496	0.0481	0.0466	0.0449
Debt Service		0.0679	0.0736	0.0481	0.0527	0.0430	0.0449	0.0455	0.0470	0.0491	0.0509
Total Hidalgo County Drainage District No. 1		0.1179	0.1264	0.1026	0.1051	0.0951	0.0951	0.0951	0.0951	0.0957	0.0958

(1) These property tax rates are expressed in dollars per \$100 assessed valuation.

Source: Hidalgo County Drainage District No. 1 Tax Rolls

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
EXHIBIT E-8
PROPERTY TAX RATES (1)
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	Fiscal Year:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	Tax Roll Year:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Hidalgo County		0.5750	0.5750	0.5750	0.5800	0.5800	0.5800	0.5900	0.5900	0.5900	0.5900
Drainage District No. 1		0.1179	0.1264	0.1026	0.1051	0.0951	0.0951	0.0951	0.0951	0.0957	0.0957
EMS District No. 1		0.0192	0.0195	0.0196	0.0200	0.0194	0.0176	0.0200	0.0185	0.0165	0.0154
EMS District No. 2		0.0347	0.0347	0.0352	0.0360	0.0360	0.0380	0.0380	0.0361	0.0361	0.0361
EMS District No. 3		0.0177	0.0197	0.0227	0.0245	0.0257	0.0285	0.0300	0.0300	0.0300	0.0300
EMS District No. 4		0.0241	0.0246	0.0246	0.0253	0.0252	0.0254	0.0272	0.0027	0.0272	0.0267
Red Sands GWC District		0.1528	0.1528	0.1528	0.1528	0.1528	0.1690	0.1690	0.1690	0.1690	0.1690
City of Alamo		0.5817	0.5817	0.5817	0.5817	0.5817	0.5565	0.5810	0.5881	0.5990	-
City of Alton		0.4367	0.4367	0.4367	0.4440	0.4440	0.4440	0.4490	0.4540	0.4591	0.4624
City of Donna		0.7479	0.7785	0.7889	0.7889	0.7989	0.7989	0.8800	0.9828	1.1424	1.2523
City of Edcouch		0.8456	0.8456	0.9152	0.9654	0.9687	0.9154	0.9286	0.9286	0.9286	0.9705
City of Edinburg		0.6400	0.6800	0.6800	0.6800	0.6350	0.6350	0.6350	0.6350	0.6350	0.6350
City of Elsa		0.7961	0.8237	0.8832	0.8832	0.8822	0.9018	0.9177	0.8566	0.9867	0.9916
City of Granjeno		0.4342	0.4342	0.4448	0.4607	0.4607	0.4469	0.4419	0.4251	0.4230	0.4253
City of Hidalgo		0.3514	0.3514	0.3514	0.3514	0.3514	0.3514	0.3514	0.3514	0.3514	0.3514
City of La Joya		0.5898	0.5898	0.5898	0.5904	0.5668	0.5251	0.5394	0.5435	0.5700	0.5678
City of La Villa		0.7929	0.7929	0.7929	0.7929	0.7836	0.7836	0.7836	0.7836	0.7836	0.7836
City of McAllen		0.4799	0.4956	0.4956	0.4957	0.4792	0.4763	0.4763	0.4763	0.4763	0.4313
City of Mercedes		0.7750	0.7750	0.7450	0.7450	0.7450	0.7450	0.7450	0.7551	0.7600	0.7750
City of Mission		0.5299	0.5299	0.5299	0.5212	0.4862	0.4862	0.4962	0.4988	0.5188	0.5288
City of Palmview		0.5346	0.5001	0.4901	0.5001	0.5001	0.5001	0.4751	0.4751	0.4790	0.4665
City of Peñitas		0.5562	0.5562	0.5562	0.5562	0.5562	0.5562	0.5060	0.5060	0.4595	0.4345
City of Pharr		0.7176	0.7176	0.7176	0.7176	0.6490	0.6490	0.6540	0.6540	0.6800	0.6800
City of Progreso		0.7636	0.8291	0.8429	0.8429	0.8129	0.7840	0.7961	0.8061	0.7930	0.8126
City of San Juan		0.6765	0.6876	0.6926	0.6993	0.6993	0.6993	0.6993	0.6993	0.6993	0.7386
City of Sullivan		0.5000	0.4838	0.4838	0.5000	0.5000	0.5000	0.4606	0.4668	0.4478	0.4160
City of Weslaco		0.6967	0.6967	0.6967	0.6967	0.6667	0.6667	0.6667	0.6767	0.6767	0.6867
Donna ISD		1.1199	1.1199	1.1304	1.2267	1.2582	1.2582	1.2582	1.2582	1.2582	1.2582
Edcouch-Elsa ISD		1.2175	1.2175	1.2580	1.2580	1.2580	1.2580	1.2580	1.2580	1.2580	1.2580
Edinburg CISD		1.0604	1.1057	1.1382	1.1382	1.2398	1.2398	1.2398	1.2398	1.2398	1.2398
Hidalgo ISD		1.2321	1.2765	1.2765	1.2963	1.4700	1.4700	1.4900	1.5300	1.5300	1.5564
La Joya ISD		1.2700	1.2662	1.3110	1.3110	1.3110	1.3110	1.3110	1.3110	1.3110	1.3110
La Villa ISD		1.4477	1.4477	1.4838	1.4838	1.4838	1.3038	1.3038	1.3038	1.3038	1.3038
McAllen ISD		1.0964	1.1370	1.1386	1.1528	1.1550	1.1550	1.1550	1.1550	1.1650	1.1650
Mercedes ISD		1.3450	1.3520	1.3519	1.2784	1.3800	1.3800	1.3800	1.3800	1.3800	1.2900
Mission CISD		1.1130	1.1332	1.1993	1.2396	1.3398	1.3502	1.3582	1.3720	1.3300	1.3000
Monte Alto ISD		1.1946	1.2234	1.2380	1.3500	1.3500	1.3500	1.3500	1.3500	1.3500	1.3500
Pharr-San Juan-Alamo ISD		1.1837	1.2167	1.2675	1.2725	1.3792	1.3892	1.3992	1.3992	1.3592	1.3592
Progreso ISD		1.3299	1.2600	1.2600	1.3200	1.3900	1.3900	1.3900	1.3700	1.3700	1.3275
Sharyland ISD		1.1234	1.1593	1.2808	1.2987	1.3755	1.3755	1.3755	1.3355	1.3350	1.2855
South Texas College		0.1615	0.1715	0.1718	0.1733	0.1780	0.1850	0.1850	0.1850	0.1850	0.1500
South Texas ISD		0.0492	0.0492	0.0492	0.0492	0.0492	0.0492	0.0492	0.0492	0.0492	0.0492
Valley View ISD		1.2453	1.2770	1.2770	1.2770	1.2770	1.2770	1.2770	1.2770	1.2770	1.2770
Weslaco ISD		0.9593	0.9807	1.0189	1.0687	1.1597	1.1597	1.1397	1.1397	1.1397	1.1397
Delta Lake Irrigation		-	-	-	-	-	-	-	-	-	-
Donna Irrigation District No. 1		-	-	-	-	-	-	-	-	-	-
Engleman Water District #6		-	-	-	-	-	-	-	-	-	-

(1) These property tax rates are expressed in dollars per \$100 assessed valuation.

Source: Hidalgo County Tax Office

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

EXHIBIT E-9

Fiscal Year: 2023 Tax Roll Year: 2022					2014 2013				
Taxpayer	Taxable Value (1)	Rank	Tax as a % of Total Levy (2)	Tax (3)	Taxable Value	Rank	Tax as a % of Total Levy (2)*	Tax (3)*	
AEP Texas Central Co (CP&L)	\$ 473,169,970	1	1.02%	\$ 557,867	\$ 194,229,560	1	0.72%	\$ 185,878	
Simon Property Group-McAllen No 2	156,416,994	2	0.34%	\$ 184,416	61,802,878	5	0.23%	59,145	
Electric Transmission of Texas	111,445,210	3	0.24%	\$ 131,394	59,259,989	6	0.22%	56,712	
CPG Mercedes LP	107,664,650	4	0.23%	\$ 126,937					
H E Butt Grocery Company	105,395,590	5	0.23%	\$ 124,261	99,587,906	2	0.37%	95,306	
Big Sky Commercial Property	63,828,610	6	0.14%	\$ 75,254					
Day Surgery at Renaissance LLC	55,447,346	7	0.12%	\$ 65,372					
Wal-Mart Real Estate Business TR	52,108,042	8	0.11%	\$ 61,435					
Day Surgery at Renaissance LLC	51,407,006	9	0.11%	\$ 60,609					
Day Surgery at Renaissance	52,090,941	10	0.11%	\$ 61,415					
Rio Grande Regional Hospital					56,328,437	9	0.21%	53,906	
Wal-Mart Stores Texas LLC					59,113,381	7	0.22%	56,572	
Universal Health Services					52,246,584	10	0.19%	50,000	
Frontera Generation LTD Partnership					63,178,400	4	0.23%	60,462	
Calpine Const Fin (Magic VY GN)					64,184,330	3	0.24%	61,424	
Sharyland Utilities LP					56,941,250	8	0.21%	54,493	
Total	\$ 1,228,974,359		2.65%	\$ 1,448,960	\$ 766,872,715		2.84%	\$ 733,898	

(1) Appraisal District certified values for Fiscal Year 2023 and Tax Roll Year 2022.

(2) Total tax levy is: \$ 54,854,200 \$ 25,985,269

(3) Tax rate is: \$ 0.1179 \$ 0.0957

Source: Hidalgo County Appraisal District and 2014 Hidalgo County Annual Financial Report

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
PROPERTY TAX LEVY AND
RESERVE FOR UNCOLLECTIBLE TAXES
FISCAL YEAR 2023

EXHIBIT E-10

	Tax Levy (1)	Reserved For Uncollectible Taxes	Current Tax Levy Net of Uncollectible Amount
Hidalgo County Drainage District No. 1			
Operating:			
General Fund	\$ 23,263,020	\$ 111,253	\$ 23,374,273
Total Operating	23,263,020	111,253	23,374,273
Debt Service:			
Total Debt Service	31,591,181	164,220	31,755,401
Total Hidalgo County Drainage District No. 1	\$ 54,854,201	\$ 275,473	\$ 55,129,674

(1) Hidalgo County Tax Assessor & Collector 2023 Tax Roll
Source: District Financial Statements

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

PROPERTY TAX LEVIES

LAST TEN FISCAL YEARS

	Fiscal Year:	2023	2022	2021	2020
	Tax Roll Year:	2022	2021	2020	2019
Hidalgo County Drainage District No. 1					
Operating:					
General Fund	\$	23,263,020	\$ 21,726,120	\$ 20,921,462	\$ 19,124,661
Total Operating		23,263,020	21,726,120	20,921,462	19,124,661
Debt Service:					
Debt Service		31,591,181	30,284,895	18,464,630	19,234,152
Total Debt Service		31,591,181	30,284,895	18,464,630	19,234,152
Total Hidalgo County Drainage District No. 1	\$	54,854,201	\$ 52,011,015	\$ 39,386,092	\$ 38,358,813

Source: Hidalgo County Tax Office

EXHIBIT E-11

2019 2018	2018 2017	2017 2016	2016 2015	2015 2014	2014 2013
\$ 18,113,366	\$ 16,928,721	\$ 15,767,873	\$ 14,393,611	\$ 12,968,506	\$ 12,191,627
18,113,366	16,928,721	15,767,873	14,393,611	12,968,506	12,191,627
14,949,612	14,881,620	14,464,481	14,064,444	13,664,242	13,793,644
14,949,612	14,881,620	14,464,481	14,064,444	13,664,242	13,793,644
\$ 33,062,978	\$ 31,810,341	\$ 30,232,354	\$ 28,458,055	\$ 26,632,748	\$ 25,985,271

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
DELINQUENT TAXES RECEIVABLE
NET OF UNCOLLECTIBLES (INCLUDING ROLLBACK TAXES)
LAST TEN FISCAL YEARS

Fiscal Year:	2023	2022	2021	2020	2019	2018
Tax Roll Year:	2022	2021	2020	2019	2018	2017

Drainage District No. 1												
Operating	\$	789,865	\$	360,455	\$	236,711	\$	174,331	\$	128,158	\$	103,876
Debt Service		1,072,585		502,498		208,904		175,309		114,612		95,272
Total Drainage District No. 1	\$	1,862,450	\$	862,953	\$	445,615	\$	349,640	\$	242,770	\$	199,148

Source: Hidalgo County Delinquent Tax Roll as of December 31, 2023

EXHIBIT E-12

2017 2016	2016 2015	2015 2014	2014 2013	Not Barred By Limitation	Reserve for Loss on Collections	Net Property Taxes Receivable
\$ 94,364	\$ 81,001	\$ 65,927	\$ 57,134	\$ 2,209,103	\$ (1,065,059)	\$ 1,144,044
86,548	79,147	69,475	64,636	2,999,817	(1,220,592)	1,779,225
<u>\$ 180,912</u>	<u>\$ 160,148</u>	<u>\$ 135,402</u>	<u>\$ 121,770</u>	<u>\$ 5,208,920</u>	<u>\$ (2,285,651)</u>	<u>\$ 2,923,269</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	Taxable Value	Tax Rate	Late Productivity Penalties	Original Tax Levy	Tax Roll Modifications (3)	Adjusted Tax Levy
2014	2013	\$ 27,122,349,160	0.0957	2	\$ 25,985,271	\$ 39,031	\$ 26,024,302
2015	2014	27,797,044,065	0.0957	-	26,632,748	348,576	26,981,324
2016	2015	29,894,876,293	0.0951	-	28,458,055	100,213	28,558,268
2017	2016	31,757,653,435	0.0951	-	30,232,354	(128,491)	30,103,863
2018	2017	33,274,220,252	0.0951	-	31,437,136	206,648	31,643,784
2019	2018	34,732,762,896	0.0951	-	33,062,978	(17,332)	33,045,646
2020	2019	36,453,447,769	0.1051	-	38,358,814	35,432	38,394,246
2021	2020	38,339,577,535	0.1026	-	39,386,092	391,393	39,777,485
2022	2021	41,104,192,204	0.1264	-	52,011,015	1,139,602	53,150,617
2023	2022	46,399,550,026	0.1179	-	54,854,201	426,764	55,280,965

(1) Taxes collected for the year are allocated between current and delinquent. Taxes recognized as revenues during the current year include taxes collected in advance during the period October through December of the previous year and those taxes collected from January through December for the current year.

(2) Excludes rollback taxes

Source: Hidalgo County Tax Office Collection Reports.

(3) Tax Roll Modifications were updated to reflect correct amount.

EXHIBIT E-13

Current Tax Collections	Percent of Adjusted Tax Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Ratio of Total Tax Collections to Adjusted Tax Levy	Outstanding Delinquent Taxes (2)	Ratio of Delinquent Taxes to Adjusted Tax Levy
\$ 24,895,631	95.95%	\$ 715,914	\$ 25,611,545	98.71%	\$ 251,263	0.97%
25,907,301	96.21%	591,078	26,498,379	98.41%	325,505	1.21%
27,407,235	96.13%	449,461	27,856,696	97.71%	442,385	1.55%
28,908,857	96.12%	490,751	29,399,608	97.75%	658,219	2.19%
30,450,951	96.23%	1,056,432	31,507,383	99.57%	1,144,623	3.62%
31,815,307	96.28%	1,055,361	32,870,668	99.47%	1,203,592	3.64%
37,005,718	96.38%	939,336	37,945,054	98.83%	1,353,198	3.52%
38,560,878	96.94%	1,305,089	39,865,967	100.22%	1,171,729	2.95%
51,529,940	96.95%	1,257,202	52,787,142	99.32%	1,568,006	2.95%
53,369,392	96.54%	1,350,827	54,720,219	98.99%	1,850,438	3.35%

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
ROLLBACK TAXES AND COLLECTIONS
LAST TEN FISCAL YEARS

EXHIBIT E-14

Fiscal Year (1)	Tax Roll Year	Beginning Rollback Taxes Receivable	Tax Roll Modifications (2)	Adjusted Rollback Taxes Receivable	Rollback Taxes Collected	Ending Rollback Taxes Receivable	Percent of Total Rollback Taxes Collected
2014	2013	\$ 38,119	\$ 65,602	\$ 103,721	\$ 54,215	\$ 49,506	52.27%
2015	2014	49,506	61,103	110,609	59,594	51,015	53.88%
2016	2015	51,016	76,025	127,041	101,790	25,251	80.12%
2017	2016	25,251	163,826	189,077	88,304	100,773	46.70%
2018	2017	100,773	46,758	147,531	104,310	43,221	70.70%
2019	2018	43,221	101,613	144,834	103,938	40,896	71.76%
2020	2019	40,895	61,333	102,228	59,011	43,217	57.72%
2021	2020	43,217	84,385	127,602	85,526	42,076	67.03%
2022	2021	42,077	90,405	132,482	89,235	43,247	67.36%
2023	2022	43,247	195,370	238,617	186,198	52,419	78.03%

(1) As of January 1 of each year.

(2) All rollback taxes added to the tax roll are entered as tax modifications.

Source: Hidalgo County Tax Office Collection Reports.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**EXHIBIT E-15****RATIO OF OUTSTANDING DEBT BY TYPE****LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activity			Total Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds(2)	Special District Bonds	Term Loans			
2014	\$ 164,486,388	\$ -	\$ 261,953	\$ 164,748,341	0.83%	198
2015	156,040,650	-	125,774	156,166,424	0.75%	185
2016	151,437,587	-	993,079	152,430,666	0.72%	179
2017	140,475,996	-	793,714	141,269,710	0.64%	164
2018	128,714,171	-	584,201	129,298,372	0.94%	149
2019	200,330,095	-	3,684,023	204,014,118	0.89%	235
2020	186,098,274	-	1,660,000	187,758,274	0.79%	215
2021	279,744,255	-	-	279,744,255	1.03%	318
2022	254,880,224	-	-	254,880,224	0.93%	287
2023	289,586,967	-	-	289,586,967	0.97%	322

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Population and personal income data can be found in Exhibit E-28

(2) 2019 has been restated to include premiums

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

EXHIBIT E-16

General Bonded Debt Outstanding

Fiscal Year	General Obligation Bonds(4)	Special District Bonds	Gross Bonded Debt	Less: Amounts Restricted to Repaying Debt (1)	Net Bonded Debt	SBITAs (5)	Percentage of Actual Value of Taxable Property (2)	Net Bonded Debt per Capita (3)
2014	\$ 164,486,388	\$ -	\$ 164,486,388	\$ (2,116,581)	\$ 162,369,807	\$ -	0.60%	195
2015	156,040,650	-	156,040,650	(2,461,315)	153,579,335	-	0.55%	182
2016	151,437,587	-	151,437,587	(3,264,751)	148,172,836	-	0.50%	174
2017	140,475,856	-	140,475,856	(3,185,459)	137,290,397	-	0.43%	160
2018	128,714,171	-	128,714,171	(3,253,041)	125,461,130	-	0.33%	145
2019	200,330,095	-	200,330,095	(3,650,183)	196,679,912	-	0.57%	226
2020	186,098,274	-	186,098,274	(3,505,450)	182,592,824	-	0.50%	209
2021	279,744,255	-	279,744,255	(3,915,053)	275,829,202	-	0.72%	313
2022	254,880,224	-	254,880,224	(4,243,166)	250,637,058	-	0.61%	282
2023	289,586,967	-	289,586,967	(4,607,650)	284,979,317	37,822	0.61%	317

(1) Amount available for repayment of general obligation bonds as of December 31st.

(2) See Exhibit E-5 for property value data.

(3) See Exhibit E-28 for population data.

(4) 2019 has been reinstated to include premiums

(5) Beginning in fiscal year 2023, the District No.1 implemented GASB Statement 96 which provided new guidance for recognizing and recording software subscriptions

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**EXHIBIT E-17**

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures (2)	Ratio Debt Service to General Governmental Expenditures
2014	\$ 5,630,000	\$ 8,227,088	\$ 13,857,088	\$ 38,827,021	35.69%
2015	7,255,000	6,949,810	14,204,810	37,970,436	37.41%
2016	7,395,000	6,761,762	14,156,762	39,487,114	35.85%
2017	8,610,000	5,889,430	14,499,430	37,355,946	38.81%
2018	9,495,000	2,655,646	12,150,646	46,963,356	25.87%
2019	10,145,178	5,117,648	15,262,826	49,357,341	30.92%
2020	11,375,000	8,285,801	19,660,801	60,499,356	32.50%
2021	11,360,000	7,435,313	18,795,313	67,368,675	27.90%
2022	22,393,000	8,765,139	31,158,139	83,790,379	37.19%
2023	23,773,000	8,381,998	32,154,998	61,045,298	52.67%

(1) Excludes bond issuance, SBITAs and other costs

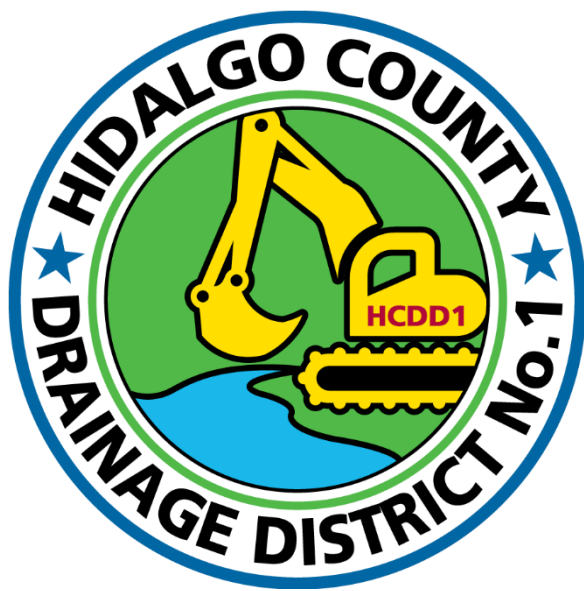
(2) Includes general, special revenue, debt service, and capital projects funds.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
DIRECT AND OVERLAPPING BONDED DEBT
DECEMBER 31, 2023

EXHIBIT E-18

Jurisdiction	Gross Debt Less Cash Improvements	Percentage Applicable to Hidalgo County Drainage District No.1	Amount Applicable to Hidalgo County as of	Amount Applicable to Hidalgo County Drainage District No.1
Direct Debt:				
Hidalgo County Drainage District No. 1	\$ 289,572,210	100%	12/31/2023	\$ 289,572,210
Total Direct Debt	289,572,210			289,572,210
Overlapping Debt:				
Independent School Districts:				
Donna	\$ 107,030,000	99.77%	12/31/2023	\$ 106,783,831
Edcouch - Elsa	25,847,640	100%	12/31/2023	25,847,640
Edinburg	116,520,000	92.88%	12/31/2023	108,223,776
Hidalgo	27,334,000	100%	12/31/2023	27,334,000
La Joya	182,697,680	76.40%	12/31/2023	139,581,027
La Villa	8,310,000	100%	12/31/2023	8,310,000
McAllen	78,231,000	100%	12/31/2023	78,231,000
Mercedes	40,050,900	100%	12/31/2023	40,050,900
Mission	96,537,960	100%	12/31/2023	96,537,960
Monte Alto	9,985,000	89.51%	12/31/2023	8,937,574
Pharr - San Juan - Alamo	247,255,000	100%	12/31/2023	247,255,000
Progreso	25,395,000	100%	12/31/2023	25,395,000
Sharyland	80,225,000	100%	12/31/2023	80,225,000
South Texas	-		12/31/2023	-
Valley View	32,335,000	100%	12/31/2023	32,335,000
Weslaco	57,003,329	100%	12/31/2023	57,003,329
Cities:				
Alamo	9,275,000	100%	12/31/2023	9,275,000
Alton	19,873,000	100%	12/31/2023	19,873,000
Donna	51,055,000	100.00%	12/31/2023	51,055,000
Edcouch	1,580,000	100%	12/31/2023	1,580,000
Edinburg	118,275,000	100.00%	12/31/2023	118,275,000
Elsa	710,000	100%	12/31/2023	710,000
Hidalgo	2,876,000	100%	12/31/2023	2,876,000
La Joya	5,430,000	1.14%	12/31/2023	61,902
La Villa	4,610,000	100%	12/31/2023	4,610,000
McAllen	91,080,000	99.92%	12/31/2023	91,007,136
Mercedes	25,445,000	99.71%	12/31/2023	25,371,210
Mission	46,315,000	99.93%	12/31/2023	46,282,580
Palmview	6,597,000	99.90%	12/31/2023	6,590,403
Penitas	4,806,000	6.87%	12/31/2023	330,172
Pharr	125,533,948	100%	12/31/2023	125,533,948
Progreso	1,177,000	100%	12/31/2023	1,177,000
San Juan	41,085,000	100%	12/31/2023	41,085,000
Weslaco	87,386,000	100%	12/31/2023	87,386,000
Road Districts:				
Road District No. 5	-	100%	12/31/2023	-
County Line School Districts:				
Lyford	19,685,000	0.73%	12/31/2023	143,701
South Texas College District	94,589,693	96.47%	12/31/2023	91,250,677
Total Overlapping Debt	1,892,141,150			1,806,524,766
Total Direct and Overlapping Debt	\$ 2,181,713,360			\$ 2,096,096,976

Source: The information contained in this statement was provided by the Municipal Advisory Council of Texas (12/31/2023) and is subject to the same disclaimer as given by the Council. The Municipal Advisory Council of Texas utilizes an internal program that calculates the overlapping debt percentages using the Net Taxable Assessed Values.



COUNTY OF HIDALGO, TEXAS

LEGAL DEBT MARGIN INFORMATION

	Fiscal Year			
	2023	2022	2021	2020
Assessed Value (1) (3)	\$ 46,399,550,026	\$ 41,104,192,204	\$ 38,339,577,535	\$ 36,453,447,769
Debit limit, 25 % of Assessed Value (2)	11,599,887,507	10,276,048,051	9,584,894,384	9,113,361,942
Debt Applicable to Limitation:				
Bonded debt:				
County Wide				
Special Road Districts	-	-	-	-
Drainage District No. 1	289,586,967	254,880,224	279,744,255	186,098,274
Total bonded debt	289,586,967	254,880,224	279,744,255	186,098,274
Less: amounts available for repayment of general obligation bonds				
Drainage District No. 1	(4,607,650)	(4,243,166)	(3,915,053)	(3,505,450)
Total amount available for repayment of general obligation bonds	(4,607,650)	(4,243,166)	(3,915,053)	(3,505,450)
Total debt applicable to limitation	284,979,317	250,637,058	275,829,202	182,592,824
Legal Debt Margin	\$ 11,314,908,190	\$ 10,025,410,993	\$ 9,309,065,182	\$ 8,930,769,118
Total net debt applicable to the limit as a percentage of debt limit	2.46%	2.44%	2.88%	2.00%

(1) FY 2023-2014 Real Estate Assessed Valuation (Hidalgo County Tax Office Levy Rolls)

(2) Texas Constitution, Article III, Section 52-Under legislative provision, the County may issued bonds in any amount not to exceed one fourth of the assessed valuation of the real property.

(3) Recalculated for Tax Roll Years 2008-2014 and 2016.

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 34,732,762,896	\$ 33,025,123,406	\$ 32,379,158,320	\$ 34,063,956,028	\$ 33,193,667,610	\$ 32,466,210,900
8,683,190,724	8,256,280,852	8,094,789,580	8,515,989,007	8,298,416,903	8,116,552,725
-	-	-	-	-	-
183,725,000	119,805,000	131,260,000	137,910,000	150,445,000	157,700,000
183,725,000	119,805,000	131,260,000	137,910,000	150,445,000	157,700,000
(3,650,183)	(3,253,032)	(3,185,459)	(3,264,751)	(2,461,315)	(2,116,581)
(3,650,183)	(3,253,032)	(3,185,459)	(3,264,751)	(2,461,315)	(2,116,581)
180,074,817	116,551,968	128,074,541	134,645,249	147,983,685	155,583,419
\$ 8,503,115,907	\$ 8,139,728,884	\$ 7,966,715,039	\$ 8,381,343,758	\$ 8,150,433,218	\$ 7,960,969,306
2.07%	1.41%	1.58%	1.58%	1.78%	1.92%

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
UNLIMITED TAX IMPROVEMENT BONDS SERIES 2013
SCHEDULE OF DEBT SERVICE REQUIREMENTS UNTIL MATURITY

EXHIBIT E-20

Date of Payment	Interest Rate (Per Bond) March & September 1st	Principal Requirements	Interest Requirements	Total Annual Requirements
3/1/2024		\$ -	\$ 711,075	\$ 711,075
9/1/2024	5.000%	4,020,000	711,075	4,731,075
3/1/2025		-	610,575	610,575
9/1/2025	5.000%	2,460,000	610,575	3,070,575
3/1/2026		-	549,075	549,075
9/1/2026	2.500%	2,600,000	549,075	3,149,075
3/1/2027		-	516,575	516,575
9/1/2027	3.000%	2,645,000	516,575	3,161,575
3/1/2028		-	476,900	476,900
9/1/2028	3.130%	4,100,000	476,900	4,576,900
3/1/2029		-	412,837	412,837
9/1/2029	3.130%	4,800,000	412,838	5,212,838
3/1/2030		-	337,838	337,838
9/1/2030	3.250%	4,950,000	337,837	5,287,837
3/1/2031		-	257,400	257,400
9/1/2031	3.250%	5,110,000	257,400	5,367,400
3/1/2032		-	174,363	174,363
9/1/2032	3.250%	5,280,000	174,362	5,454,362
3/1/2033		-	88,563	88,563
9/1/2033	3.250%	5,450,000	88,562	5,538,562
TOTALS		<u>\$ 41,415,000</u>	<u>\$ 8,270,400</u>	<u>\$ 49,685,400</u>

DATE: April 2, 2013
ISSUED: \$77,130,000
PAYABLE: U.S. Bank
CALL OPTION: Bonds maturing on and after 09/1/2024 are callable in whole or in part on any date beginning 09/1/2023 @ par plus accrued interest to the date of redemption.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
UNLIMITED TAX REFUNDING BONDS SERIES 2014
SCHEDULE OF DEBT SERVICE REQUIREMENTS UNTIL MATURITY

EXHIBIT E-21

Date of Payment	Interest Rate (Per Bond) March & September 1st	Principal Requirements	Interest Requirements	Total Annual Requirements
3/1/2024		\$ -	\$ 148,681	\$ 148,681
9/1/2024	3.750%	1,815,000	148,682	1,963,682
3/1/2025		-	114,650	114,650
9/1/2025	3.750%	1,880,000	114,650	1,994,650
3/1/2026		-	79,400	79,400
9/1/2026	4.000%	1,945,000	79,400	2,024,400
3/1/2027		-	40,500	40,500
9/1/2027	4.000%	2,025,000	40,500	2,065,500
TOTALS		<u>\$ 7,665,000</u>	<u>\$ 766,463</u>	<u>\$ 8,431,463</u>

DATE: December 30, 2014
ISSUED: \$7,810,000
PAYABLE: U.S. Bank
CALL OPTION: Bonds maturing on and after 09/1/2025 are callable in whole or in part on any date beginning 09/1/2024 @ par plus accrued interest to the date of redemption.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
UNLIMITED TAX REFUNDING BONDS SERIES 2016
SCHEDULE OF DEBT SERVICE REQUIREMENTS UNTIL MATURITY

EXHIBIT E-22

Date of Payment	Interest Rate (Per Bond) March & September 1st	Principal Requirements	Interest Requirements	Total Annual Requirements
3/1/2024		\$ -	\$ 581,625	\$ 581,625
9/1/2024	5.000%	4,085,000	581,625	4,666,625
3/1/2025		-	479,500	479,500
9/1/2025	5.000%	4,280,000	479,500	4,759,500
3/1/2026		-	372,500	372,500
9/1/2026	5.000%	4,485,000	372,500	4,857,500
3/1/2027		-	260,375	260,375
9/1/2027	5.000%	4,725,000	260,375	4,985,375
3/1/2028		-	142,250	142,250
9/1/2028	5.000%	5,690,000	142,250	5,832,250
TOTALS		<u>\$ 23,265,000</u>	<u>\$ 3,672,500</u>	<u>\$ 26,937,500</u>

DATE: February 17, 2016
ISSUED: \$52,625,000
PAYABLE: U.S. Bank
CALL OPTION: Bonds maturing on and after 09/1/2026 are callable in whole or in part on any date beginning 09/1/2025 @ par plus accrued interest to the date of redemption.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**EXHIBIT E-23**

UNLIMITED TAX IMPROVEMENT BONDS SERIES 2019

SCHEDULE OF DEBT SERVICE REQUIREMENTS UNTIL MATURITY

Date of Payment	Interest Rate (Per Bond) March & September 1st	Principal Requirements	Interest Requirements	Total Annual Requirements
3/1/2024		\$ -	\$ 1,441,000	\$ 1,441,000
9/1/2024	5.000%	3,305,000	1,441,000	4,746,000
3/1/2025		-	1,358,375	1,358,375
9/1/2025	5.000%	2,880,000	1,358,375	4,238,375
3/1/2026		-	1,286,375	1,286,375
9/1/2026	5.000%	3,020,000	1,286,375	4,306,375
3/1/2027		-	1,210,875	1,210,875
9/1/2027	5.000%	3,175,000	1,210,875	4,385,875
3/1/2028		-	1,131,500	1,131,500
9/1/2028	5.000%	3,330,000	1,131,500	4,461,500
3/1/2029		-	1,048,250	1,048,250
9/1/2029	5.000%	3,495,000	1,048,250	4,543,250
3/1/2030		-	960,875	960,875
9/1/2030	5.000%	3,670,000	960,875	4,630,875
3/1/2031		-	869,125	869,125
9/1/2031	5.000%	3,855,000	869,125	4,724,125
3/1/2032		-	772,750	772,750
9/1/2032	5.000%	4,050,000	772,750	4,822,750
3/1/2033		-	671,500	671,500
9/1/2033	4.000%	4,250,000	671,500	4,921,500
3/1/2034		-	586,500	586,500
9/1/2034	4.000%	4,420,000	586,500	5,006,500
3/1/2035		-	498,100	498,100
9/1/2035	4.000%	4,600,000	498,100	5,098,100
3/1/2036		-	406,100	406,100
9/1/2036	4.000%	4,780,000	406,100	5,186,100
3/1/2037		-	310,500	310,500
9/1/2037	4.000%	4,975,000	310,500	5,285,500
3/1/2038		-	211,000	211,000
9/1/2038	4.000%	5,170,000	211,000	5,381,000
3/1/2039		-	107,600	107,600
9/1/2039	4.000%	5,380,000	107,600	5,487,600
TOTALS		<u>\$ 64,355,000</u>	<u>\$ 25,740,850</u>	<u>\$ 90,095,850</u>

DATE: April 2, 2013

ISSUED: \$77,130,000

PAYABLE: U.S. Bank

CALL OPTION: Bonds maturing on and after 09/1/2024 are callable in whole or in part on any date beginning 09/1/2023 @ par plus accrued interest to the date of redemption.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

UNLIMITED TAX IMPROVEMENT BONDS SERIES 2021 (TWDB FIF Loan)

SCHEDULE OF DEBT SERVICE REQUIREMENTS UNTIL MATURITY

EXHIBIT E-24

Date of Payment	Interest Rate (Per Bond) March & September 1st	Principal Requirements	Interest Requirements	Total Annual Requirements
3/1/2024		\$ -	\$ -	\$ -
9/1/2024	0.000%	763,000	-	763,000
3/1/2025		-	-	-
9/1/2025	0.000%	763,000	-	763,000
3/1/2026		-	-	-
9/1/2026	0.000%	763,000	-	763,000
3/1/2027		-	-	-
9/1/2027	0.000%	763,000	-	763,000
3/1/2028		-	-	-
9/1/2028	0.000%	763,000	-	763,000
3/1/2029		-	-	-
9/1/2029	0.000%	763,000	-	763,000
3/1/2030		-	-	-
9/1/2030	0.000%	762,000	-	762,000
3/1/2031		-	-	-
9/1/2031	0.000%	762,000	-	762,000
3/1/2032		-	-	-
9/1/2032	0.000%	762,000	-	762,000
3/1/2033		-	-	-
9/1/2033	0.000%	762,000	-	762,000
3/1/2034		-	-	-
9/1/2034	0.000%	762,000	-	762,000
3/1/2035		-	-	-
9/1/2035	0.000%	762,000	-	762,000
3/1/2036		-	-	-
9/1/2036	0.000%	762,000	-	762,000
3/1/2037		-	-	-
9/1/2037	0.000%	762,000	-	762,000
3/1/2038		-	-	-
9/1/2038	0.000%	762,000	-	762,000
3/1/2039		-	-	-
9/1/2039	0.000%	762,000	-	762,000
3/1/2040		-	-	-
9/1/2040	0.000%	762,000	-	762,000
3/1/2041		-	-	-
9/1/2041	0.000%	762,000	-	762,000
3/1/2042		-	-	-
9/1/2042	0.000%	762,000	-	762,000
3/1/2043		-	-	-
9/1/2043	0.000%	762,000	-	762,000
3/1/2044		-	-	-
9/1/2044	0.000%	762,000	-	762,000
3/1/2045		-	-	-
9/1/2045	0.000%	762,000	-	762,000
3/1/2046		-	-	-
9/1/2046	0.000%	762,000	-	762,000
3/1/2047		-	-	-
9/1/2047	0.000%	762,000	-	762,000
3/1/2048		-	-	-
9/1/2048	0.000%	762,000	-	762,000
3/1/2049		-	-	-
9/1/2049	0.000%	762,000	-	762,000
3/1/2050		-	-	-
9/1/2050	0.000%	762,000	-	762,000
3/1/2051		-	-	-
9/1/2051	0.000%	763,000	-	763,000
TOTALS		<u>\$ 21,343,000</u>	<u>\$ -</u>	<u>\$ 21,343,000</u>

DATE: June 15, 2021

ISSUED: \$22,869,000

PAYABLE: U.S. Bank

CALL OPTION: On any date, the Bonds may be redeemed prior to their scheduled maturities, at the option of the District, with funds provided by the District, at par to the date fixed for redemption as a whole, or in part.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
UNLIMITED TAX IMPROVEMENT BONDS SERIES 2021
SCHEDULE OF DEBT SERVICE REQUIREMENTS UNTIL MATURITY

EXHIBIT E-25

Date of Payment	Interest Rate (Per Bond) March & September 1st	Principal Requirements	Interest Requirements	Total Annual Requirements
3/1/2024		\$ -	\$ 526,925	\$ 526,925
9/1/2024	5.000%	730,000	526,925	1,256,925
3/1/2025		-	508,675	508,675
9/1/2025	5.000%	770,000	508,675	1,278,675
3/1/2026		-	489,425	489,425
9/1/2026	5.000%	810,000	489,425	1,299,425
3/1/2027		-	469,175	469,175
9/1/2027	5.000%	850,000	469,175	1,319,175
3/1/2028		-	447,925	447,925
9/1/2028	5.000%	890,000	447,925	1,337,925
3/1/2029		-	425,675	425,675
9/1/2029	5.000%	935,000	425,675	1,360,675
3/1/2030		-	402,300	402,300
9/1/2030	5.000%	980,000	402,300	1,382,300
3/1/2031		-	377,800	377,800
9/1/2031	5.000%	1,030,000	377,800	1,407,800
3/1/2032		-	352,050	352,050
9/1/2032	4.000%	1,080,000	352,050	1,432,050
3/1/2033		-	330,450	330,450
9/1/2033	4.000%	1,125,000	330,450	1,455,450
3/1/2034		-	307,950	307,950
9/1/2034	4.000%	1,170,000	307,950	1,477,950
3/1/2035		-	284,550	284,550
9/1/2035	4.000%	1,215,000	284,550	1,499,550
3/1/2036		-	260,250	260,250
9/1/2036	4.000%	1,265,000	260,250	1,525,250
3/1/2037		-	234,950	234,950
9/1/2037	4.000%	1,315,000	234,950	1,549,950
3/1/2038		-	208,650	208,650
9/1/2038	3.000%	1,370,000	208,650	1,578,650
3/1/2039		-	188,100	188,100
9/1/2039	3.000%	1,410,000	188,100	1,598,100
3/1/2040		-	166,950	166,950
9/1/2040	3.000%	1,455,000	166,950	1,621,950
3/1/2041		-	145,125	145,125
9/1/2041	3.000%	1,495,000	145,125	1,640,125
3/1/2042		-	122,700	122,700
9/1/2042	3.000%	1,540,000	122,700	1,662,700
3/1/2043		-	99,600	99,600
9/1/2043	3.000%	1,585,000	99,600	1,684,600
3/1/2044		-	75,825	75,825
9/1/2044	3.000%	1,635,000	75,825	1,710,825
3/1/2045		-	51,300	51,300
9/1/2045	3.000%	1,685,000	51,300	1,736,300
3/1/2046		-	26,025	26,025
9/1/2046	3.000%	1,735,000	26,025	1,761,025
TOTALS		<u>\$ 28,075,000</u>	<u>\$ 13,004,750</u>	<u>\$ 41,079,750</u>

DATE: October 1, 2021
ISSUED: \$29,570,000
PAYABLE: U.S. Bank
CALL OPTION: Bonds maturing on and after 9/1/2032 are callable in whole or in part on any date beginning 9/1/2031 @ par plus accrued interest to the date of redemption.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
UNLIMITED TAX IMPROVEMENT BONDS TAXABLE SERIES 2021A
SCHEDULE OF DEBT SERVICE REQUIREMENTS UNTIL MATURITY

EXHIBIT E-26

Date of Payment	Interest Rate (Per Bond) March & September 1st	Principal Requirements	Interest Requirements	Total Annual Requirements
3/1/2024		\$ -	\$ 270,443	\$ 270,443
9/1/2024	0.591%	11,070,000	270,443	11,340,443
3/1/2025		-	237,731	237,731
9/1/2025	0.955%	735,000	237,731	972,731
3/1/2026		-	234,221	234,221
9/1/2026	1.105%	745,000	234,221	979,221
3/1/2027		-	230,105	230,105
9/1/2027	1.354%	750,000	230,105	980,105
3/1/2028		-	225,027	225,027
9/1/2028	1.504%	760,000	225,027	985,027
3/1/2029		-	219,312	219,312
9/1/2029	1.672%	775,000	219,312	994,312
3/1/2030		-	212,833	212,833
9/1/2030	1.772%	785,000	212,833	997,833
3/1/2031		-	205,878	205,878
9/1/2031	1.872%	800,000	205,878	1,005,878
3/1/2032		-	198,390	198,390
9/1/2032	2.022%	815,000	198,390	1,013,390
3/1/2033		-	190,150	190,150
9/1/2033	2.172%	830,000	190,150	1,020,150
3/1/2034		-	181,137	181,137
9/1/2034	2.322%	850,000	181,137	1,031,137
3/1/2035		-	171,268	171,268
9/1/2035	2.422%	870,000	171,268	1,041,268
3/1/2036		-	160,733	160,733
9/1/2036	2.572%	890,000	160,733	1,050,733
3/1/2037		-	149,287	149,287
9/1/2037	2.622%	915,000	149,287	1,064,287
3/1/2038		-	137,291	137,291
9/1/2038	2.813%	935,000	137,291	1,072,291
3/1/2039		-	124,141	124,141
9/1/2039	2.813%	965,000	124,141	1,089,141
3/1/2040		-	110,568	110,568
9/1/2040	2.813%	990,000	110,568	1,100,568
3/1/2041		-	96,644	96,644
9/1/2041	2.813%	1,020,000	96,644	1,116,644
3/1/2042		-	82,297	82,297
9/1/2042	2.963%	1,045,000	82,297	1,127,297
3/1/2043		-	66,816	66,816
9/1/2043	2.963%	1,080,000	66,816	1,146,816
3/1/2044		-	50,815	50,815
9/1/2044	2.963%	1,110,000	50,815	1,160,815
3/1/2045		-	34,371	34,371
9/1/2045	2.963%	1,145,000	34,371	1,179,371
3/1/2046		-	17,408	17,408
9/1/2046	2.963%	1,175,000	17,408	1,192,408
TOTALS		<u>\$ 31,055,000</u>	<u>\$ 7,213,732</u>	<u>\$ 38,268,732</u>

DATE: September 1, 2021
ISSUED: \$49,910,000
PAYABLE: U.S. Bank
CALL OPTION: Bonds maturing on and after 9/1/2032 are callable in whole or in part on any date beginning 9/1/2031 @ par plus accrued interest to the date of redemption.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
UNLIMITED TAX IMPROVEMENT BONDS TAXABLE SERIES 2023
SCHEDULE OF DEBT SERVICE REQUIREMENTS UNTIL MATURITY

EXHIBIT E-27

Date of Payment	Interest Rate (Per Bond) March & September 1st	Principal Requirements	Interest Requirements	Total Annual Requirements
3/1/2024		\$ -	\$ 1,199,970	\$ 1,199,970
9/1/2024	5.000%	1,000,000	1,402,562	2,402,562
3/1/2025		-	1,377,563	1,377,563
9/1/2025	5.000%	13,230,000	1,377,563	14,607,563
3/1/2026		-	1,046,812	1,046,812
9/1/2026	5.000%	1,105,000	1,046,813	2,151,813
3/1/2027		-	1,019,187	1,019,187
9/1/2027	5.000%	1,160,000	1,019,188	2,179,188
3/1/2028		-	990,187	990,187
9/1/2028	5.000%	1,220,000	990,188	2,210,188
3/1/2029		-	959,687	959,687
9/1/2029	5.000%	1,280,000	959,688	2,239,688
3/1/2030		-	927,687	927,687
9/1/2030	5.000%	1,345,000	927,688	2,272,688
3/1/2031		-	894,062	894,062
9/1/2031	5.000%	1,410,000	894,063	2,304,063
3/1/2032		-	858,812	858,812
9/1/2032	5.000%	1,480,000	858,813	2,338,813
3/1/2033		-	821,812	821,812
9/1/2033	5.000%	1,555,000	821,813	2,376,813
3/1/2034		-	782,937	782,937
9/1/2034	5.000%	1,635,000	782,938	2,417,938
3/1/2035		-	742,062	742,062
9/1/2035	5.000%	1,715,000	742,063	2,457,063
3/1/2036		-	699,187	699,187
9/1/2036	5.000%	1,800,000	699,188	2,499,188
3/1/2037		-	654,187	654,187
9/1/2037	5.000%	1,890,000	654,188	2,544,188
3/1/2038		-	606,937	606,937
9/1/2038	5.000%	1,985,000	606,938	2,591,938
3/1/2039		-	557,312	557,312
9/1/2039	4.125%	2,085,000	557,313	2,642,313
3/1/2040		-	514,309	514,309
9/1/2040	4.250%	2,170,000	514,310	2,684,310
3/1/2041		-	468,196	468,196
9/1/2041	4.250%	2,265,000	468,197	2,733,197
3/1/2042		-	420,065	420,065
9/1/2042	4.375%	2,360,000	420,066	2,780,066
3/1/2043		-	368,440	368,440
9/1/2043	4.375%	2,465,000	368,442	2,833,442
3/1/2044		-	314,518	314,518
9/1/2044	4.375%	2,570,000	314,519	2,884,519
3/1/2045		-	258,300	258,300
9/1/2045	4.500%	2,685,000	258,300	2,943,300
3/1/2046		-	197,887	197,887
9/1/2046	4.500%	2,805,000	197,888	3,002,888
3/1/2047		-	134,775	134,775
9/1/2047	4.500%	2,930,000	134,775	3,064,775
3/1/2048		-	68,850	68,850
9/1/2048	4.500%	3,060,000	68,850	3,128,850
TOTALS		<u>\$ 59,205,000</u>	<u>\$ 33,970,095</u>	<u>\$ 93,175,095</u>

DATE: September 1, 2023
ISSUED: \$59,205,000
PAYABLE: U.S. Bank
CALL OPTION: Bonds maturing on and after 9/1/2034 are callable in whole or in part on any date beginning 9/1/2033 @ par plus accrued interest to the date of redemption.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**EXHIBIT E-28**

COUNTY OF HIDALGO, TEXAS

DEMOGRAPHIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	School Enrollment (2)	Unemployment Rate (3)
2014	831,073	19,740,566,000	23,753	222,720	8.7%
2015	842,304	20,702,876,000	24,579	230,077	7.9%
2016	849,843	21,080,611,000	24,805	234,994	8.2%
2017	860,661	22,047,447,000	25,617	240,049	7.4%
2018	865,939	22,869,174,000	26,410	272,122	6.6%
2019	868,707	23,815,443,000	27,415	274,982	7.0%
2020	875,200	27,264,698,000	31,153	245,076	10.9%
2021	880,356	30,374,915,000	34,503	256,014	7.8%
2022	888,367	29,782,422,000	33,525	274,982	6.5%
2023	898,471	(4)	(4)	263,859	6.1%

(1) Source: U.S. Census Bureau (bea.gov), FRED Economic Research

(2) Source: Texas Education Agency (TEA)/towncharts.com

(3) Source: Bureau of Labor Statistics

(4) Data not available for 2023

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
EXHIBIT E-29

HIDALGO COUNTY

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Doctor's Hospital at Renaissance	5,600	1	1.76%	3,400	7	1.11%
Pharr-San Juan-Alamo ISD	5,000	2	1.57%	4,100	3	1.34%
Edinburg ISD	4,747	3	1.49%	3,600	6	1.18%
Hidalgo County	4,067	4	1.28%	3,821	5	1.25%
HEB	3,510	5	1.10%	4,343	2	1.42%
McAllen ISD	3,439	6	1.08%	3,900	4	1.28%
Mission ISD	2,400	7	0.75%			
Donna ISD	2,400	8	0.75%			
Weslaco ISD	2,300	9	0.72%	2,817	10	0.92%
South Texas College	2,280	10	0.72%			
University of Texas-Rio Grande Valley			0.00%	2,850	9	0.93%
Wal-Mart			0.00%	5,004	1	1.64%
Edinburg Regional Medical Center			0.00%	3,000	8	0.98%
	<u>35,743</u>		<u>11.22%</u>	<u>36,835</u>		<u>12.05%</u>

Source: Hidalgo County, Texas ACFR

Texas Workforce Commission (2023 list based on Workforce Solution's Hidalgo County 2023 Largest Employers Report)

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**MISCELLANEOUS STATISTICS**

DECEMBER 31, 2023

Area Information

Name:	County of Hidalgo	Number of Cities:	22
Date of Incorporation:	1852	Number of Water Supply Corporations:	3
Form of Government:	County Judge	and Number of Banks:	52
	Four Commissioners	* Total Deposits as of June 30, 2023(millions):	\$14,218,987
County Seat:	Edinburg, Texas		
Number of employees:	4,067		
Area in acres:	9,525,000		
Miles of County maintained roads:	Precinct 1	718	
	Precinct 2	123	
	Precinct 3	566	
	Precinct 4	470	

Education

Four year universities:	University of Texas Rio Grande Valley	Edinburg
Four year universities:	Texas A&M University Higher Education Center	McAllen
Two-four year colleges:	South Texas College	McAllen
Number of school districts:	20	

Hospitals

Cornerstone Regional Hospital	Edinburg
Doctor's Hospital at Renaissance	Edinburg
Edinburg Regional Medical Center	Edinburg
Knapp Medical Center	Weslaco
Mission Regional Medical Center	Mission
Rio Grande Regional Hospital	McAllen
Solara Hospital	McAllen
Weslaco Rehabilitation Hospital	Weslaco

Recreation

Museums:	City of Alamo Museum	Alamo
	Donna Hooks Fletcher Historical Museum	Donna
	Gelman Stained Glass Museum	San Juan
	International Museum of Art and Science	McAllen
	McAllen Heritage Museum	McAllen
	Mission Historical Museum	Mission
	Museum of South Texas History	Edinburg
	Old Hidalgo Pumphouse Museum	Hidalgo
	The Weslaco Museum	Weslaco
Number of Libraries:	20	
Number of County Parks:	21	
State Parks:	Bentsen RGV State Park	Mission
	Estero Llano Grande State Park	Weslaco
	US Wildlife: Santa Ana National Wildlife Refuge	Alamo
Number of Golf Courses:	17	

Infrastructure

Airports (public):	McAllen Miller International Airport	McAllen
	Mid Valley Airport	Weslaco
	South Texas International Airport at Edinburg	Edinburg
International Bridges:	Anzalduas - Reynosa International Bridge	
	McAllen-Hidalgo - Reynosa International Bridge	
	Pharr - Reynosa International Bridge	
	Progreso - Nuevo Progreso International Bridge	
	Donna-Rio Bravo International Bridge	
	Los Ebanos Ferry (hand-drawn, three car and 12 pedestrians capacity)	
Foreign Trade Zones:	FTZ No. 12 - McAllen	
	FTZ No. 156 - Weslaco	

Economic

(1) Median household income:	\$48,825	Principal industries:	Construction
(1) People below poverty level:	246,181		Education
(1) % of people below poverty level:	27.44%		Finance & Insurance
Labor force:	378,591		Healthcare
People employed:	355,519		Government
People unemployed:	23,072		Information
Unemployment rate:	6.10%		Hospitality
			Manufacturing
			Professional
			Retail
			Other Services
			Administrative
			Transportation

Gross Sales

Industry	2023	2022	2021	2020
Agriculture	\$ 140,194,000	\$ 511,698,000	\$ 445,165,000	\$ 448,190,000
Construction	808,829,000	609,560,000	599,428,000	588,710,000
Finance, Real Estate, Insurance	7,897,647,000	6,673,321,000	6,316,119,000	5,673,460,000
Manufacturing	3,022,714,000	2,978,057,000	2,794,550,000	2,712,773,000
Mining	592,311,000	1,339,618,000	1,209,175,000	1,518,981,000
Other	4,332,866,000	4,447,523,000	2,256,959,000	2,864,172,000
Retail	2,420,946,000	2,331,890,000	2,246,371,000	2,237,658,000
Other Services	696,834,000	583,809,000	545,838,000	613,910,000
Transportation, Communications, and Utilities	2,616,066,000	2,302,043,000	2,454,703,000	2,145,365,000
Wholesale-Trade	1,074,892,000	1,020,126,000	949,640,000	963,211,000
	<u>\$ 23,603,299,000</u>	<u>\$ 22,797,645,000</u>	<u>\$ 19,817,948,000</u>	<u>\$ 19,766,430,000</u>

Agriculture

Products Raised	Crops	Acres Harvested	Production
	Grain Sorghum	67,700	2,667,000 Bushels
(1) Sugar Cane		18,400	691,000 Tons
	Corn	33,600	3,246,000 Bushels
(2) Upland Cotton		41,800	89,000 Bales

Sources:

Websites: Valley Chamber of Commerce, Federal Deposit Insurance Corporation, US Census Bureau, Education Organization, Texas Comptroller of Public Accounts, Texas Education Agency, Texas Workforce Commission, United States Department of Agriculture, Hidalgo County related agencies.

(1) Data not available for 2023, used 2018

(2) Data not available for 2023, used 2022

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

EXHIBIT E-31

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Function										
Drainage	180	181	180	174	172	164	142	139	130	109
Total	180	181	180	174	172	164	142	139	130	109

Source: Hidalgo County Drainage District No. 1 payroll database

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
EXHIBIT E-32
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Drainage										
Drainage Review Fees Collected	209,450	166,025	70,250	5,250	65,500	53,500	51,250	57,500	61,590	48,000
Subdivision Drainage Reviews	441	435	281	209	262	214	205	230	246	192
Utility and Crossing Review Fees	6,000	10,000	6,000	8,500	3,000	6,500	-	-	-	-
Number of Utility Crossing Reviews	12	20	12	17	6	13	-	-	-	-
Re-Inspection Fees	7,875	4,725	-	-	-	-	-	-	-	-
Number of Re-Inspection Fees	15	9	-	-	-	-	-	-	-	-
Donation Review Fees	2,000	-	-	-	-	-	-	-	-	-
Number of Donation Reviews	8	-	-	-	-	-	-	-	-	-
Total	225,801	181,214	76,543	13,976	68,768	60,227	51,455	57,730	61,836	48,192

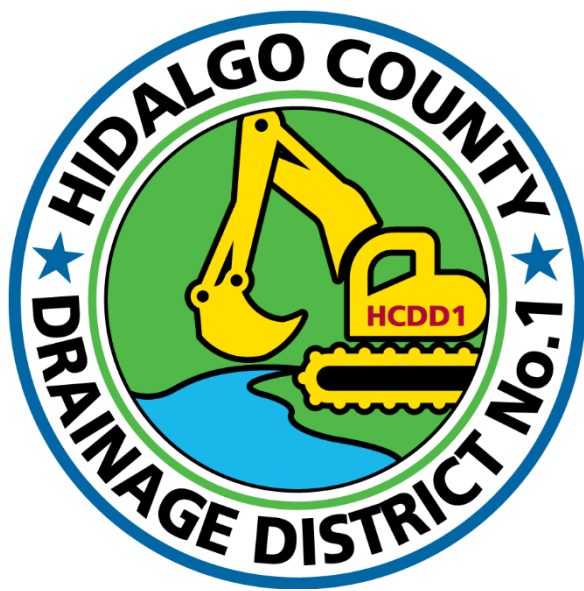
Source: Hidalgo County Drainage District No. 1 Revenue Detail Report

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year				
	2023	2022	2021	2020	2019
General government/Administrative Office	3	3	3	3	2
Drainage					
Drainage Flood Control Structures	234	218	212	197	191
Total	237	221	215	200	193
Assets					
Vehicles	114	112	116	109	96
Backhoes	4	4	4	4	4
Draglines	0	0	3	3	3
Dump Trucks	12	12	12	12	12
Dozers	9	9	9	9	7
Excavators	30	30	33	28	25
Front Loaders	3	2	2	2	2
Motor graders	10	9	9	9	5
Rollers	1	1	1	1	1
Tractors	46	44	46	48	43
Total	229	223	235	225	198

Source: Hidalgo County Drainage District NO.1 FAS module capital assets inventory.
SAGE Depreciation Module

Fiscal Year				
2018	2017	2016	2015	2014
1	1	1	1	1
188	175	171	171	153
189	176	172	172	154
78	83	88	78	67
4	3	3	3	3
3	3	3	3	3
12	12	12	12	2
6	5	6	6	5
23	19	22	19	17
2	2	2	2	1
5	4	4	2	2
1	1	1	1	1
43	39	43	39	39
177	171	184	165	140



TEXAS SUPPLEMENTARY INFORMATION

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF SERVICES AND RATES
YEAR ENDED DECEMBER 31, 2023

EXHIBIT TSI-1

1. Services provided by the District:

<input type="checkbox"/> Retail Water	<input type="checkbox"/> Wholesale Water	<input checked="" type="checkbox"/> Drainage
<input type="checkbox"/> Retail Wastewater	<input type="checkbox"/> Wholesale Wastewater	<input type="checkbox"/> Irrigation
<input type="checkbox"/> Parks/Recreation	<input type="checkbox"/> Fire Protection	<input type="checkbox"/> Security
<input type="checkbox"/> Solid Waste/Garbage	<input checked="" type="checkbox"/> Flood Control	<input type="checkbox"/> Roads
<input type="checkbox"/> Participates in joint venture, regional systems and/or wastewater service (other than interconnect)		
<input type="checkbox"/> Other (specify):		

2. Retail rates based on 5/8" meter: ☒ Retail rates not applicable

3. Retail service providers: N/A

4. Total water consumption (in thousands) during the fiscal year: N/A

5. Standby fees: Does the District assess standby fees? ☐ YES ☒ NO

6. Anticipated sources of funds to be used for debt service payments in the District following fiscal year: None

7. Location of District:

County(ies) in which the District is located: Hidalgo County

Is the District located entirely with in one county? ☒ Yes ☐ No

Is the District located in a city? ☐ Entirely ☒ Partly ☐ Not at all

City(ies) in which the District is located: Alamo, Alton, Donna, Edcouch, Edinburg, Elsa, Granjeno, Hidalgo, La Joya, La Villa, McAllen, Mercedes, Mission, Palmview, Penitas, Progreso, Pharr, San Juan, and Weslaco

Is the general membership of the Board appointed by an office outside the District? ☐ Yes ☒ No If yes, by whom? _____

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF GENERAL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2023

EXHIBIT TSI-2

Personnel Expenditures (including benefits) *	\$ 11,678,661
Professional Fees:	
Auditing	125,000
Legal	165,966
Engineering	260,057
Contracted Services:	
Appraisal district	568,835
Hidalgo County Tax Assessor Collector	517,328
Utilities	166,755
Repairs and Maintenance	762,019
Administrative Expenditures:	
Office supplies	57,475
Insurance	243,589
Capital Outlay:	
Acquisition of capital assets	5,201,320
Other Expenditures	<u>3,748,375</u>
TOTAL EXPENDITURES	<u><u>\$ 23,495,380</u></u>

*Number of full-time persons employed by the District: 180

Schedule of Temporary Investments

This schedule is omitted because no temporary investments were held at year-end. See note B in the notes to the financial statements.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF TAXES LEVIED AND RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

EXHIBIT TSI-4

	Maintenance Taxes	Debt Service Taxes
Property taxes receivable, beginning of year	\$ 2,544,606	\$ 2,061,050
2022 original tax levy (less abatements)	23,263,020	31,591,181
Adjustments for 2022 original tax levy modifications	180,986	245,778
Adjustments for rollbacks and refunds	25,775	16,742
Total to be accounted for	<u>26,014,387</u>	<u>33,914,751</u>
Tax collections:		
Current	(22,633,330)	(30,736,062)
Prior years	(632,870)	(717,957)
Total collections	<u>(23,266,200)</u>	<u>(31,454,019)</u>
Property taxes receivable, end of year	<u>\$ 2,748,187</u>	<u>\$ 2,460,732</u>
Property taxes receivable by years		
2022	\$ 789,843	\$ 1,072,607
2021	360,474	502,479
2020	236,706	208,909
2019 and prior	1,361,164	676,738
Property taxes receivable, end of year	<u>\$ 2,748,187</u>	<u>\$ 2,460,733</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF TAXES LEVIED AND RECEIVABLE
YEAR ENDED DECEMBER 31,2023

	Tax Levy			
	2022	2021	2020	2019
Property Valuations:				
Land and				
improvements	\$ 54,436,507,212	\$ 48,384,932,334	\$ 44,507,248,686	\$ 41,861,864,969
Minerals	30,646,270	23,339,519	26,217,836	46,737,074
Personal property	4,991,577,254	4,595,127,952	4,479,023,030	4,464,519,841
Total property valuations	<u>\$ 59,458,730,736</u>	<u>\$ 53,003,399,805</u>	<u>\$ 49,012,489,552</u>	<u>\$ 46,373,121,884</u>
Tax Rates Per \$100 Valuation:				
Debt service				
tax rates	0.0679	0.0736	0.0481	0.0527
Maintenance	0.0500			
tax rates		0.0528	0.0545	0.0524
Total tax rates per \$100 valuation	<u>0.1179</u>	<u>0.1264</u>	<u>0.1026</u>	<u>0.1051</u>
Original tax levy	<u>\$ 54,854,200</u>	<u>\$ 52,011,015</u>	<u>\$ 39,386,092</u>	<u>\$ 38,358,813</u>
Percent of taxes collected to tax levied at December 31, 2023	<u>97.29%</u>	<u>99.07%</u>	<u>97.90%</u>	<u>96.48%</u>

Tax rate for any other special district which (a) encompasses less than a county, (b) provides water, wastewater collection and drainage or roads to property in the District and, (c) taxes property in the District.

Name of Special District (s)	Service Provided	Tax Rate
NONE		\$ -
Total Rate(s) of Special District (s)		<u>\$ -</u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF TAXES LEVIED AND RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

EXHIBIT TSI-4
Concluded

The following represents the 2022 tax levy rates for all overlapping jurisdictions. The table includes any taxing entities which overlap 10% or more of the District.

	Taxing Jurisdiction	<u>Tax Rate</u>
a. County:	<u>Hidalgo County</u>	\$.5750
b. Cities:	<u>Average of 19 cities within Drainage District</u>	.7011
c. School district(s):	<u>Average of 15 school districts within Drainage District</u>	1.1878
d. Special district(s) not included above:		
	<u>South Texas College</u>	.1615
	<u>South Texas I.S.D.</u>	.0492
e. Total District:		<u>.1179</u>
	Total Overlapping Tax Rate	<u><u>\$ 2.7925</u></u>

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
SCHEDULE OF LONG - TERM DEBT SERVICE REQUIREMENTS BY YEARS
DECEMBER 31, 2023

EXHIBIT TSI-5

Schedule of Long-Term Requirements

This schedule is omitted because information is provided in the statistical section on Exhibits E20-E27.

Schedule of Changes in Long Term Bonded Debt

This schedule is omitted because information is provided in the statistical section on Exhibit E16.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - FIVE YEARS****GENERAL FUND AND DEBT SERVICE FUND****FIVE YEARS ENDED DECEMBER 31,**

	A M O U N T S				
	2023	2022	2021	2020	2019
GENERAL FUND					
REVENUES					
Property taxes	\$ 23,675,644	\$ 22,522,655	\$ 21,704,872	\$ 19,355,454	\$ 18,466,159
Operating grants and contributions	-	518,519	-	-	-
Charges for services	316,780	245,254	100,692	99,380	81,091
Interest	2,394,910	527,723	129,958	321,583	773,779
Intergovernmental	-	-	673,751	-	90,667
Miscellaneous	2,776,036	1,176,356	208,306	196,664	1,145,933
Total revenues	29,163,370	24,990,507	22,817,579	19,973,081	20,557,629
EXPENDITURES					
Professional fees	426,024	452,231	296,903	590,773	614,512
Contracted services	1,086,163	1,103,062	836,044	778,442	687,398
Payroll	11,676,661	11,848,969	11,868,520	10,788,741	9,842,618
Utilities	166,755	129,423	76,565	52,690	47,786
Materials and supplies	301,064	228,515	561,337	429,091	225,547
Repairs and maintenance	762,019	468,974	299,583	260,218	1,557,692
Aid to other governments	-	82,853	-	-	-
Other expenditures	3,875,375	3,470,039	3,236,128	1,757,426	1,639,410
Capital outlay	5,201,320	2,812,285	3,355,218	5,293,999	6,170,200
Total expenditures	23,495,381	20,596,351	20,530,298	19,951,380	20,785,163
Excess (deficiency) revenues over (under) expenditures	5,667,989	4,394,156	2,287,281	21,701	(227,534)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	437,134	295,344	196,483	33,104	139,511
Capital lease proceeds	-	-	-	-	-
Installment note	-	-	-	-	3,320,000
Interfund transfers in	-	2,992	-	-	-
Interfund transfers out	(2,845,289)	-	(1,660,000)	(2,044,333)	(250,000)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ 3,259,834	\$ 4,692,492	\$ 823,764	\$ (1,989,528)	\$ 2,981,977
DEBT SERVICE FUND					
REVENUES:					
Property taxes	\$ 32,151,525	\$ 31,395,214	\$ 19,156,980	\$ 19,466,369	\$ 15,240,783
Penalty, interest and other	-	-	-	-	-
Interest	372,505	99,480	50,786	51,546	171,585
Total revenues	32,524,030	31,494,694	19,207,766	19,517,915	15,412,368
EXPENDITURES:					
Debt services, interest and principal	32,159,548	31,163,590	20,458,163	21,706,980	15,265,226
Total expenditures	32,159,548	31,163,590	20,458,163	21,706,980	15,265,226
Excess (deficiency) revenues over (under) expenditures	364,482	331,104	(1,250,397)	(2,189,065)	147,142
OTHER FINANCING SOURCES					
Interfund transfers in	-	405,088	1,660,000	3,143,569	250,000
Interfund transfers out	-	(408,079)	-	(1,099,236)	-
Bond proceeds	-	-	-	-	-
Bond premium	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Excess of revenues over expenditures and other financing sources	\$ 364,482	\$ 328,113	\$ 409,603	\$ (144,732)	\$ 397,142
TOTAL ACTIVE RETAIL, WATER AND/OR WASTEWATER CONNECTIONS	\$ -	\$ -	\$ -	\$ -	\$ -

PERCENT OF FUND TOTAL REVENUES				
2023	2022	2021	2020	2019
81.18	90.13	95.14	96.91	89.84
-	2.07	-	-	-
1.09	0.98	0.44	0.50	0.39
8.21	2.11	0.57	1.61	3.76
-	-	2.94	-	0.44
9.52	4.71	0.91	0.98	5.57
100.00	100.00	100.00	100.00	100.00
1.46	1.81	1.30	2.96	2.99
3.72	4.41	3.66	3.90	3.34
40.04	47.41	52.01	54.02	47.88
0.57	0.52	0.34	0.26	0.23
1.03	0.91	2.46	2.15	1.10
2.61	1.88	1.31	1.30	7.58
-	0.33	-	-	-
13.29	13.89	14.18	8.80	7.97
17.84	11.25	14.71	26.51	30.01
80.56	82.41	89.97	99.90	101.10
19.44	17.59	10.03	0.11	(1.11)
1.50	1.18	0.86	0.17	0.68
-	-	-	-	-
-	-	-	-	16.15
-	0.01	-	-	-
(9.76)	-	(7.28)	(10.24)	(1.22)
11.18	18.78	3.61	(9.96)	14.50
98.85	99.68	99.74	99.74	98.89
-	-	-	-	-
1.15	0.32	0.26	0.26	1.11
100.00	100.00	100.00	100.00	100.00
98.88	98.95	106.51	111.22	99.05
98.88	98.95	106.51	111.22	99.05
1.12	1.05	(6.51)	(11.22)	0.95
-	1.29	8.64	16.11	1.62
-	(1.30)	-	(5.63)	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1.12	1.04	2.13	(0.74)	2.57
-	-	-	-	-

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
YEAR ENDED DECEMBER 31, 2023

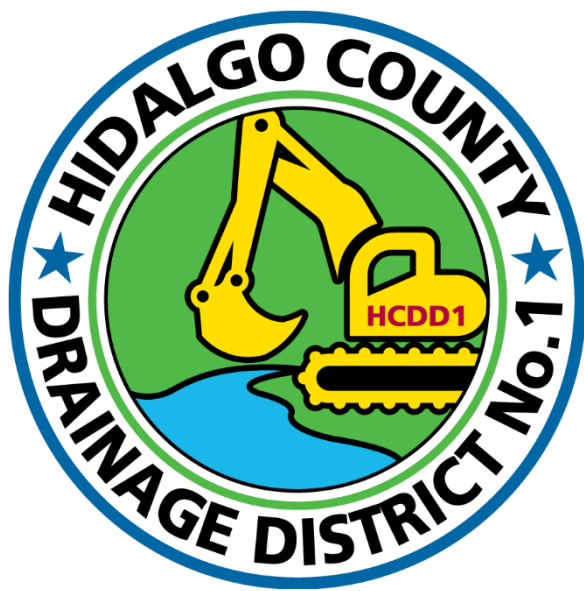
EXHIBIT TSI-8

Complete District Mailing Address: 902 N. Doolittle Road, Edinburg, Texas 78542

District Business Telephone Number: (956) 292-7080

Name and Address		Fees 12/31/23	Expense Reimbursements FYE 12/31/23	Title at Year End	Resident of District
Board Members:					
Richard F. Cortez 100 E. Cano, Second Floor Edinburg, TX 78539	(Elected) 01/01/19	\$ -	\$ -	Chairman	Yes
David L. Fuentes 1902 Joe Stephens Ave. Suite 101 Weslaco, TX 78599	(Elected) 01/01/17	\$ -	\$ -	Member	Yes
Eduardo "Eddie" Cantu 300 W. Hall Acres Suite G Pharr, TX 78577	(Elected) 01/01/15	\$ -	\$ -	Member	Yes
Everardo "Ever" Villarreal 724 North Breyfogle Mission, TX 78574	(Elected) 01/01/21	\$ -	\$ -	Member	Yes
Ellie Torres 1051 N. Doolittle Road Edinburg, TX 78542	(Elected) 01/01/19	\$ -	\$ -	Member	Yes

FEDERAL AWARDS SECTION



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 Directors
Hidalgo County Drainage District No. 1
Edinburg, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hidalgo County Drainage District No. 1 (the District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 26, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-003.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Brenton McCall & Hough, L.L.P.

McAllen, Texas
July 26, 2024

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

To the Board of Directors
Hidalgo County Drainage District No. 1
Edinburg, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hidalgo County Drainage District No. 1's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

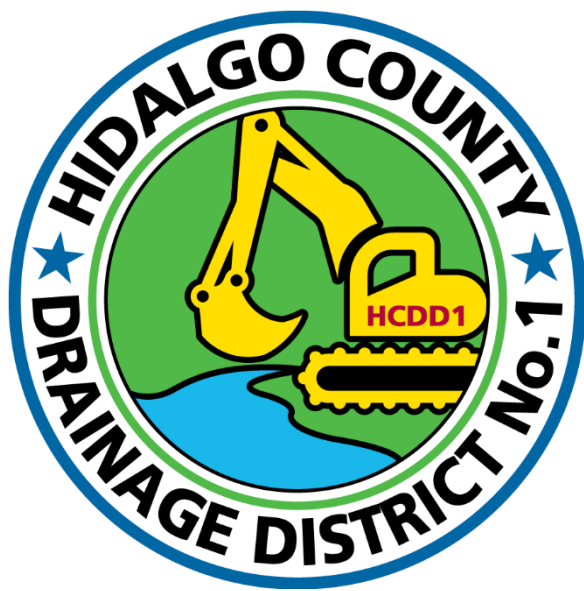
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

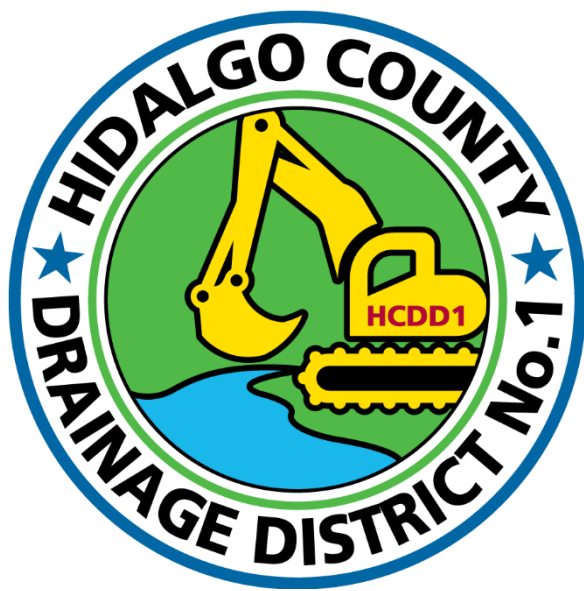
Benton McCall #Long, LLP.

McAllen, Texas
July 26, 2024



Hidalgo County Drainage District No. 1
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Grantor/ Pass Through Grantor/ Program Title	Federal ALN	Pass-Through Entity Identifying Number	Federal Expenditures
Federal Awards			
<u>U.S. Department of the Treasury</u>			
<u>Passed Through Texas Commission on Environmental Quality</u>			
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	RDCGR480090	\$ 3,428,735
Total ALN 21.015			<u>3,428,735</u>
Total Passed Through Texas Commission on Environmental Quality			<u>3,428,735</u>
Total U.S. Department of the Treasury			<u>\$ 3,428,735</u>
<u>U.S. Department of Homeland Security FEMA</u>			
<u>Passed Through Texas Department of Emergency Management</u>			
Building Resilient Infrastructure & Communities (BRIC)	97.047		\$ 1,415,394
Total ALN 97.047			<u>1,415,394</u>
Total Passed Through Texas Division of Emergency Management			<u>1,415,394</u>
Total U.S. Department of the Treasury			<u>\$ 1,415,394</u>
Total Federal Awards			<u>\$ 4,844,129</u>



Hidalgo County Drainage District No. 1
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

General

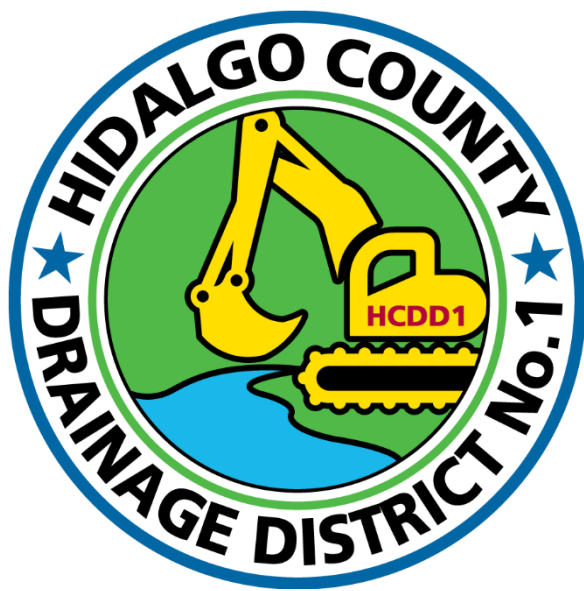
The accompanying Schedule of Expenditures of Federal Awards (SEFA) present the federal grant activity for the Hidalgo County Drainage District No. 1 (the District) for the year ended December 31, 2023. The reporting entity is defined in Note A, 1 to the District's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the District, it is not intended and does not present the financial position, changes in net position, or cash flows of the District.

Basis of Presentation

The accompanying SEFA is presented using the modified accrual basis of accounting, which is described in Note A, 3 of the District's notes to the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule may not agree with the amounts reported in the related Federal financial reports filed with the grantor agencies because of accruals made in the schedule which will be included in future reports filed with agencies.



**Hidalgo County Drainage District No. 1
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

Unmodified

Internal Control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ X yes _____ none reported

Noncompliance material to financial statements noted?

 X yes _____ no

Federal awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditors’ report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major programs:

Assistance Listing Number (ALN)
97.047

Name of Federal Program or Cluster
Building Resilient Infrastructure &
Communities (BRIC)

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualifies as a low-risk auditee?

 X yes _____ no

**Hidalgo County Drainage District No. 1
Schedule of Findings and Questioned Costs - Continued
For the Year Ended December 31, 2023**

Section II – Financial Statement Findings

Finding No: 2023-001 - Timesheet Approvals

Criteria and Condition:

The District's payroll policy requires timesheets be approved by a supervisor before they are submitted to human resources for review and approval. In a sample of 40 payroll transactions tested, we noted 5 instances where timesheets did not include any evidence to show that a supervisor had reviewed the timesheets as required by policy.

Cause and Effect:

In 2022, the District recently implemented an electronic timekeeping system for all employees. Prior to the implementation of this system, approvals were performed manually on paper. As the new system was implemented, the supervisors' approvals have been inconsistent. While the human resources approval is a good control, an employee's direct supervisor has direct knowledge of time worked and employee schedules. The lack of supervisor approval may create an opportunity for incorrect time postings from going unnoticed, whether by error or intentional.

Repeat Finding: 2022-001

Recommendation:

We recommend the District follow its payroll policy and ensure all employee timesheets are approved by a supervisor.

Views of Responsible Officials:

See management's corrective action plan.

Finding No: 2023-002 – Capital Assets Module

Criteria and Condition:

The District maintains a capital asset module to track capital assets and the related accumulated depreciation. The capital assets maintained in the capital asset module should support the balances reflected in the general ledger. We noted a difference totaling approximately \$1.4 million that has been carrying forward since 2014.

Cause and Effect:

Unreconciled differences have been carried forward since 2014 that have not yet been resolved. Unreconciled differences between the capital asset module and general ledger may result in misstatements.

Repeat Finding: N/A

Recommendation:

We recommend the District research these differences and reconcile the capital asset module accordingly.

Views of Responsible Officials:

See management's corrective action plan.

**Hidalgo County Drainage District No. 1
Schedule of Findings and Questioned Costs - Continued
For the Year Ended December 31, 2023**

Section II – Financial Statement Findings - Continued

Finding No: 2023-003 – Public Funds Investment Act Compliance

Criteria and Condition:

The Public Funds Investment Act, Section 2256.023 (c) states that, “The report shall be presented not less than quarterly to the governing body and the chief executive officer of the entity within a reasonable time after the end of the period.” We noted the 3rd quarter investment report was presented approximately four months after the end of the quarter.

Cause and Effect:

The quarterly investment report for the 3rd quarter was not presented to the governing body timely. The lack of timely quarterly investment reports may result in outdated information being presented, which may affect decision making. Additionally, the lack of timely quarterly investment reports results in noncompliance with the Public Funds Investment Act, Section 2256.0203(c).

Repeat Finding: N/A

Recommendation:

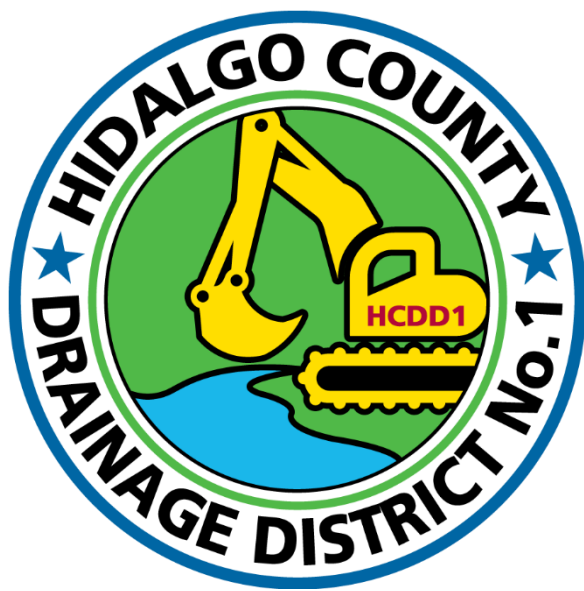
We recommend the District implement a control to ensure that quarterly investment reports are presented timely to the board of directors.

Views of Responsible Officials:

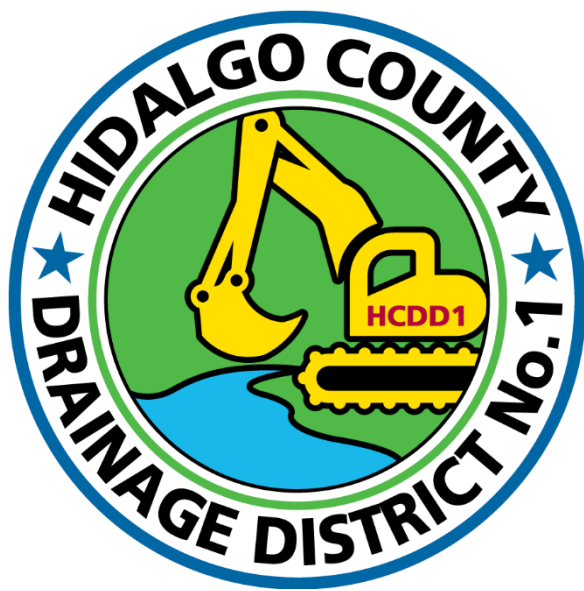
See management’s corrective action plan.

Section III – Federal Award Findings

None noted.



Corrective Action Plan





HIDALGO COUNTY DRAINAGE DISTRICT No. 1

RAUL E. SESIN, PE, CFM
District General Manager
Hidalgo County Floodplain Administrator

BOARD OF DIRECTORS

DAVID L. FUENTES Board Member	EDUARDO "EDDIE" CANTU Board Member	RICHARD F. CORTEZ Chairman of the Board	EVERARDO "EVER" VILLARREAL Board Member	ELLIE TORRES Board Member
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**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

I. Corrective Action Plan

Findings Related to the Financial Statements

Finding No: 2023-001 - *Timesheet Approvals*

Corrective Action: The audit for 2022 was issued August 21, 2023, since then, the District has continually reinforced and educated employees and supervisors on the importance of proper timesheet approvals. 3 out of the 5 instances observed were prior to last year audit release. District will continue to strive for 100% compliance.

Contact Person: Lora D. Briones, Chief Financial Officer

Proposed Completion Date: December 31, 2024

Finding No: 2023-002 - *Capital Assets Module*

Corrective Action: District will research further and make the necessary changes in the Fixed Asset Module.

Contact Person: Lora D. Briones, Chief Financial Officer

Proposed Completion Date: December 31, 2025

Finding No: 2023-003 - *Public Funds Investment Act Compliance*

Corrective Action: The District in association with the Hidalgo County Treasurer's Office will insure the reports are prepared and submitted for board approval timely.

Contact Person: Lora D. Briones, Chief Financial Officer

Proposed Completion Date: Quarterly

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
CORRECTIVE ACTION PLAN - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023**

I. Corrective Action Plan - Continued

Federal Award Findings

Not applicable



HIDALGO COUNTY DRAINAGE DISTRICT No. 1

RAUL E. SESIN, PE, CFM

District General Manager

Hidalgo County Floodplain Administrator

BOARD OF DIRECTORS

DAVID L. FUENTES
Board Member

EDUARDO "EDDIE" CANTU
Board Member

RICHARD F. CORTEZ
Chairman of the Board

EVERARDO "EVER" VILLARREAL
Board Member

ELLIE TORRES
Board Member

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1 SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2023

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Status of Prior Audit Findings

Findings Related to the Financial Statements

2022-001 Internal Control: Payroll Test of Internal Controls

Current Status of Corrective Action Plan: The District has continually reinforced and educate employees and supervisors on the importance of proper timesheet approvals. District will continue to strive for 100% compliance.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

Management and Accounting Personnel

As of December 31, 2023

Raul E. Segin, P.E., CFM	General Manager
Omar Anzaldua, Jr., P.E., CFM	Assistant General Manager
Yvette Barrera, P.E., CFM	Assistant General Manager
Lora D. Briones	Chief Financial Officer
Jaime J. Salazar	Chief of Staff
Roberto De Leon	Field Operations Director
Alvaro Chuc	Director of Accounting
Mark Garcia	Asset Coordinator III
Jennifer Lee Garza	Accountant V
Milagros Rodriguez	Accountant IV
Silvia Lozano	Accountant II
Yazmin Garcia	Accountant II
Rosa Arce	AP Specialist III
Patricia Rodriguez	HR Division Manager II