

# 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, 2024



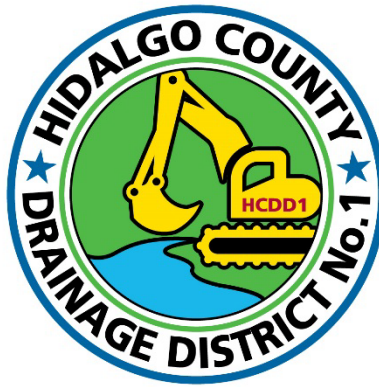
# **Hidalgo County Drainage District No. 1**

**A Component Unit of County of Hidalgo, Texas**

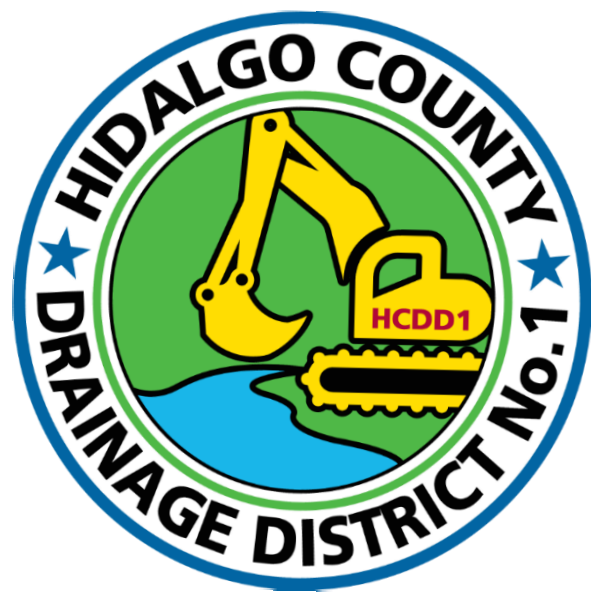
**Annual Comprehensive Financial Report**

**For the Fiscal Year Ended**

**December 31, 2024**



**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, 2024**

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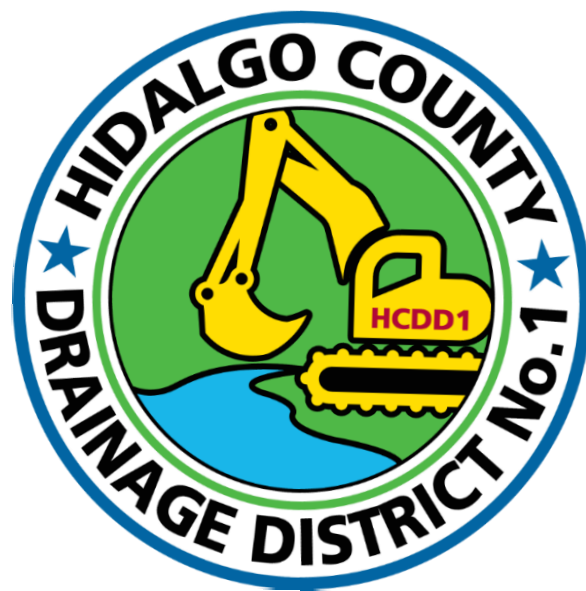
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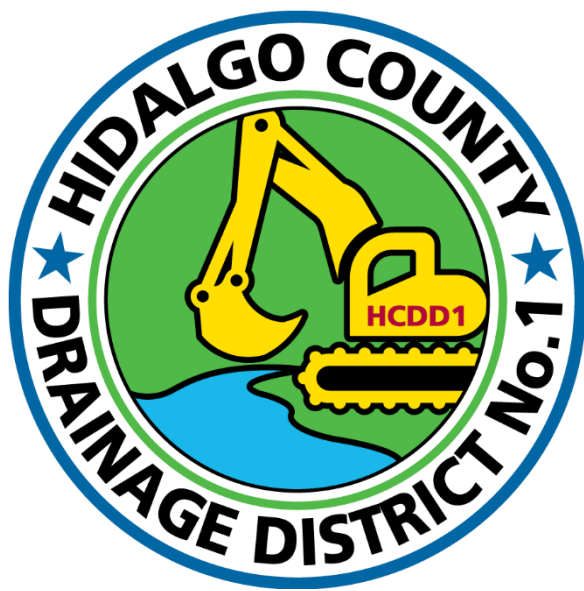
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This report is also available online at <https://www.hcdd1.org>



# **INTRODUCTORY SECTION**







## HIDALGO COUNTY DRAINAGE DISTRICT No. 1

**RAUL E. SESIN, PE, CFM**

District General Manager

Hidalgo County Floodplain Administrator

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### BOARD OF DIRECTORS

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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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July 15, 2025

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, 2024, 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, 2024 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, 2024 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 2024 totaled \$11,174,415 an increase of \$2,173,157 from the prior year total of \$9,001,258. Interest income increased primarily from bonds that were sold in September 27, 2023, 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 914,820 people, Hidalgo County is the 9<sup>th</sup> most populated out of 254 Texas counties. Population since the 2020 Census has grown by 5.1% 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.

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 2023 is \$52,281.

### **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. The Delta Reclamation project, once complete, will be an additional water source for our region.

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](http://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, 2023. This was the seventh 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

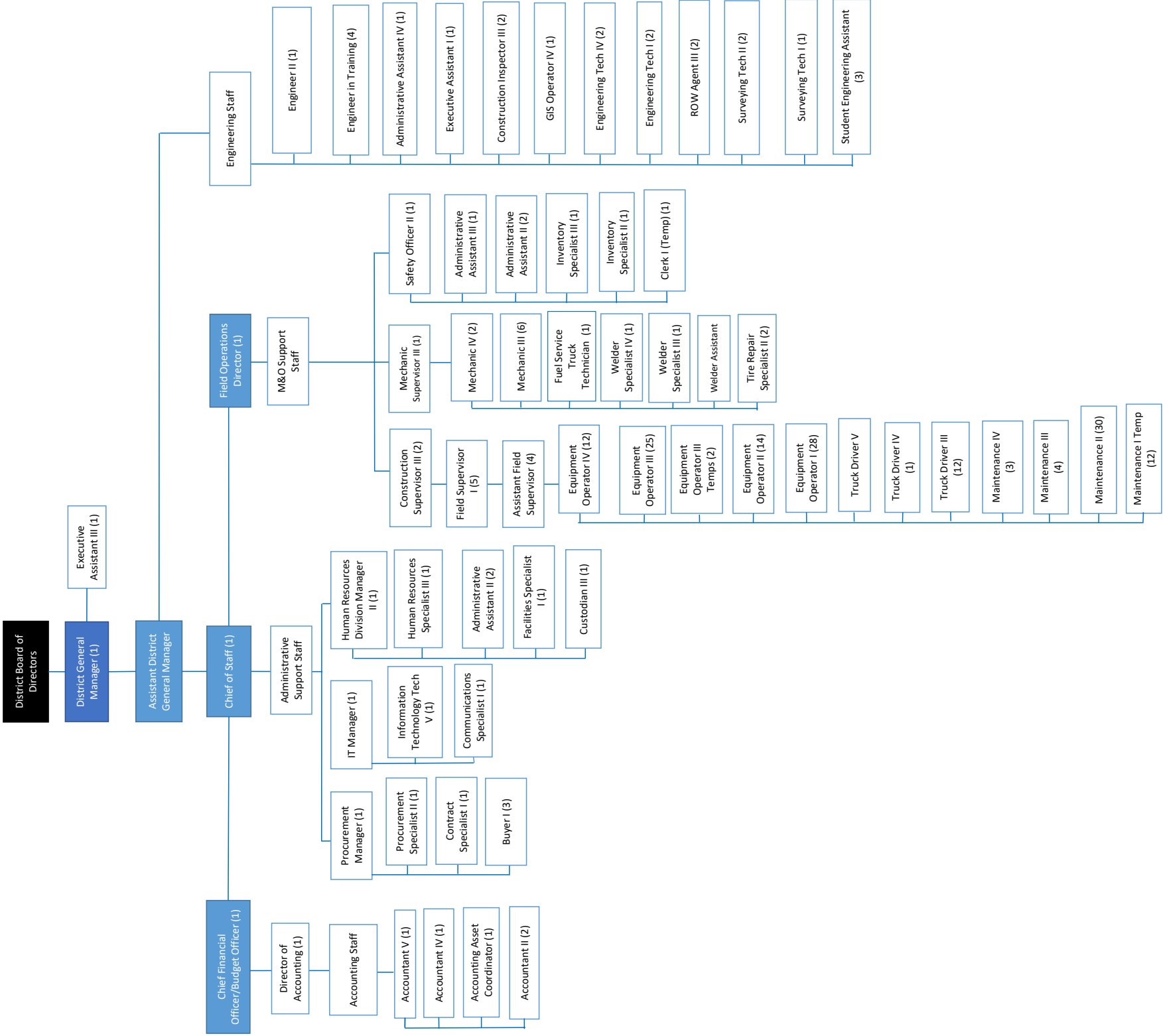
December 31, 2023

*Christopher P. Morill*

Executive Director/CEO



HIDALGO COUNTY DRAINAGE DISTRICT No. 1  
Organizational Chart as of December 31, 2024



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**Governing Body**  
**As of December 31, 2024**

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**

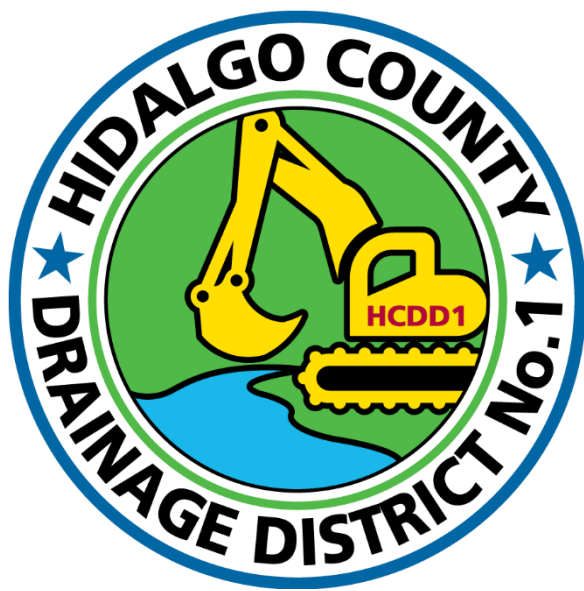
**Principal Officials**

**As of December 31, 2024**

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

### 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, 2024, 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, 2024, 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.

#### ***Emphasis of Matter***

##### ***Change in Accounting Principle***

As described in Note A to the financial statements, in 2024 the District adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections* and GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 18–25 and 66–71 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 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 the 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.

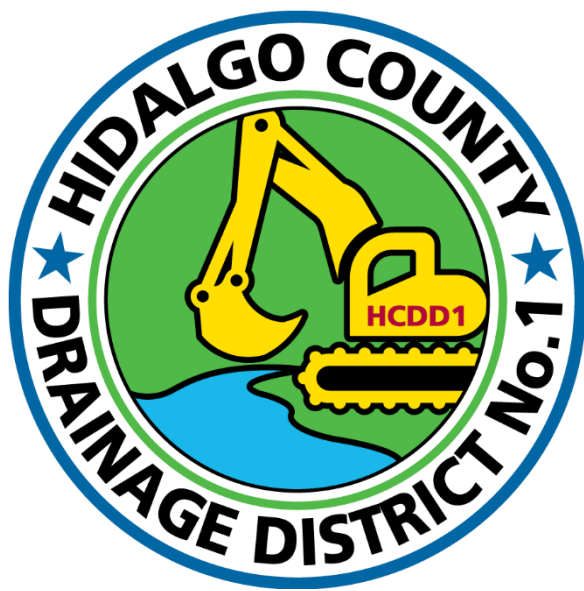
#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2025, 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.

*Burton McComber & Longoria LLP*

McAllen, Texas  
July 15, 2025







# **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, 2024**

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, 2024. Please read it in conjunction with the letter of transmittal on page 3 and the District's financial statements, which begin on page 28.

**FINANCIAL HIGHLIGHTS**

**General Fund**

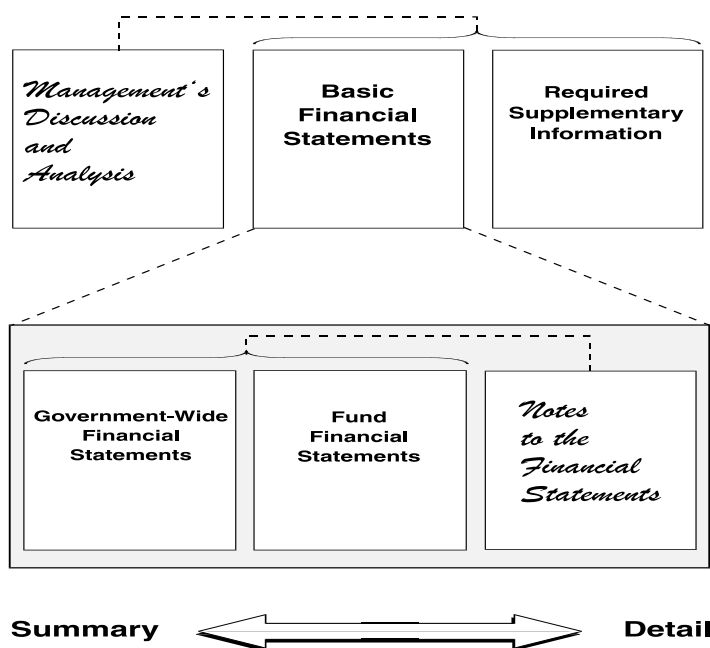
- At fiscal year end, the unassigned fund balance in the general fund totaled \$26,034,846 which represents a \$4,056,703 increase from fiscal year 2023 primarily due to an increase in tax revenues, intergovernmental revenues, and a legal settlement.
- The collection of the 2023 tax levy for general fund increased to \$24,886,566, an increase of 5.1 percent primarily due to increase in the overall property value assessments. The general fund revenues increased by \$4,494,759 to \$33,658,129, an increase of 15.4 percent over fiscal year 2023. 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 \$2,056,945 to \$25,098,739, an increase of 8.9 percent over fiscal year 2023 primarily due to capital outlay.

**Government-Wide**

- The District's governmental activities reported expenses of \$32,910,435 net of program revenues totaling \$6,139,412. General revenues totaled \$82,152,399 resulting in an increase in net position of \$55,381,376.
- At fiscal year-end, the District's governmental activities reported combined total net position of \$282,416,130.
- 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:

	<b>Government-Wide</b>	<b>Governmental Funds</b>
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, 2021 Bond Series Capital Project Fund, 2021 A Taxable Bond Series Capital Projects Fund, 2023 Bond Series Capital Projects Fund, 2021 A Taxable Bond Series Debt Service Fund, and the 2023 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,:

	2024	2023
<b>Assets:</b>		
Current and other assets	\$ 267,705,650	\$ 289,165,898
Capital assets, net	334,319,771	283,811,515
Total assets	602,025,421	572,977,413
<b>Deferred Outflows of Resources:</b>		
Deferred charges on refunding	146,396	195,194
Deferred resources for pension	2,053,195	2,639,908
Deferred resources for OPEB	842,264	812,356
Total deferred outflows of resources	3,041,855	3,647,458
<b>Liabilities:</b>		
Long-term liabilities	266,179,835	294,059,827
Other liabilities	15,369,238	12,952,609
Total liabilities	281,549,073	307,012,436
<b>Deferred Inflows of Resources:</b>		
Deferred resources for pension	96,740	154,629
Deferred resources for OPEB	1,253,603	1,375,213
Deferred revenue for property taxes	39,751,730	40,557,647
Total deferred inflows of resources	41,102,073	42,087,489
<b>Net position:</b>		
Net investment in capital assets	239,036,975	199,558,798
Restricted	22,846,443	20,078,107
Unrestricted	20,532,712	7,888,041
Total net position	\$ 282,416,130	\$ 227,524,946

At the close of the current fiscal year, \$239,036,975 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 for drainage improvements and flood control; consequently, these are not available for future spending. At the end of the fiscal year, the District reported a positive balance of \$22,846,443 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 \$20,532,712 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 increase in capital outlay.

### 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,

	2024	2023
<b>Revenues:</b>		
Program revenues:		
Operating grants and contributions	\$ 5,910,539	\$ 5,505,282
Capital grants and contributions	-	1,000,000
Charges for services	228,873	316,780
Total program revenues	6,139,412	6,822,062
General revenues:		
Property taxes	65,192,947	54,608,296
Interest income	11,174,416	9,001,257
Tax penalties and interest	1,188,487	1,106,951
Miscellaneous	4,596,549	4,440,503
Gain on sale of capital assets	-	282,387
Total general revenues	82,152,399	69,439,394
Total revenues	88,291,811	76,261,456
<b>Expenses:</b>		
General government	5,681,029	3,475,477
Drainage flood control	19,189,475	23,919,429
Interest on long-term debt	8,039,931	7,978,976
Total expenses	32,910,435	35,373,882
Increase (decrease) in net position	55,381,376	40,887,574
Net Position - beginning, as previously restated	227,524,946	187,114,542
Change in accounting principal	(490,192)	(477,170)
Net Position - beginning, as restated	227,034,754	186,637,372
Net Position - ending	\$ 282,416,130	\$ 227,524,946

The District's general revenues totaled \$82,152,399. Property taxes contributed \$65,192,947 or 79.4% of total general revenues an increase of \$10,584,651 from last year primarily due to a \$6.8 billion or 14.6% increase in property valuations driven by increased real estate market values. The remaining 20.6% of general revenues was derived from interest, tax penalties and other sources. The increase in interest income was due to a full year of interest from proceeds from the sale of the Unlimited Tax Improvement Bonds, Series 2023 in late September. The total expenses for services totaled \$32,910,435 a decrease of \$2,463,447 from previous year primarily due to decreases debt service principal payments. Expenditures necessary for the maintenance and operations of drainage facilities accounted for 58.3% of expenses. General governmental activities and interest on long-term debt expenses accounted for 17.3% and 24.4% 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, 2021 Bond Series Capital Projects Fund, 2021 A Taxable Bond Series Capital Projects Fund, 2023 Bond Series Capital Projects Fund, 2021 A Taxable Bond Series Debt Service Fund, and the 2023 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 \$33,893,604 which represents a \$5,708,423 increase from fiscal year 2023. 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 2024. 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 \$4,853,968. 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 2021 Bonds Series Capital Project Fund decreased by \$12,214,971 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 \$74,298 due to interest revenue. e. The 2023 Bond Series Capital Projects Fund decreased by \$14,648,932 which was attributed to the ongoing engineering, land acquisitions, and construction costs of the 26 identified projects. The 2021 A Taxable Bond Series Debt Service Fund increased by \$240,805 due to interest revenue. The 2023 Bond Series Debt Service Fund increased by \$74,469 due to interest revenue.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2024, the District had \$334,319,771 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)		
	2024	2023
Land and easements	\$ 51,318,163	\$ 43,309,389
Construction in progress	142,524,613	109,539,581
Infrastructure	120,360,219	113,712,900
Buildings and renovations	2,589,780	2,634,453
Machinery and equipment	17,038,379	14,554,231
Subscriptions	488,617	60,961
Total	<u>\$ 334,319,771</u>	<u>\$ 283,811,515</u>

### Outstanding Debt

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

Outstanding Debt at Year-End		
	2024	2023
Bond Series 2013	\$ 37,395,000	\$ 41,415,000
Refunding Bond 2014	5,850,000	7,665,000
Refunding Bond 2016	19,180,000	23,265,000
Bond Series 2019	61,050,000	64,355,000
Bond Series 2021	27,345,000	28,075,000
Bond Series 2021 A Taxable	19,985,000	31,055,000
Bond Series 2021 Taxable FIF	20,580,000	21,343,000
Bond Series 2023	58,205,000	59,205,000
SBITA	398,368	37,823
Compensated Absences	1,507,997	446,818
	<u>\$ 251,496,365</u>	<u>\$ 276,862,641</u>

Additional debt information can be found on Note G Long-Term Liabilities beginning on page 54.



## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

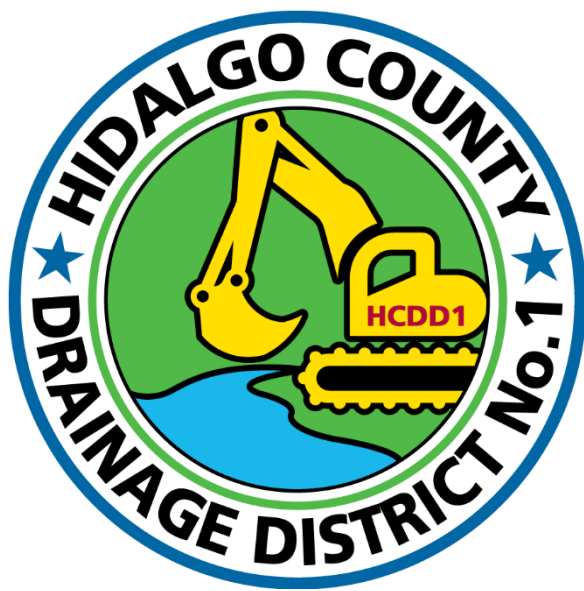
The 2025 Levy experienced a 3.9 billion dollar increase in the appraised valuation from prior years, due in part to the growth of the economy and the limited supply of available homes for sale. The District will continue maintenance and expansion of its facilities as well as new projects as Hidalgo County's population and infrastructure needs continue to grow.

The Board of Directors considered these factors when setting the budget requirements for fiscal year 2025. A balanced budget was approved with revenues and expenditures for 2025 totaling \$30,546,701 available for appropriation in the General Fund budget. The District passed a tax rate of .1123 per \$100 valuation for the 2025 budget year. The 2025 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 2025 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](http://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, 2024

**EXHIBIT A-1**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 216,135,815
Receivables	
(net of allowance for uncollectibles)	
Property taxes	39,751,729
Other accounts	43,796
Due from other governments	11,773,310
Prepaid items	1,000
Capital assets, not being depreciated	
Land and easements	51,318,163
Construction in progress	142,524,613
Capital assets (net of accumulated depreciation & amortization)	
Infrastructure	120,360,219
Buildings and renovations	2,589,780
Machinery and equipment	17,038,379
SBITA	488,617
<b>Total assets</b>	<b>602,025,421</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charges on refunding	146,396
Deferred resources for pension	2,053,195
Deferred resources for OPEB	842,264
<b>Total deferred outflows of resources</b>	<b>3,041,855</b>
<b>LIABILITIES</b>	
Accounts payable	6,028,233
Salaries and benefits payable	553,530
Retainage payable	3,088,606
Due to other governments	2,265,758
Unearned revenue	57,908
Accrued interest	3,124,709
Other liabilities	250,494
Long-term liabilities:	
Due within one year	
Bond Series 2013	2,481,137
Bond Series 2014	1,938,704
Bond Series 2016	4,656,121
Bond Series 2019	3,669,260
Bond Series 2021 Taxable FIF	763,000
Bond Series 2021	962,064
Bond Series 2021 A Taxable	763,029
Bond Series 2023	13,288,466
SBITA	175,957
Compensated absences	127,439
Other post employment benefits	21,122
Due in more than one year	
Bond Series 2013	34,800,881
Bond Series 2014	4,022,819
Bond Series 2016	15,400,135
Bond Series 2019	61,942,704
Bond Series 2021 Taxable FIF	19,817,000
Bond Series 2021	30,377,054
Bond Series 2021 A Taxable	19,804,839
Bond Series 2023	46,246,617
SBITA	222,411
Compensated absences	1,380,558
Net pension	1,677,103
Other post employment benefits	1,641,415
<b>Total liabilities</b>	<b>281,549,073</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred resources for pension	96,740
Deferred resources for OPEB	1,253,603
Deferred revenues-property taxes	39,751,730
<b>Total deferred inflows of resources</b>	<b>41,102,073</b>
Net investment in capital assets	239,036,975
Restricted for:	
Debt service	21,562,682
Grants	1,283,761
Unrestricted	20,532,712
<b>Total net position</b>	<b>\$ 282,416,130</b>

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, 2024

**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	
<b>Governmental Activities:</b>					
General government	\$ (5,681,029)	\$ -	\$ -	\$ -	\$ (5,681,029)
Drainage flood control	(19,189,475)	228,873	-	5,910,539	(13,050,063)
Interest on long-term debt	(8,039,931)	-	-	-	(8,039,931)
<b>Total Governmental Activities</b>	<b>\$ (32,910,435)</b>	<b>\$ 228,873</b>	<b>\$ -</b>	<b>\$ 5,910,539</b>	<b>\$ (26,771,023)</b>
<b>General Revenues:</b>					
Property taxes					65,192,947
Interest income					11,174,416
Tax penalties and interest					1,188,487
Miscellaneous					4,596,549
<b>Total General Revenues</b>					<b>82,152,399</b>
Change in Net Position					55,381,376
<b>Net Position - Beginning, as previously reported</b>					<b>227,524,946</b>
Change in accounting principal					(490,192)
<b>Net Position - Beginning, as restated</b>					<b>227,034,754</b>
<b>Net Position - Ending</b>					<b>\$ 282,416,130</b>

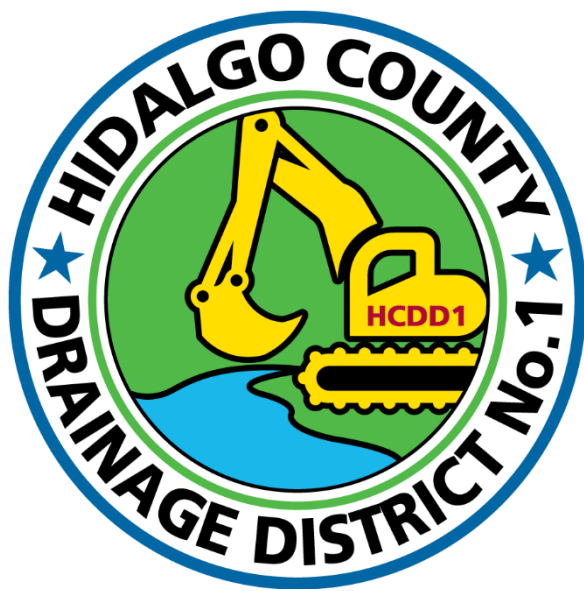
The accompanying notes are an integral part of this statement.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2024

	General Fund	2021 Bond Series Capital Projects Fund	2021 A Taxable Bond Series Capital Projects Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 60,128,066	\$ 5,618,655	\$ 51,480,030
Receivables (net of allowance for uncollectibles)			
Property taxes	17,822,373	-	-
Other accounts	38,471	-	-
Due from other governments	4,566,066	-	-
Due from other funds	4,199,318	1,732,121	150,000
Prepaid items	1,000	-	-
<b>Total Assets</b>	<b>\$ 86,755,294</b>	<b>\$ 7,350,776</b>	<b>\$ 51,630,030</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 869,740	\$ 1,208,069	\$ 31,222
Salaries and benefits payable	509,402	-	-
Held in escrow	250,494	-	-
Retainage payable		597,586	-
Due to other governments	273,251	-	-
Due to other funds	20,546,691	-	-
Unearned revenue	-	-	-
<b>Total Liabilities</b>	<b>22,449,578</b>	<b>1,805,655</b>	<b>31,222</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenue-property taxes	12,624,075	-	-
Deferred revenue-property taxes	17,822,374	-	-
<b>Total Deferred Inflows of Resources</b>	<b>30,446,449</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>			
Non-spendable:			
Prepaid items	1,000	-	-
Restricted:			
Special revenue	-	-	-
Capital projects	-	5,545,121	51,598,808
Debt service	-	-	-
Assigned	7,823,421	-	-
Unassigned	26,034,846	-	-
<b>Total Fund Balances</b>	<b>33,859,267</b>	<b>5,545,121</b>	<b>51,598,808</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 86,755,294</b>	<b>\$ 7,350,776</b>	<b>\$ 51,630,030</b>

The accompanying notes are an integral part of this statement.

2023 Bond Series Capital Projects Fund	2021 A Taxable Bond Series Debt Service Fund	2023 Bond Series Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 50,099,522	\$ 416,097	\$ 335,993	\$ 48,057,452	\$ 216,135,815
-	861,878	8,382,144	12,685,334	39,751,729
-	-	-	5,325	43,796
-	-	-	7,207,244	11,773,310
143,986	884,524	6,375,952	16,536,054	30,021,955
-	-	-	-	1,000
<u>\$ 50,243,508</u>	<u>\$ 2,162,499</u>	<u>\$ 15,094,089</u>	<u>\$ 84,491,409</u>	<u>\$ 297,727,605</u>
\$ 2,469,198	\$ -	\$ -	\$ 1,450,004	\$ 6,028,233
-	-	-	44,128	553,530
-	-	-	-	250,494
1,198,722	-	-	1,292,298	3,088,606
1,023,862	-	-	968,645	2,265,758
603,599	-	-	8,871,665	30,021,955
-	-	-	57,908	57,908
<u>5,295,381</u>	<u>-</u>	<u>-</u>	<u>12,684,648</u>	<u>42,266,484</u>
-	502,764	6,636,894	8,876,337	28,640,070
-	861,878	8,382,144	12,685,334	39,751,730
<u>-</u>	<u>1,364,642</u>	<u>15,019,038</u>	<u>21,561,671</u>	<u>68,391,800</u>
-	-	-	-	1,000
-	-	-	1,283,761	1,283,761
44,948,127	-	-	44,287,550	146,379,606
-	797,857	75,051	4,673,779	5,546,687
-	-	-	-	7,823,421
-	-	-	-	26,034,846
<u>44,948,127</u>	<u>797,857</u>	<u>75,051</u>	<u>50,245,090</u>	<u>187,069,321</u>
<u>\$ 50,243,508</u>	<u>\$ 2,162,499</u>	<u>\$ 15,094,089</u>	<u>\$ 84,491,409</u>	<u>\$ 297,727,605</u>





**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT A-4**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 DECEMBER 31, 2024

Total fund balance - balance sheet governmental funds \$ 187,069,321

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	51,318,163	
Construction in progress	142,524,613	
Infrastructure	120,360,219	
Buildings and renovations	2,589,780	
Machinery and equipment	17,038,379	
SBITA	488,617	334,319,771

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	146,396	
Pensions	2,053,195	
OPEB	842,264	3,041,855

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.

28,640,070

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	(3,124,709)	
Bond Series 2013 - outstanding balance	(37,395,000)	
Bond Series 2013 - unamortized premium	112,982	
Bond Series 2014 - outstanding balance	(5,850,000)	
Bond Series 2014 - unamortized premium	(111,523)	
Bond Series 2016 - outstanding balance	(19,180,000)	
Bond Series 2016 - unamortized premium	(876,256)	
Bond Series 2019 - outstanding balance	(61,050,000)	
Bond Series 2019 - unamortized premium	(4,561,964)	
Bond Series 2021 Taxable FIF - outstanding balance	(20,580,000)	
Bond Series 2021 - outstanding balance	(27,345,000)	
Bond Series 2021 - unamortized premium	(3,994,118)	
Bond Series 2021 A Taxable - outstanding balance	(19,985,000)	
Bond Series 2021 A Taxable - unamortized premium	(582,868)	
Bond Series 2023 - outstanding balance	(58,205,000)	
Bond Series 2023 - unamortized premium	(1,330,083)	
SBITA liability	(398,368)	
Compensated absences	(1,507,997)	
Pension liability	(1,677,103)	
Other post employment benefits	(1,662,537)	(269,304,544)

5. Deferred inflows related to the pension are not reported in the funds.  
 Deferred inflows related to the OPEB are not reported in the funds.

(96,740)	
(1,253,603)	(1,350,343)

Total net position of governmental activities  
 The accompanying notes are an integral part of this statement.

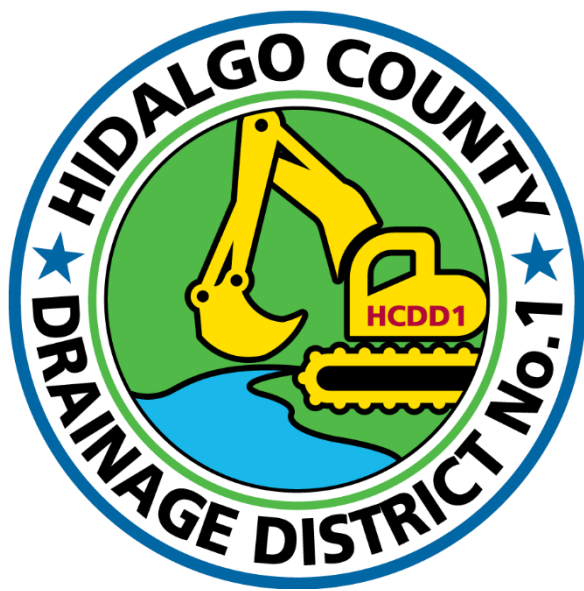
\$ 282,416,130

**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, 2024

	General Fund	Formerly Major Fund 2019 Bond Series Capital Projects Fund	2021 Bond Series Capital Projects Fund	2021 A Taxable Bond Series Capital Projects Fund
<b>REVENUES</b>				
Property taxes	\$ 24,886,565	\$ -	\$ -	\$ -
Intergovernmental	1,506,867	-	-	-
Charges for services	228,873	-	-	-
Interest	2,680,631	-	731,154	2,746,922
Miscellaneous	4,355,193	-	-	-
<b>Total revenues</b>	<u>33,658,129</u>	<u>-</u>	<u>731,154</u>	<u>2,746,922</u>
<b>EXPENDITURES</b>				
Current:				
General government	6,173,881	-	-	-
Drainage flood control	13,168,900	-	-	-
Debt service:				
Principal	-	-	-	-
SBITA principal	217,025	-	-	-
Interest	1,012	-	-	-
Issuance cost and fiscal charges	-	-	-	-
Capital outlay:				
General government	77,110	-	-	-
Drainage flood control	4,883,242	-	14,021,164	2,672,624
SBITA Subscriptions	577,569	-	-	-
<b>Total expenditures</b>	<u>25,098,739</u>	<u>-</u>	<u>14,021,164</u>	<u>2,672,624</u>
Excess (deficiency) of revenues over (under) expenditures	8,559,390	-	(13,290,010)	74,298
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	1,075,039	-
Transfers out	(3,700,400)	-	-	-
Sale of capital assets	271,864	-	-	-
SBITA obligations	577,569	-	-	-
<b>Total other financing sources (uses)</b>	<u>(2,850,967)</u>	<u>-</u>	<u>1,075,039</u>	<u>-</u>
Net change in fund balances	5,708,423	-	(12,214,971)	74,298
<b>Fund balances at beginning of year, as previously presented</b>	28,150,844	13,769,323	17,760,092	51,524,510
Change to financial reporting entity classification of fund types	-	(13,769,323)	-	-
<b>Fund balance at beginning of year, as restated</b>	28,150,844	-	17,760,092	51,524,510
<b>Fund balances at the end of year</b>	<u>\$ 33,859,267</u>	<u>\$ -</u>	<u>\$ 5,545,121</u>	<u>\$ 51,598,808</u>

The accompanying notes are an integral part of this statement.

2023 Bond Series Capital Projects Fund	2021 A Taxable Bond Series Debt Service Fund	2023 Bond Series Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ 11,605,289	\$ 3,598,132	\$ 21,528,306	\$ 61,618,292
-	-	-	4,403,672	5,910,539
-	-	-	-	228,873
3,290,590	246,901	79,370	1,398,848	11,174,416
-	-	-	241,356	4,596,549
<u>3,290,590</u>	<u>11,852,190</u>	<u>3,677,502</u>	<u>27,572,182</u>	<u>83,528,669</u>
-	-	-	-	6,173,881
-	-	-	-	13,168,900
-	11,070,000	1,000,000	14,718,000	26,788,000
-	-	-	-	217,025
-	540,885	2,602,533	6,818,613	9,963,043
-	500	500	6,050	7,050
-	-	-	-	77,110
17,939,522	-	-	15,851,510	55,368,062
-	-	-	-	577,569
<u>17,939,522</u>	<u>11,611,385</u>	<u>3,603,033</u>	<u>37,394,173</u>	<u>112,340,640</u>
(14,648,932)	240,805	74,469	(9,821,991)	(28,811,971)
-	-	-	4,149,361	5,224,400
-	-	-	(1,524,000)	(5,224,400)
-	-	-	-	271,864
-	-	-	-	577,569
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,625,361</u>	<u>849,433</u>
(14,648,932)	240,805	74,469	(7,196,630)	(27,962,538)
59,597,059	557,052	-	43,672,979	215,031,859
-	-	582	13,768,741	-
59,597,059	557,052	582	57,441,720	215,031,859
<u>\$ 44,948,127</u>	<u>\$ 797,857</u>	<u>\$ 75,051</u>	<u>\$ 50,245,090</u>	<u>\$ 187,069,321</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, 2024

Net change in fund balances - total governmental funds		\$ (27,962,538)
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	56,022,741	
Depreciation & Amortization	<u>(5,157,906)</u>	50,864,835
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.		(84,715)
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.		(271,864)
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	(23,876,929)	
Earned but unavailable	<u>28,640,070</u>	4,763,141
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	1,850,527	
Amortization of deferred charge on refunding	(48,798)	
Change in accrued interest on bonds	128,433	
Change in compensated absences	(570,987)	
Change in deferred outflow of resources - pension	(586,713)	
Change in deferred inflow of resources - pension	57,889	
Net pension liability	911,295	
Change in deferred inflows of resources - OPEB	121,611	
Change in deferred outflows of resources - OPEB	29,908	
Other post employment benefits	<u>(248,103)</u>	1,645,062
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.		
Bond payments	26,788,000	
SBITA principal payments	217,024	
Elimination of other financing sources due to SBITAs	<u>(577,569)</u>	<u>26,427,455</u>
Change in net position of governmental activities - statement of activities		<u>\$ 55,381,376</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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Property taxes	\$ 25,279,337	\$ 25,279,337	\$ 24,886,565	\$ (392,772)
Intergovernmental	-	-	1,506,867	1,506,867
Charges for services	241,500	241,500	228,873	(12,627)
Interest	1,250,000	1,250,000	2,680,631	1,430,631
Miscellaneous	100,000	100,000	4,355,193	4,255,193
<b>Total revenues</b>	<u>26,870,837</u>	<u>26,870,837</u>	<u>33,658,129</u>	<u>6,787,292</u>
<b>EXPENDITURES</b>				
Current:				
General government	6,946,822	6,818,058	6,173,881	644,177
Drainage flood control	19,399,015	18,631,747	13,168,900	5,462,847
Debt service:				
SBITA principal	-	-	217,025	(217,025)
Interest	-	-	1,012	(1,012)
Capital outlay:				
General government	-	250,000	77,110	172,890
Drainage flood control	-	5,500,000	4,883,242	616,758
SBITA Subscriptions			577,569	
<b>Total expenditures</b>	<u>26,345,837</u>	<u>31,199,805</u>	<u>25,098,739</u>	<u>6,678,635</u>
Excess (deficiency) of revenues over (under) expenditures	525,000	(4,328,968)	8,559,390	13,465,927
<b>OTHER FINANCING SOURCES (USES)</b>				
SBITA obligations	-	-	577,569	577,569
Transfers out	(600,000)	(4,300,400)	(3,700,400)	600,000
Sale of capital assets	75,000	75,000	271,864	196,864
<b>Total other financing sources (uses)</b>	<u>(525,000)</u>	<u>(4,225,400)</u>	<u>(2,850,967)</u>	<u>1,374,433</u>
Net change in fund balance	-	(8,554,368)	5,708,423	14,840,360
<b>Fund balance at beginning of year</b>	28,150,844	28,150,844	28,150,844	-
<b>Fund balance at the end of year</b>	<u>\$ 28,150,844</u>	<u>\$ 19,596,476</u>	<u>\$ 33,859,267</u>	<u>\$ 14,840,360</u>

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, 2024

**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 2024, the District implemented applicable GASB standards:

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. This statement is effective for fiscal years beginning after June 15, 2023.

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.

**New Reporting Standards**

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.

Statement No. 103, Financial Reporting Model Improvements. This statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement is effective for fiscal years beginning after June 15, 2025.

Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The implementation of GASB 104 are effective for fiscal years beginning after June 15, 2025.

The impact of these statements on the District's financial statements has not been determined as of yet. The District will evaluate these new pronouncements and will implement them as applicable by their effective dates.



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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

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.

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 sources (uses) as appropriate.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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

**2. Basis of Presentation - Continued**

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.

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.

2023 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.

*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 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.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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

**2. Basis of Presentation - Continued**

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.

**3. 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.

**4. 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.

**5. 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.

**6. Receivables and Payables**

All trade and property taxes receivable are shown net of an allowance for uncollectible accounts. Property taxes are levied October 1<sup>st</sup> and become delinquent on February 1<sup>st</sup>, 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."

**7. Capital Assets**

Capital assets, which include land and easements, buildings and renovations, machinery and equipment, construction in progress, infrastructure, and right to use subscription assets 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.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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

**7. Capital Assets - Continued**

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

**8. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position includes 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, 2024, the District had deferred outflows of resources for refunding bond, pension, and OPEB in the amount of \$146,396, and \$2,053,195, and \$842,264, respectively.

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, 2024, the District's deferred inflow of resources related to pension, OPEB, and property taxes in the amount of \$96,740, \$1,253,603, and \$39,751,730, respectively.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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

**9. Net Position and Fund Balances**

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net Position is classified in three categories: 1) Net investment in capital assets, 2) Restricted net position, and 3) Unrestricted net position.

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 special revenue, 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, 2024, 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.

In the government-wide financial statements, restricted net position is reported for amounts that are externally restricted by 1) Creditors (e.g., bond covenants), grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provision or enabling legislation.

**10. 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.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
(A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS)  
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**Note A. General Statement and Summary of Significant Accounting Policies – Continued**

**10. Encumbrance Accounting - Continued**

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, 2024. At year-end, the District's remaining commitments totaled \$37,634,793; therefore, this amount is encumbered. Encumbrances for the general fund, 2021 Bond series capital project funds, 2021 A Taxable Bond series capital projects fund, and 2023 Bond series capital projects fund totaled \$3,114,170, \$2,264,099, \$586,493, and 16,368,836 respectively. Encumbrances for non-major funds totaled \$15,301,195.

**11. 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.

**12. Compensated Absences**

The District's policy permits employees to accumulate earned, but unused vacation benefits, which are eligible for payment upon separation from employment. The liability for such leave is reported as incurred in the government-wide fund financial statements. A liability for those amounts is recorded in the governmental funds only if liability has matured when employee resigns or retires. The liability for compensated absences includes salary-related benefits, where applicable.

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, 2024, the District's liability for vested vacation leave totaled \$1,507,997. Vested vacation benefits are expected to be liquidated with expendable and 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 \$127,439 of the total compensated absences balance will be due within one year.

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

**12. Compensated Absences – Continued**

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. 101, "Compensated Absences," no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Compensatory Time is a paid time off an employee receives instead of overtime pay for extra hours worked and can accumulate a maximum of 240 hours. This leave is paid out if employee separates from employment.

The accrued amount for the current year is as follows:

Vacation leave	\$	472,568
Compensatory time		40,227
Holiday leave		2,657
Sick leave		992,545
Total		<u>1,507,997</u>

**13. 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, 2024, the carrying amount of the District's deposits totaled \$3,872,294 and was entirely covered by federal deposit insurance or secured by collateral held by the pledging financial institutions agent in the District's name pursuant to the Depository Agreement.

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, 2024, 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 TX-FIT Government Pool provides Texas' public entities a conservatively managed, Public Fund Investment Act compliant investment option with no corporate exposure. The TX-FIT Government Pool seeks preservation of principal, a competitive yield and a stable NAV, while also providing same day liquidity to its participants.

The District had investments in Texas Class, Texas Fit and Texas Range. On December 31, 2024, the District had cash and cash equivalents which totaled \$216,135,814. The District had no items classified as investments for 2024.

**Note C. Taxes Receivable**

A summary of the taxes receivable by fund is as follows at December 31, 2024:

	General Fund	Debt Service Funds	Total
Taxes receivable - current	\$ 16,005,282	\$ 20,305,690	\$ 36,310,972
Taxes receivable - delinquent	3,114,731	3,001,787	6,116,518
Allowance for uncollectibles	(1,297,639)	(1,378,121)	(2,675,760)
Taxes receivable, net of allowance for uncollectibles	<u>\$ 17,822,374</u>	<u>\$ 21,929,356</u>	<u>\$ 39,751,730</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 \$547,168 in fees during 2024. 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, 2024, 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 2024 operations.

The 2023 tax levy, for the 2024 year, totaled \$60,619,813 based on a total taxable value of \$53,221,690 and a tax rate of 0.1139.



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**Note D. Interfund Receivables and Transfers**

Balances of due to/from other funds consisted of the following at December 31, 2024:

Due to general fund from non major special revenue funds	\$ 3,895,719
Due to general fund from 2023 bond series capital project fund	3,599
Due to general fund from non major special revenue funds	300,000
Due to non major special revenue fund from general fund	480,636
Due to non major capital project fund from general fund	3,221,150
Due to 2021 bond series capital project fund from general fund	4
Due to non major debt service funds from general fund	9,584,425
Due to 2021 a taxable bond series debt service fund from general fund	884,524
Due to 2023 bond series debt service fund from general fund	6,375,952
Due to non major special revenue funds from non special revenue funds	1,375,000
Due to non major capital projects fund fr 2021 a taxable bond series capital prjoects fund	150,000
Due to 2023 from bond series capital projects fund from tdem north main drain expansion	143,986
Due to non-major capital projects fund to non major capital projects fund	1,080,000
Due to non-major capital projects fund to 2021 bond series capital projects fund	1,075,040
Due to 2023 bond series debt service fund from from 2021 bond series capital prjoects fund	600,000
Due to non major capital project fund from non major capital project fund	794,843
Due to non major capital project fund from 2021 bond series capital project fund	57,077
Total due to/from other funds	<u>\$ 30,021,955</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.

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, 2024:

Transfers In:	Transfers Out:		
	General Fund	Non major Capital Projects Fund	Total
Non major Special Revenue Fund	\$ 500,400	\$ -	\$ 500,400
Non major Capital Projects Fund	3,200,000	448,961	3,648,961
2021 Bond Series Capital Projects Fund	-	1,075,039	1,075,039
Total Inter-fund transfers	<u>\$ 3,700,400</u>	<u>\$ 1,524,000</u>	<u>\$ 5,224,400</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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**Note E. Due From Other Governments**

Due from other governments consisted of the following at December 31, 2024:

Fund	Due From	Purpose	Amount
General Fund	County of Hidalgo	American Rescue Plan Act	\$ 2,129
General Fund	City of Alton	Inter-local agreement project	409,103
General Fund	County of Hidalgo Precinct #3	Inter-local agreement project	593,543
General Fund	Willacy County Drainage District No. 1	Inter-local agreement project	15,672
General Fund	Hidalgo County Tax Office	Collection of taxes	3,545,619
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	4,052,221
		Partnership with Willacy County &	
TWDB FIF Willacy County Grant	Willacy County Drainage District No. 1	Willacy County Irrigation #1	4,500
TDEM North Main Drain Expansion	Texas Division of Emergency Management	North Main Drain expansion	1,801,183
Capital Projects Fund	Texas Water Development Board	Hidalgo County RMA	1,320,369
	Total due from other governments		<u>\$ 11,773,310</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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**Note F. Capital Assets**

The following is a summary of changes in capital assets for the year ended December 31, 2024:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capitals assets not being depreciated:				
Land and easements	\$ 43,309,389	\$ 8,008,774	\$ -	\$ 51,318,163
Construction in progress	109,539,581	42,900,251	(9,915,219)	142,524,613
Total capital assets not being depreciated	152,848,970	50,909,025	(9,915,219)	193,842,776
Capitals assets being depreciated:				
Property Plant & Equipment:				
Infrastructure	177,616,952	-	9,915,114	187,532,066
Building and renovations	3,648,244	-	-	3,648,244
Machinery and equipment	31,417,290	4,536,144	(1,783,845)	34,169,589
SBITA's	222,588	577,569	(73,856)	726,301
Total capital assets being depreciated	212,905,074	5,113,713	8,057,413	226,076,200
Less accumulated depreciation for:				
Infrastructure	(63,904,052)	(3,267,795)	-	(67,171,847)
Building and renovations	(1,013,791)	(44,673)	-	(1,058,464)
Machinery and equipment	(16,863,059)	(1,695,525)	1,427,374	(17,131,210)
Total accumulated depreciation	(81,780,902)	(5,007,993)	1,427,374	(85,361,521)
Less accumulated depreciation for:				
SBITA	(161,627)	(149,913)	73,856	(237,684)
Total accumulated amortization	(161,627)	(149,913)	73,856	(237,684)
Total capital assets being depreciated and amortized, net	130,962,545	(44,193)	9,558,643	140,476,995
Governmental activities capital assets, net	\$ 283,811,515	\$ 50,864,832	\$ (356,576)	\$ 334,319,771

Depreciation expense totaling \$5,007,993 was charged to the drainage flood control function under governmental activities for the year ended December 31, 2024. Accumulated amortization totaling \$149,913 was charged to the general government under governmental activities for the year ended December 31, 2024.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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**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, 2021 FIF and 2023 were \$45,225,000, \$7,665,000, \$28,965,000, \$67,270,000, \$28,775,000, \$40,940,000, \$22,106,000, and \$59,205,000 respectively. The unlimited improvement bonds are direct obligations of the District, payable from the levy and collection of a direct and continuing ad valorem 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, 2024 totaled \$146,396.

**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, 2024, the following defeased bonds remain outstanding:

Description	Refunded Bonds	Maturity	Amount Outstanding
Unlimited Tax Improvement Bonds, Series 2008	\$ 46,555,000	2019-2028	\$ 19,180,000
Unlimited Tax Improvement Bonds, Series 2013	6,095,000	2025-2028	6,095,000
	<u>\$ 52,650,000</u>		<u>\$ 25,275,000</u>

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

**3. Arbitrage**

The Tax Reform Act of 1986 established regulations for the rebate to the federal government of arbitrage earnings on certain local government bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Hidalgo County Drainage District No. 1 did not make any arbitrage payments for year ending December 31, 2024; however, a yield reduction of \$743,222 was paid.

**4. 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	
2025	\$ 26,998,000	\$ 9,374,136	\$ 36,372,136
2026	15,473,000	8,115,617	23,588,617
2027	16,093,000	7,493,585	23,586,585
2028	16,753,000	6,827,580	23,580,580
2029	12,048,000	6,131,525	18,179,525
2030-2034	61,735,000	23,526,328	85,261,328
2035-2039	49,340,000	13,424,415	62,764,415
2040-2044	28,595,000	6,205,743	34,800,743
2045-2049	21,030,000	1,577,832	22,607,832
2050-2051	1,525,000	-	1,525,000
Total	<u>\$ 249,590,000</u>	<u>\$ 82,676,761</u>	<u>\$ 332,266,761</u>

**5. Other Debt**

Subscription Based Information Technology Arrangements are as follows:

As of December 31, 2024, Hidalgo County Drainage District #1 had 11 active subscriptions. The subscriptions have payments that range from \$591 to \$126,326 and interest rates that range from 0.0000% to 3.6310%. As of December 31, 2024, the total combined value of the subscription liability is \$398,368, and the total combined value of the short-term subscription liability is \$175,957. The combined value of the right to use asset, as of December 31, 2024 of \$726,301 with accumulated amortization of \$237,684 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

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

**5. Other Debt - Continued**

Principal and Interest Requirements to Maturity				
Fiscal Year	Governmental Activities			Total Payments
	Principal Payments	Interest Payments		
2025	\$ 177,458	\$ 8,218		\$ 185,676
2026	160,988	4,120		165,108
2027	29,961	-		29,961
2028	29,961	-		29,961
Total	\$ 398,368	\$ 12,338		\$ 410,706

Amount of Subscription Assets by Major Classes of Underlying Asset			
Asset Class	As of Fiscal Year-end		
	Subscription Asset Value	Accumulated Amortization	
Software	\$ 726,301	\$ 237,684	
Total Subscriptions	\$ 726,301	\$ 237,684	

**6. Debt Service Requirements**

The following is a summary of changes in long-term liabilities for the year ended December 31, 2024:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Amounts Due Within One Year
<b>Governmental activities:</b>					
Bonds					
Bond Series 2013	\$ 41,415,000	\$ -	\$ (4,020,000)	\$ 37,395,000	\$ 2,460,000
Bond Series 2014	7,665,000	-	(1,815,000.00)	5,850,000	1,880,000
Bond Series 2016	23,265,000	-	(4,085,000)	19,180,000	4,280,000
Bond Series 2019	64,355,000	-	(3,305,000)	61,050,000	2,880,000
Bond Series 2021	28,075,000	-	(730,000)	27,345,000	770,000
Bond Series 2021A	31,055,000	-	(11,070,000)	19,985,000	735,000
Bond Series 2021 FIF	21,343,000	-	(763,000.00)	20,580,000	763,000
Bond Series 2023	59,205,000	-	(1,000,000.00)	58,205,000	13,230,000
Bond Premiums	13,194,210	-	(1,850,528)	11,343,682	1,523,915
Total bonds	289,572,210	-	(28,638,528)	260,933,682	28,521,915
Other liabilities:					
Compensated Absences	446,818	1,017,805	43,374	1,507,997	127,439
SBITA	37,823	577,569	(217,024)	398,368	175,957
Pension	2,588,398	-	(911,295)	1,677,103	1,677,103
OPEB	1,414,434	248,103	-	1,662,537	1,662,537
Total other liabilities	4,487,473	1,843,477	(1,084,945)	5,246,005	3,643,036
<b>Governmental activities</b>					
<b>long-term liabilities</b>	<u>\$ 294,059,683</u>	<u>\$ 1,843,477</u>	<u>\$ (29,723,473)</u>	<u>\$ 266,179,687</u>	<u>\$ 32,164,951</u>

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. 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, 2024 was as follows:

Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>188</u>
	<u>188</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, 2024 to reflect proper treatment and will disclose the Health Care Benefits for Retired Employees in accordance with GASB No. 75.

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**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 \$1,662,537 was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2025.

Actuarial assumptions – The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Salary increases:	2.00%
Inflation:	2.00%
Discount Rate:	4.08%
Prior Year Discount Rate:	3.26%

Mortality: Mortality rates for active employees were based on the PubG.H-2010 Employee Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.  
Mortality rates for retirees were based on the PubG.H-2010 Healthy Retiree Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

The discount rate was based on the Bond Buyer General Obligation 20 Municipal Bond Index.



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

**4. Changes in Total OPEB Liability**

Balance as of December 31, 2023	\$ 1,414,434
Changes for the year:	
Service cost	101,296
Interest on total OPEB liability	49,737
Differences between expected and actual experience	179,923
Changes in assumptions or other inputs	(82,608)
Changes in proportionate share	-
Differences in actual benefits and prop. share of benefits	(245)
Net changes	248,103
Balance as of December 31, 2024	<u>\$ 1,662,537</u>

**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 4.08%, 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 (3.08%) or one percentage point higher (5.08%) than the current rate:

	1% Decrease 3.08%	Current Discount Rate 4.08%	1% Increase 5.08%
Total OPEB liability	<u>\$ 2,049,586</u>	<u>\$ 1,662,537</u>	<u>\$ 1,366,692</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>\$ 1,340,849</u>	<u>\$ 1,662,537</u>	<u>\$ 2,091,706</u>

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

For the year ended December 31, 2024, the District recognized OPEB expense of \$96,590. At December 31, 2024 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	\$ 282,677	\$ (192,294)
Changes of assumptions/inputs	194,370	(796,423)
Changes in proportionate share	355,413	(197,716)
Differences in actual benefits vs. proportionate share of benefits	9,804	(67,170)
	<u>\$ 842,264</u>	<u>\$ (1,253,603)</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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**Note H. Other Post-Employment Benefits (OPEB) – Continued**

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

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 ,	
2025	\$ (37,628)
2026	(37,625)
2027	(106,461)
2028	(106,461)
2029	(106,461)
Thereafter	(16,703)
	<u>\$ (411,339)</u>

**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](http://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, 2024 are as follows:

Inactive employees or beneficiaries currently receiving benefits	84
Inactive employees entitled to but not yet receiving benefits	91
Active employees	192
	<u>367</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
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**Note I. Employee Retirement Benefits - Continued**

**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 14.29% for calendar year 2024. 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, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability in the December 31, 2023 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 2024 information for a 10-year time horizon.

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**Note I. Employee Retirement Benefits – Continued**

**3. Net Pension Liability – Continued**

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

Asset Class	Benchmark	Target Allocation <sup>(1)</sup>	Geometrical Rate of Return <sup>(2)</sup>
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.75%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment - Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.65%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(3)</sup>	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(5)</sup>	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFR) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%

<sup>(1)</sup> Target asset allocation adopted at the March 2024 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.2%, per Cliffwater's 2024 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> 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, 2023. 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.

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**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, 2023	\$ 27,150,423	\$ 24,562,025	\$ 2,588,398
Changes for the year			
Service Cost	1,567,904	-	1,567,904
Interest on total pension liability (1)	2,134,161	-	2,134,161
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	(50,211)	-	(50,211)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(86,113)	(86,113)	-
Benefit payments	(1,212,179)	(1,212,179)	-
Administrative expenses	-	(14,530)	14,530
Member contributions	-	606,575	(606,575)
Net investment income	-	2,704,715	(2,704,715)
Employer contributions	-	1,229,609	(1,229,609)
Other (3)	-	36,779	(36,779)
Balances as of December 31, 2024	\$ 29,503,985	\$ 27,826,881	\$ 1,677,103

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**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, 2023, to be used for audit periods ending January 1, 2024 to December 31, 2024, shows a net pension liability of \$1,677,103.

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	\$ 33,431,588	\$ 29,503,985	\$ 26,205,659
Fiduciary net position	27,826,881	27,826,881	27,826,881
Net pension liability/ (asset)	<u>\$ 5,604,707</u>	<u>\$ 1,677,103</u>	<u>\$ (1,621,222)</u>

	January 1, 2023 to December 31, 2023
Pension expense/ (income)	
Service cost	\$ 1,567,904
Interest on total pension liability <sup>(1)</sup>	2,134,161
Effect of plan changes	-
Administrative expenses	14,530
Member contributions	(606,575)
Expected investment return net of investment expenses	(1,887,610)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(38,245)
Recognition of assumption changes or inputs	211,911
Recognition of investment gains or losses	(403,835)
Other <sup>(2)</sup>	(36,779)
Pension expense/ (income)	<u>\$ 955,462</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**  
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**Note I. Employee Retirement Benefits – Continued**

**3. Net Pension Liability – Continued**

As of December 31, 2023, the deferred inflows and outflows of resources were as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 96,740	\$ 145,777
Changes of assumptions	-	406,050
Net difference between projected and actual earnings	-	163,434
Contributions made subsequent to measurement date	-	1,337,934
	<u>\$ 96,740</u>	<u>\$ 2,053,195</u>

The \$1,337,934 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, 2025. 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:

Year ended December 31 ,	
2024	\$ 88,845
2025	143,320
2026	543,565
2027	(157,208)
2028	-
	<u>\$ 618,522</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)	\$ 12,624,075	\$ 17,822,374	\$	\$ 30,446,449
Property taxes (Debt Service Funds)	16,015,995	21,929,356		37,945,351
Unearned (Interlocal & Grant)	-	-	57,908	57,908
	<u>\$ 28,640,070</u>	<u>\$ 39,751,730</u>	<u>\$ 57,908</u>	<u>\$ 68,449,708</u>

**Note K. Risk Management**

Following year-end, the District incurred a financial loss of related to a fictional e-mail communication. Efforts have been made with the banking institution, a sheriff's report has been filed, and the District intends to submit an insurance claim to recover the amount.

At the time of this note, the District is continuing to review internal controls and implement additional safeguards to mitigate future risk.

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**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 \$530,264 in 2024.

Annual aggregate limits and deductibles are as follows at December 31, 2024:

	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 \$2,142,385 in 2024.

**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. Restatement and Reclassifications**

	Adjustments to and Restatements of Beginning Balances			
	Funds			Government-Wide
	2019 Bond Series Capital Project Fund	Nonmajor Governmental	2023 Bond Series Debt Service Fund	Governmental Activities
12/31/23, as previously reported	\$ 13,769,323	\$ 582	\$ -	\$ 227,524,946
Change from major to nonmajor fund	(13,769,323)	13,769,323	-	-
Change from nonmajor to major		(582)	582	-
Change in accounting principle (GASB 101)	-	-	-	(490,192)
12/31/23, as adjusted or restated	\$ -	\$ 13,769,323	\$ 582	\$ 227,034,754

**Note N. Subsequent Events**

The District has evaluated all events and transactions that occurred after December 31, 2024 through July 15, 2025, the date these financial statements were available to be issued. On May 6, 2023, the constituents of the District approved the 2023 bond referendum in the amount of \$195,000,000. The District intends to sell bonds in the amount of \$50 million on September 24, 2025.



## **REQUIRED SUPPLEMENTAL INFORMATION**

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

	2024	2023	2022
<b>Total OPEB Liability</b>			
Service Cost	\$ 101,296	\$ 89,352	\$ 124,093
Interest	49,737	42,193	29,658
Differences between expected and actual experience	179,923	-	(266,253)
Changes in assumptions or other inputs	(82,608)	135,941	(435,432)
Changes in proportionate share	-	101,067	268,945
Differences in actual benefits and proportionate share of benefits	(245)	(8,695)	13,575
Benefit payments	-	-	-
<b>Net Change in Total OPEB Liability</b>	<b>248,103</b>	<b>359,858</b>	<b>(265,414)</b>
<b>Total OPEB Liability - beginning</b>	<b>1,414,434</b>	<b>1,054,576</b>	<b>1,319,990</b>
<b>Total OPEB Liability - end</b>	<b>\$ 1,662,537</b>	<b>\$ 1,414,434</b>	<b>\$ 1,054,576</b>
Covered Employee Payroll	\$ 9,398,864	\$ 8,432,773	\$ 8,187,158
Total OPEB Liability as a percentage of covered employee payroll	17.7%	17.0%	13.0%

**Notes to Schedule:***Changes of Benefit Terms:*

None

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 v

2019 PubG-H-2010 Employee and Healthy Annuitant Generation

2020 SOA MP-2020

2021 SOA MP-2020

2022 Bond Buyer 20-Bond GO Index

2023 Bond Buyer 20-Bond GO Index

2024 Bond Buyer General Obligation 20 Municipal Bond Index

2018 3.71%

2019 2.75%

2020 2.12%

2021 2.06%

2022 3.72%

2023 3.26%

2024 4.08%

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

**EXHIBIT B-1**

2021	2020	2019	2018
\$ 113,443	\$ 256,562	\$ 57,293	\$ 68,022
24,623	59,018	45,410	43,888
-	58,631	374,011	6,974
29,790	(794,737)	261,526	(132,135)
99,757	(350,608)	(63,712)	-
(2,925)	(70,675)	(15,631)	1,013
-	-	-	(13,866)
<u>264,688</u>	<u>(841,809)</u>	<u>658,897</u>	<u>(26,104)</u>
<u>1,055,302</u>	<u>1,897,111</u>	<u>1,238,214</u>	<u>1,264,318</u>
<u>\$ 1,319,990</u>	<u>\$ 1,055,302</u>	<u>\$ 1,897,111</u>	<u>\$ 1,238,214</u>
\$ 7,529,381	\$ 7,310,079	\$ 6,600,265	\$ 5,353,191
18.0%	14.4%	28.7%	23.1%

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

	2023	2022	2021	2020
<b>Total Pension Liability</b>				
Service cost	\$ 1,567,904	\$ 1,357,473	\$ 1,298,749	\$ 1,088,422
Interest on total pension liability	2,134,162	1,875,427	1,728,684	1,621,557
Effect of plan changes	-	1,173,566	-	-
Effect of assumption changes or input	-	-	9,567	1,206,670
Effect on economic/demographic (gains) or losses	(50,212)	97,563	135,704	(166,866)
Refund of contributions	-	-	(71,432)	(119,620)
Benefit payments/refunds of contributions	(1,298,292)	(1,321,423)	(1,209,080)	(1,067,201)
Net change in total pension liability	2,353,562	3,182,606	1,892,192	2,562,962
Total pension liability, beginning	27,150,422	23,967,816	22,075,625	19,512,663
Total pension liability, ending (a)	29,503,984	27,150,422	23,967,817	22,075,625
<b>Fiduciary Net Position</b>				
Employer contributions	1,229,609	1,061,485	993,164	919,104
Member contributions	606,575	601,656	592,177	542,932
Investment income net of investment expenses	2,704,715	(1,535,766)	4,602,300	1,922,029
Refund of contributions			(71,432)	(119,620)
Benefit payments/refunds of contributions	(1,298,292)	(1,321,423)	(1,209,080)	(1,067,201)
Administrative expenses	(14,530)	(14,394)	(13,904)	(15,215)
Other	36,780	69,589	14,369	11,653
Net change in fiduciary net position	3,264,857	(1,138,853)	4,907,594	2,193,682
Fiduciary net position, beginning	24,562,025	25,700,878	20,793,284	18,599,601
Fiduciary net position, ending (b)	27,826,882	24,562,025	25,700,878	20,793,283
<b>Net pension liability/ (asset), ending = (a)-(b)</b>	<b>\$ 1,677,102</b>	<b>\$ 2,588,397</b>	<b>\$ (1,733,061)</b>	<b>\$ 1,282,342</b>
Fiduciary net position as a % of total pension liability	94.32%	90.47%	107.23%	94.19%
Pensionable covered payroll	\$ 8,665,354	\$ 8,595,083	\$ 8,459,674	\$ 7,756,177
Net pension asset as a % of covered payroll	19.35%	30.11%	-20.49%	16.53%

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.

**EXHIBIT B-2**

2019	2018	2017	2016	2015
\$ 999,005	\$ 865,082	\$ 820,277	\$ 756,250	\$ 611,534
1,498,179	1,355,574	1,286,524	1,153,337	1,071,637
-	128,866	-	-	236,044
-	-	62,184	-	101,178
(3,312)	185,179	(488,413)	67,163	(237,892)
(59,632)	(27,704)	-	-	-
(878,584)	(851,383)	(866,948)	(700,255)	(659,497)
1,555,656	1,655,614	813,624	1,276,495	1,123,004
17,957,006	16,301,391	15,487,767	14,211,272	13,088,268
19,512,662	17,957,005	16,301,391	15,487,767	14,211,272
806,270	780,237	708,176	657,951	523,193
478,701	434,502	394,685	351,578	301,925
2,574,326	(287,455)	1,965,172	904,024	(164,681)
(59,632)	(27,704)	-	-	-
(878,584)	(851,383)	(866,948)	(700,255)	(659,497)
(14,174)	(12,593)	(10,395)	(9,827)	(8,801)
14,463	11,570	3,064	47,881	(28,176)
2,921,370	47,174	2,193,754	1,251,352	(36,037)
15,678,230	15,631,055	13,437,301	12,185,949	12,221,987
18,599,600	15,678,229	15,631,055	13,437,301	12,185,950
<u>\$ 913,062</u>	<u>\$ 2,278,776</u>	<u>\$ 670,336</u>	<u>\$ 2,050,466</u>	<u>\$ 2,025,322</u>
95.32%	87.31%	95.89%	86.76%	85.75%
\$ 6,838,590	\$ 6,207,174	\$ 5,638,364	\$ 5,022,541	\$ 4,313,210
13.35%	36.71%	11.89%	40.83%	46.96%

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

**EXHIBIT B-3**

Year Ending	Actuarially	Actual Employer	Contribution	Pensionable	Actual
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%
2024	1,337,934	1,337,934	-	8,993,055	14.9%

(1) TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates 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, 2024**

**EXHIBIT B-4**

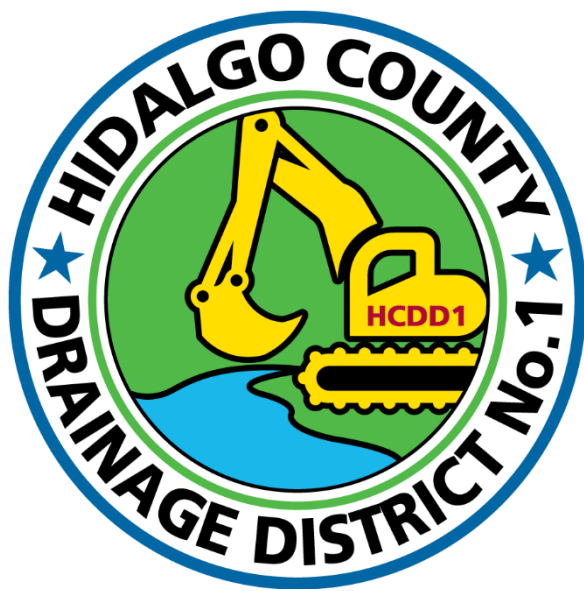
**Valuation Date:** Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

**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 rated 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**  
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2024

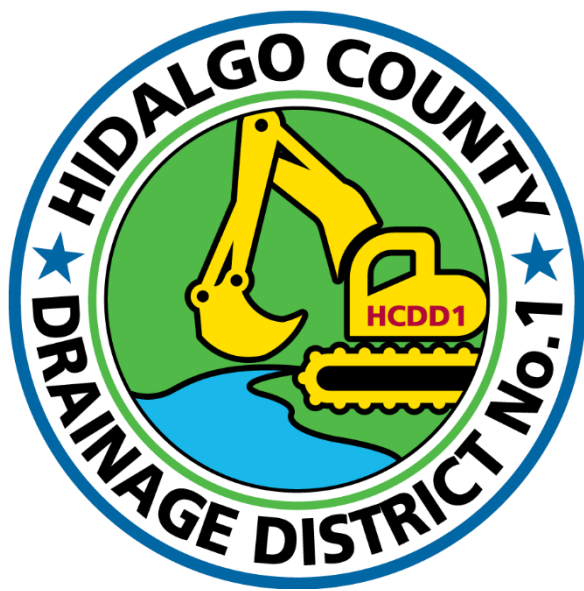
**EXHIBIT C-1**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 679,726	\$ 3,965,691	\$ 43,412,035	\$ 48,057,452
Receivables (net of allowance for uncollectibles)				
Property taxes	-	12,685,334	-	12,685,334
Other accounts	-	-	5,325	5,325
Due from other governments	5,852,537	-	1,354,707	7,207,244
Due from other funds	1,855,636	9,584,425	5,095,993	16,536,054
<b>Total assets</b>	<u>\$ 8,387,899</u>	<u>\$ 26,235,450</u>	<u>\$ 49,868,060</u>	<u>\$ 84,491,409</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 100,849	\$ -	\$ 1,349,155	\$ 1,450,004
Salaries and benefits payable	44,128	-	-	44,128
Retainage payable	217,903	-	1,074,395	1,292,298
Due to other governments	968,645	-	-	968,645
Due to other funds	5,714,705	-	3,156,960	8,871,665
Unearned revenue	57,908	-	-	57,908
<b>Total liabilities</b>	<u>7,104,138</u>	<u>-</u>	<u>5,580,510</u>	<u>12,684,648</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue-property taxes	-	8,876,337	-	8,876,337
Deferred revenue-property taxes	-	12,685,334	-	12,685,334
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>21,561,671</u>	<u>-</u>	<u>21,561,671</u>
<b>Fund Balances:</b>				
Restricted:				
Special revenue	1,283,761	-	-	1,283,761
Capital projects	-	-	44,287,550	44,287,550
Debt service	-	4,673,779	-	4,673,779
<b>Total fund balances</b>	<u>1,283,761</u>	<u>4,673,779</u>	<u>44,287,550</u>	<u>50,245,090</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 8,387,899</u>	<u>\$ 26,235,450</u>	<u>\$ 49,868,060</u>	<u>\$ 84,491,409</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT C-2**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
<b>REVENUES</b>				
Property taxes	\$ -	\$ 21,528,306	\$ -	\$ 21,528,306
Intergovernmental	4,403,672	-	-	4,403,672
Interest	-	638,120	760,728	1,398,848
Miscellaneous	-	-	241,356	241,356
<b>Total revenues</b>	<u>4,403,672</u>	<u>22,166,426</u>	<u>1,002,084</u>	<u>27,572,182</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	-	14,718,000	-	14,718,000
Interest	-	6,818,613	-	6,818,613
Issuance cost and fiscal agent fees	-	6,050	-	6,050
Capital outlay:				
Drainage flood control	4,856,811	-	10,994,699	15,851,510
<b>Total expenditures</b>	<u>4,856,811</u>	<u>21,542,663</u>	<u>10,994,699</u>	<u>37,394,173</u>
Excess (deficiency) of revenues over (under) expenditures	(453,139)	623,763	(9,992,615)	(9,821,991)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	500,400	-	3,648,961	4,149,361
Transfers out	-	-	(1,524,000)	(1,524,000)
<b>Total other financing sources (uses)</b>	<u>500,400</u>	<u>-</u>	<u>2,124,961</u>	<u>2,625,361</u>
Net change in fund balances	47,261	623,763	(7,867,654)	(7,196,630)
<b>Fund balances at beginning of year, as previously presented</b>	1,236,500	4,050,598	38,385,881	43,672,979
Change to financial reporting entity classification of fund types	-	(582)	13,769,323	13,768,741
<b>Fund balance at beginning of year, as restated</b>	1,236,500	4,050,016	52,155,204	57,441,720
<b>Fund balances at the end of year</b>	<u>\$ 1,283,761</u>	<u>\$ 4,673,779</u>	<u>\$ 44,287,550</u>	<u>\$ 50,245,090</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, 2024**

**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**  
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2024

	DHS Levee Grant	Raymondville Drain Restore Act Grant	Region 15 Planning Group Grant
<b>ASSETS</b>			
Cash and cash equivalents	\$ 192,874	\$ 18,331	\$ 218,401
Due from other governments	28,971	4,017,883	-
Due from other funds	200,000	-	605,000
<b>Total assets</b>	<u>\$ 421,845</u>	<u>\$ 4,036,214</u>	<u>\$ 823,401</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 15,060	\$ -	\$ -
Salaries and benefits payable	-	44,128	-
Retainage payable	-	-	-
Due to other governments	347,865	-	620,780
Due to other funds	1,012	3,992,086	202,621
Unearned revenue	57,908	-	-
<b>Total liabilities</b>	<u>421,845</u>	<u>4,036,214</u>	<u>823,401</u>
<b>Deferred inflows of resources:</b>			
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>			
Restricted:			
Special revenue	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 421,845</u>	<u>\$ 4,036,214</u>	<u>\$ 823,401</u>



EXHIBIT D-1

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)
\$ 500	\$ 3,250	\$ 246,370	\$ 679,726
4,500	1,801,183	-	5,852,537
-	-	1,050,636	1,855,636
<u>\$ 5,000</u>	<u>\$ 1,804,433</u>	<u>\$ 1,297,006</u>	<u>\$ 8,387,899</u>
\$ -	\$ 72,544	\$ 13,245	\$ 100,849
-	-	-	44,128
-	217,903	-	217,903
-	-	-	968,645
5,000	1,513,986	-	5,714,705
-	-	-	57,908
<u>5,000</u>	<u>1,804,433</u>	<u>13,245</u>	<u>7,104,138</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	1,283,761	1,283,761
<u>-</u>	<u>-</u>	<u>1,283,761</u>	<u>1,283,761</u>
<u>\$ 5,000</u>	<u>\$ 1,804,433</u>	<u>\$ 1,297,006</u>	<u>\$ 8,387,899</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024

	DHS Levee Grant	Raymondville Drain Restore Act Grant	Region 15 Planning Group Grant
<b>REVENUES</b>			
Intergovernmental		\$ 4,017,883	\$ -
<b>Total revenues</b>	-	4,017,883	-
<b>EXPENDITURES</b>			
Capital outlay:			
Drainage flood control	-	4,017,883	-
<b>Total expenditures</b>	-	4,017,883	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-
Net change in fund balances	-	-	-
<b>Fund balances at beginning of year</b>	-	-	-
<b>Fund balances at the end of year</b>	\$ -	\$ -	\$ -

EXHIBIT D-2

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)
<u>\$ -</u>	<u>\$ 385,789</u>	<u>\$ -</u>	<u>4,403,672</u>
<u>-</u>	<u>385,789</u>	<u>-</u>	<u>4,403,672</u>
-	385,789	453,139	4,856,811
-	385,789	453,139	4,856,811
-	-	(453,139)	(453,139)
-	-	500,400	500,400
-	-	500,400	500,400
-	-	47,261	47,261
-	-	1,236,500	1,236,500
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,283,761</u>	<u>\$ 1,283,761</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT D-3**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 1,727,757	\$ 4,052,221	\$ 2,324,464
<b>Total revenues</b>	-	1,727,757	4,052,221	2,324,464
<b>EXPENDITURES</b>				
Capital outlay:				
Drainage flood control	-	1,727,757	4,052,221	(2,324,464)
<b>Total expenditures</b>	-	1,727,757	4,052,221	(2,324,464)
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Total other financing sources (uses)</b>	-	-	-	-
Net change in fund balance	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-
<b>Fund balance at the end of year</b>	\$ -	\$ -	\$ -	\$ -

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT D-4**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 3,269,872	\$ -	\$ (3,269,872)
<b>Total revenues</b>	-	3,269,872	-	(3,269,872)
<b>EXPENDITURES</b>				
Current:				
Drainage flood control	-	3,269,872	-	3,269,872
<b>Total expenditures</b>	-	3,269,872	-	3,269,872
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Total other financing sources (uses)</b>	-	-	-	-
Net change in fund balance	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-
<b>Fund balance at the end of year</b>	\$ -	\$ -	\$ -	\$ -

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

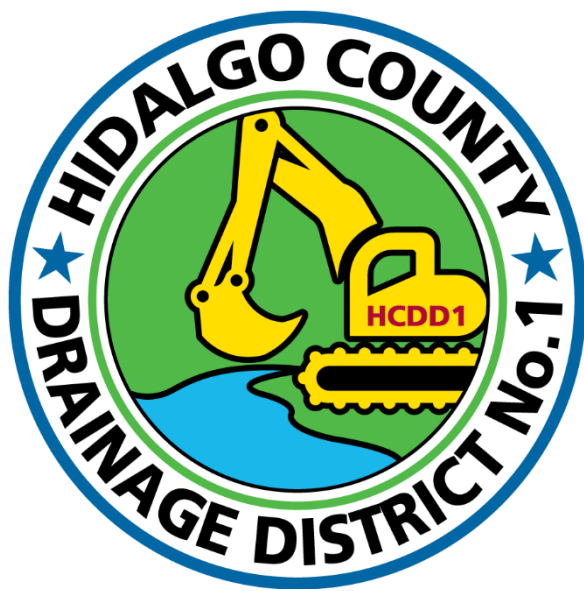
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUNDS  
 TDEM NORTH MAIN DRAIN EXPANSION  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 2,290,873	\$ 385,789	\$ (1,905,084)
<b>Total revenues</b>	-	2,290,873	385,789	(1,905,084)
<b>EXPENDITURES</b>				
Current:				
Capital outlay:				
Drainage flood control	-	3,054,497	385,789	2,668,708
<b>Total expenditures</b>	-	3,054,497	385,789	2,668,708
Excess (deficiency) of revenues over (under) expenditures	-	(763,624)	-	763,624
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	763,624	-	(763,624)
<b>Total other financing sources (uses)</b>	-	763,624	-	(763,624)
Net change in fund balance	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-
<b>Fund balance at the end of year</b>	\$ -	\$ -	\$ -	\$ -

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

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
<b>Total revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Current:				
Capital outlay:				
Drainage flood control	<u>-</u>	<u>1,543,971</u>	<u>453,139</u>	<u>1,090,832</u>
<b>Total expenditures</b>	<u>-</u>	<u>1,543,971</u>	<u>453,139</u>	<u>1,090,832</u>
Excess (deficiency) of revenues over (under) expenditures	-	(1,543,971)	(453,139)	1,090,832
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>-</u>	<u>500,400</u>	<u>500,400</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>500,400</u>	<u>500,400</u>	<u>-</u>
Net change in fund balance	-	(1,043,571)	47,261	1,090,832
<b>Fund balance at beginning of year</b>	1,236,500	1,236,500	1,236,500	-
<b>Fund balance at the end of year</b>	<u>\$ 1,236,500</u>	<u>\$ 192,929</u>	<u>\$ 1,283,761</u>	<u>\$ 1,090,832</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, 2024**

**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.

**2023 Bond Series Debt Service**

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:**

**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.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
DECEMBER 31, 2024

	2013 Bond Series	2014 Refunding Bonds	2016 Refunding Bonds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,551,613	\$ 208,596	\$ 1,213,054
Receivables (net of allowance for uncollectibles)			
Property taxes	2,938,970	1,145,069	3,684,762
Due from other funds	2,164,183	945,411	2,638,433
<b>Total assets</b>	<u>\$ 6,654,766</u>	<u>\$ 2,299,076</u>	<u>\$ 7,536,249</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
<b>Total liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Deferred inflows of resources:</b>			
Unavailable revenues-property taxes	1,985,240	875,944	2,465,955
Deferred revenue-property taxes	2,938,970	1,145,069	3,684,762
	<u>4,924,210</u>	<u>2,021,013</u>	<u>6,150,717</u>
<b>Fund balances:</b>			
Restricted:			
Debt service	1,730,556	278,063	1,385,532
<b>Total fund balances</b>	<u>1,730,556</u>	<u>278,063</u>	<u>1,385,532</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 6,654,766</u>	<u>\$ 2,299,076</u>	<u>\$ 7,536,249</u>

EXHIBIT D-7

2019 Bond Series	2021 Taxable Bond Series-FIF	2021 Bond Series	Total Nonmajor Debt Service Funds (See Exhibit C-1)
\$ 941,438	\$ 7,095	\$ 43,895	\$ 3,965,691
3,262,427	413,761	1,240,345	12,685,334
2,693,364	342,091	800,943	9,584,425
<u>\$ 6,897,229</u>	<u>\$ 762,947</u>	<u>\$ 2,085,183</u>	<u>\$ 26,235,450</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
2,489,932	316,989	742,277	8,876,337
3,262,427	413,761	1,240,345	12,685,334
<u>5,752,359</u>	<u>730,750</u>	<u>1,982,622</u>	<u>21,561,671</u>
1,144,870	32,197	102,561	4,673,779
<u>1,144,870</u>	<u>32,197</u>	<u>102,561</u>	<u>4,673,779</u>
<u>\$ 6,897,229</u>	<u>\$ 762,947</u>	<u>\$ 2,085,183</u>	<u>\$ 26,235,450</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	2013 Bond Series	2014 Refunding Bonds	2016 Refunding Bonds
<b>REVENUES</b>			
Property taxes	\$ 5,439,792	\$ 2,111,755	\$ 5,245,994
Interest	194,828	53,996	174,935
<b>Total revenues</b>	<u>5,634,620</u>	<u>2,165,751</u>	<u>5,420,929</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	4,020,000	1,815,000	4,085,000
Interest	1,422,150	297,363	1,163,250
Issuance cost & fiscal agent fees	500	2,500	500
<b>Total expenditures</b>	<u>5,442,650</u>	<u>2,114,863</u>	<u>5,248,750</u>
Excess (deficiency) of revenues over (under) expenditures	191,970	50,888	172,179
<b>OTHER FINANCING SOURCES (USES):</b>			
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	191,970	50,888	172,179
<b>Fund balances at beginning of year, as previously presented</b>	1,538,586	227,175	1,213,353
Change to financial reporting entity classification of fund types	-	-	-
<b>Fund balance at beginning of year, as restated</b>	1,538,586	227,175	1,213,353
<b>Fund balances at the end of year</b>	<u>\$ 1,730,556</u>	<u>\$ 278,063</u>	<u>\$ 1,385,532</u>

2019 Bond Series	2021 Taxable Bond Series-FIF	2021 Bond Series	Formerly NonMajor Fund 2023 Bond Series	Total Nonmajor Debt Service Funds (See Exhibit C-2)
\$ 6,184,252	\$ 763,099	\$ 1,783,414	\$ -	\$ 21,528,306
164,728	17,978	31,655	-	638,120
6,348,980	781,077	1,815,069	-	22,166,426
3,305,000	763,000	730,000	-	14,718,000
2,882,000	-	1,053,850	-	6,818,613
500	1,550	500	-	6,050
6,187,500	764,550	1,784,350	-	21,542,663
161,480	16,527	30,719	-	623,763
-	-	-	-	-
161,480	16,527	30,719	-	623,763
983,390	15,670	71,842	582	4,050,598
-	-	-	(582)	(582)
983,390	15,670	71,842	-	4,050,016
\$ 1,144,870	\$ 32,197	\$ 102,561	\$ -	\$ 4,673,779

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT D-9**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 5,472,517	\$ 5,472,517	\$ 5,439,792	\$ (32,725)
Interest	29,617	29,617	194,828	165,211
<b>Total revenues</b>	<u>5,502,134</u>	<u>5,502,134</u>	<u>5,634,620</u>	<u>132,486</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	4,020,000	4,020,000	4,020,000	-
Interest	1,422,150	1,422,150	1,422,150	-
Issuance cost and fiscal agent fees	500	500	500	-
<b>Total expenditures</b>	<u>5,442,650</u>	<u>5,442,650</u>	<u>5,442,650</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	59,484	59,484	191,970	132,486
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	59,484	59,484	191,970	132,486
<b>Fund balance at beginning of year</b>	1,538,586	1,538,586	1,538,586	-
<b>Fund balance at the end of year</b>	<u>\$ 1,598,070</u>	<u>\$ 1,598,070</u>	<u>\$ 1,730,556</u>	<u>\$ 132,486</u>



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT D-10**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Property taxes	\$ 2,124,457	\$ 2,124,457	\$ 2,111,755	\$ (12,702)
Interest	11,499	11,499	53,996	42,497
<b>Total revenues</b>	<u>2,135,956</u>	<u>2,135,956</u>	<u>2,165,751</u>	<u>29,795</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	1,815,000	1,815,000	1,815,000	-
Interest	297,363	297,363	297,363	-
Issuance costs and fiscal agent fees	500	500	2,500	(2,000)
<b>Total expenditures</b>	<u>2,112,863</u>	<u>2,112,863</u>	<u>2,114,863</u>	<u>(2,000)</u>
Excess (deficiency) of revenues over (under) expenditures	23,093	23,093	50,888	27,795
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	23,093	23,093	50,888	27,795
<b>Fund balance at beginning of year</b>	227,175	227,175	227,175	-
<b>Fund balance at the end of year</b>	<u>\$ 250,268</u>	<u>\$ 250,268</u>	<u>\$ 278,063</u>	<u>\$ 27,795</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT D-11**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Property taxes	\$ 5,277,552	\$ 5,277,552	\$ 5,245,994	\$ (31,558)
Interest	28,563	28,563	174,935	146,372
<b>Total revenues</b>	<u>5,306,115</u>	<u>5,306,115</u>	<u>5,420,929</u>	<u>114,814</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	4,085,000	4,085,000	4,085,000	-
Interest	1,163,250	1,163,250	1,163,250	-
Issuance costs and fiscal agent fees	500	500	500	-
<b>Total expenditures</b>	<u>5,248,750</u>	<u>5,248,750</u>	<u>5,248,750</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	57,365	57,365	172,179	114,814
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	57,365	57,365	172,179	114,814
<b>Fund balance at beginning of year</b>	1,213,353	1,213,353	1,213,353	-
<b>Fund balance at the end of year</b>	<u>\$ 1,270,718</u>	<u>\$ 1,270,718</u>	<u>\$ 1,385,532</u>	<u>\$ 114,814</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT D-12**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 6,221,454	\$ 6,221,454	\$ 6,184,252	\$ (37,202)
Interest	33,670	33,670	164,728	131,058
<b>Total revenues</b>	<u>6,255,124</u>	<u>6,255,124</u>	<u>6,348,980</u>	<u>93,856</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	3,305,000	3,305,000	3,305,000	-
Interest	2,882,000	2,882,000	2,882,000	-
Issuance cost and fiscal agent fees	500	500	500	-
<b>Total expenditures</b>	<u>6,187,500</u>	<u>6,187,500</u>	<u>6,187,500</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	67,624	67,624	161,480	93,856
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	67,624	67,624	161,480	93,856
<b>Fund balance at beginning of year</b>	983,390	983,390	983,390	-
<b>Fund balance at the end of year</b>	<u>\$ 1,051,014</u>	<u>\$ 1,051,014</u>	<u>\$ 1,144,870</u>	<u>\$ 93,856</u>

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

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Property taxes	\$ 767,690	\$ 767,690	\$ 763,099	\$ (4,591)
Interest	4,153	4,153	17,978	13,825
<b>Total revenues</b>	<u>771,843</u>	<u>771,843</u>	<u>781,077</u>	<u>9,234</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	763,000	763,000	763,000	-
Issuance cost and fiscal agent fees	500	500	1,550	(1,050)
<b>Total expenditures</b>	<u>763,500</u>	<u>763,500</u>	<u>764,550</u>	<u>(1,050)</u>
Excess (deficiency) of revenues over (under) expenditures	8,343	8,343	16,527	8,184
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	8,343	8,343	16,527	8,184
<b>Fund balance at beginning of year</b>	15,670	15,670	15,670	-
<b>Fund balance at the end of year</b>	<u>\$ 24,013</u>	<u>\$ 24,013</u>	<u>\$ 32,197</u>	<u>\$ 8,184</u>

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

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Property taxes	\$ 1,794,141	\$ 1,794,141	\$ 1,783,414	\$ (10,727)
Interest	9,706	9,706	31,655	21,949
<b>Total revenues</b>	<u>1,803,847</u>	<u>1,803,847</u>	<u>1,815,069</u>	<u>11,222</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	730,000	730,000	730,000	-
Interest	1,053,850	1,053,850	1,053,850	-
Issuance costs and fiscal agent fees	500	500	500	-
<b>Total expenditures</b>	<u>1,784,350</u>	<u>1,784,350</u>	<u>1,784,350</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	19,497	19,497	30,719	11,222
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	19,497	19,497	30,719	11,222
<b>Fund balance at beginning of year</b>	71,842	71,842	71,842	-
<b>Fund balance at the end of year</b>	<u>\$ 91,339</u>	<u>\$ 91,339</u>	<u>\$ 102,561</u>	<u>\$ 11,222</u>

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

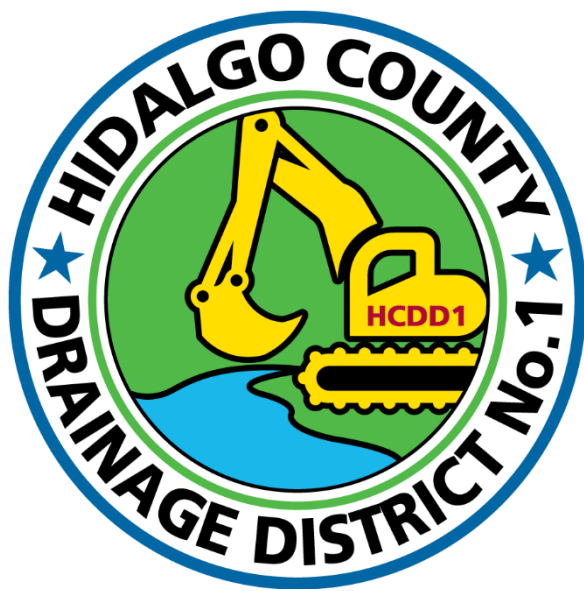
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 MAJOR DEBT SERVICE FUND  
 2021 A TAXABLE BOND SERIES DEBT SERVICE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Property taxes	\$ 11,675,102	\$ 11,675,102	\$ 11,605,289	\$ (69,813)
Interest	63,186	63,186	246,901	183,715
<b>Total revenues</b>	<u>11,738,288</u>	<u>11,738,288</u>	<u>11,852,190</u>	<u>113,902</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	11,070,000	11,070,000	11,070,000	-
Interest	540,885	540,885	540,885	-
Issuance cost and fiscal agent fees	500	500	500	-
<b>Total expenditures</b>	<u>11,611,385</u>	<u>11,611,385</u>	<u>11,611,385</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	126,903	126,903	240,805	113,902
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	126,903	126,903	240,805	113,902
<b>Fund balance at beginning of year</b>	557,052	557,052	557,052	-
<b>Fund balance at the end of year</b>	<u>\$ 683,955</u>	<u>\$ 683,955</u>	<u>\$ 797,857</u>	<u>\$ 113,902</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT D-16**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 MAJOR DEBT SERVICE FUND  
 2023 BOND SERIES DEBT SERVICE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Property taxes	\$ 3,622,804	\$ 3,622,804	\$ 3,598,132	\$ (24,672)
Interest	19,606	19,606	79,370	59,764
<b>Total revenues</b>	<u>3,642,410</u>	<u>3,642,410</u>	<u>3,677,502</u>	<u>35,092</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	1,000,000	1,000,000	1,000,000	-
Interest	2,602,533	2,602,533	2,602,533	-
Issuance cost and fiscal agent fees	500	500	500	-
<b>Total expenditures</b>	<u>3,603,033</u>	<u>3,603,033</u>	<u>3,603,033</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	39,377	39,377	74,469	35,092
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	39,377	39,377	74,469	35,092
<b>Fund balances at beginning of year, as previously presented</b>	582	582	582	-
Change within financial reporting entity (nonmajor fund to mafor fund)	-	-	-	-
<b>Fund balances at beginning of year, as restated</b>	582	582	582	-
<b>Fund balances at the end of year</b>	<u>\$ 39,959</u>	<u>\$ 39,959</u>	<u>\$ 75,051</u>	<u>\$ 35,092</u>





## **CAPITAL PROJECTS FUNDS**

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**Capital Projects Funds**  
**December 31, 2024**

**MAJOR:**

**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.

**2019 Bond Series**

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 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**  
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2024

	Capital Projects Fund	2008 Bond Series
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,364,916	\$ 1,029,444
Other accounts	-	5,325
Due from other governments	1,354,707	-
Due from other funds	3,621,150	-
<b>Total assets</b>	<u>\$ 8,340,773</u>	<u>\$ 1,034,769</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 409,833	\$ 144,708
Retainage payable	181,746	133,979
Due to other funds	150,000	-
<b>Total liabilities</b>	<u>741,579</u>	<u>278,687</u>
<b>Deferred inflows of resources:</b>		
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>		
Restricted:		
Capital projects	7,599,194	756,082
<b>Total fund balances</b>	<u>7,599,194</u>	<u>756,082</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 8,340,773</u>	<u>\$ 1,034,769</u>

2013 Bond Series	2019 Bond Series	2021 Taxable Bond Series-FIF	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
\$ 6,323,107	\$ 9,825,204	\$ 22,869,364	\$ 43,412,035
-	-	-	5,325
-	-	-	1,354,707
680,000	794,843	-	5,095,993
<u>\$ 7,003,107</u>	<u>\$ 10,620,047</u>	<u>\$ 22,869,364</u>	<u>\$ 49,868,060</u>
\$ 72,807	\$ 168,553	\$ 553,254	\$ 1,349,155
42,864	715,806	-	1,074,395
-	57,077	2,949,883	3,156,960
<u>115,671</u>	<u>941,436</u>	<u>3,503,137</u>	<u>5,580,510</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,887,436	9,678,611	19,366,227	44,287,550
<u>6,887,436</u>	<u>9,678,611</u>	<u>19,366,227</u>	<u>44,287,550</u>
<u>\$ 7,003,107</u>	<u>\$ 10,620,047</u>	<u>\$ 22,869,364</u>	<u>\$ 49,868,060</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Capital Projects Fund	2008 Bond Series
<b>REVENUES</b>		
Interest	\$ 272,505	\$ 93,730
Miscellaneous	241,356	-
<b>Total revenues</b>	<u>513,861</u>	<u>93,730</u>
<b>EXPENDITURES</b>		
Capital outlay:		
Drainage flood control	<u>2,581,921</u>	<u>1,491,717</u>
<b>Total expenditures</b>	<u>2,581,921</u>	<u>1,491,717</u>
Excess (deficiency) of revenues over (under) expenditures	(2,068,060)	(1,397,987)
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	3,200,000	-
Transfers out	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>3,200,000</u>	<u>-</u>
Net change in fund balances	1,131,940	(1,397,987)
<b>Fund balances at beginning of year, as previously presented</b>	6,467,254	2,154,069
Change to financial reporting entity classification of fund types	-	-
<b>Fund balance at beginning of year, as restated</b>	6,467,254	2,154,069
<b>Fund balances at the end of year</b>	<u><u>\$ 7,599,194</u></u>	<u><u>\$ 756,082</u></u>

2013 Bond Series	2019 Bond Series	2021 Taxable Bond Series-FIF	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
\$ 394,490	\$ -	\$ 3	\$ 760,728
-	-	-	241,356
<u>394,490</u>	<u>-</u>	<u>3</u>	<u>1,002,084</u>
407,507	4,539,673	1,973,881	10,994,699
<u>407,507</u>	<u>4,539,673</u>	<u>1,973,881</u>	<u>10,994,699</u>
(13,017)	(4,539,673)	(1,973,878)	(9,992,615)
-	448,961	-	3,648,961
-	-	(1,524,000)	(1,524,000)
<u>-</u>	<u>448,961</u>	<u>(1,524,000)</u>	<u>2,124,961</u>
(13,017)	(4,090,712)	(3,497,878)	(7,867,654)
6,900,453	-	22,864,105	38,385,881
-	13,769,323	-	13,769,323
6,900,453	13,769,323	22,864,105	52,155,204
<u>\$ 6,887,436</u>	<u>\$ 9,678,611</u>	<u>\$ 19,366,227</u>	<u>\$ 44,287,550</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT D-19**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 272,505	\$ 272,505
Miscellaneous	-	-	241,356	241,356
<b>Total revenues</b>	-	-	513,861	513,861
<b>EXPENDITURES</b>				
Capital outlay:				
Drainage flood control	-	5,761,029	2,581,921	3,179,108
<b>Total expenditures</b>	-	5,761,029	2,581,921	3,179,108
Excess (deficiency) of revenues over (under) expenditures	-	(5,761,029)	(2,068,060)	3,692,969
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	3,200,000	3,200,000	-
<b>Total other financing sources (uses)</b>	-	3,200,000	3,200,000	-
Net change in fund balance	-	(2,561,029)	1,131,940	3,692,969
<b>Fund balance at beginning of year</b>	6,467,254	6,467,254	6,467,254	-
<b>Fund balance at the end of year</b>	<u>\$ 6,467,254</u>	<u>\$ 3,906,225</u>	<u>\$ 7,599,194</u>	<u>\$ 3,692,969</u>



**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT D-20**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 93,730	\$ 93,730
<b>Total revenues</b>	-	-	93,730	93,730
<b>EXPENDITURES</b>				
Capital outlay:				
Drainage flood control	-	2,154,069	1,491,717	662,352
<b>Total expenditures</b>	-	2,154,069	1,491,717	662,352
Excess (deficiency) of revenues over (under) expenditures	-	(2,154,069)	(1,397,987)	756,082
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Total other financing sources (uses)</b>	-	-	-	-
Net change in fund balance	-	(2,154,069)	(1,397,987)	756,082
<b>Fund balance at beginning of year</b>	2,154,069	2,154,069	2,154,069	-
<b>Fund balance at the end of year</b>	<u>\$ 2,154,069</u>	<u>\$ -</u>	<u>\$ 756,082</u>	<u>\$ 756,082</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT D-21**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 394,490	\$ 394,490
<b>Total revenues</b>	-	-	394,490	394,490
<b>EXPENDITURES</b>				
Capital outlay:				
Drainage flood control	-	6,900,453	407,507	6,492,946
<b>Total expenditures</b>	-	6,900,453	407,507	6,492,946
Excess (deficiency) of revenues over (under) expenditures	-	(6,900,453)	(13,017)	6,887,436
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Total other financing sources (uses)</b>	-	-	-	-
Net change in fund balance	-	(6,900,453)	(13,017)	6,887,436
<b>Fund balance at beginning of year</b>	6,900,453	6,900,453	6,900,453	-
<b>Fund balance at the end of year</b>	<u>\$ 6,900,453</u>	<u>\$ -</u>	<u>\$ 6,887,436</u>	<u>\$ 6,887,436</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT D-22**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR CAPITAL PROJECT FUND  
 2019 BOND SERIES  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
<b>Total revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Drainage flood control	<u>-</u>	<u>10,788,733</u>	<u>4,539,673</u>	<u>6,249,060</u>
<b>Total expenditures</b>	<u>-</u>	<u>10,788,733</u>	<u>4,539,673</u>	<u>6,249,060</u>
Excess (deficiency) of revenues over (under) expenditures	-	(10,788,733)	(4,539,673)	6,249,060
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>448,961</u>	<u>448,961</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>448,961</u>	<u>448,961</u>
Net change in fund balance	-	(10,788,733)	(4,090,712)	6,698,021
<b>Fund balance at beginning of year</b>	13,769,323	13,769,323	13,769,323	-
<b>Fund balance at the end of year</b>	<u>\$ 13,769,323</u>	<u>\$ 2,980,590</u>	<u>\$ 9,678,611</u>	<u>\$ 6,698,021</u>

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

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 3	\$ 3
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Drainage flood control	-	22,864,105	1,973,881	20,890,224
<b>Total expenditures</b>	<u>-</u>	<u>22,864,105</u>	<u>1,973,881</u>	<u>20,890,224</u>
Excess (deficiency) of revenues over (under) expenditures	-	(22,864,105)	(1,973,878)	20,890,227
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(1,524,000)	(1,524,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(1,524,000)</u>	<u>(1,524,000)</u>
Net change in fund balance	-	(22,864,105)	(3,497,878)	19,366,227
<b>Fund balance at beginning of year</b>	22,864,105	22,864,105	22,864,105	-
<b>Fund balance at the end of year</b>	<u>\$ 22,864,105</u>	<u>\$ -</u>	<u>\$ 19,366,227</u>	<u>\$ 19,366,227</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT D-24**

A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 731,154	\$ 731,154
<b>Total revenues</b>	-	-	731,154	731,154
<b>EXPENDITURES</b>				
Capital outlay:				
Drainage flood control	-	15,806,324	14,021,164	1,785,160
<b>Total expenditures</b>	-	15,806,324	14,021,164	1,785,160
Excess (deficiency) of revenues over (under) expenditures	-	(15,806,324)	(13,290,010)	2,516,314
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	1,075,039	1,075,039
<b>Total other financing sources (uses)</b>	-	-	1,075,039	1,075,039
Net change in fund balance	-	(15,806,324)	(12,214,971)	3,591,353
<b>Fund balance at beginning of year</b>	17,760,092	17,760,092	17,760,092	-
<b>Fund balance at the end of year</b>	<u>\$ 17,760,092</u>	<u>\$ 1,953,768</u>	<u>\$ 5,545,121</u>	<u>\$ 3,591,353</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT D-25**

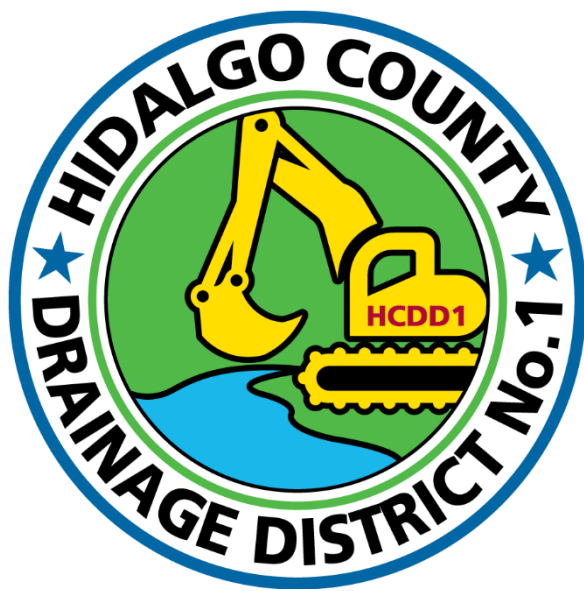
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET AND ACTUAL  
 MAJOR CAPITAL PROJECT FUND  
 2021 A TAXABLE BOND SERIES CAPITAL PROJECT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 2,746,922	\$ 2,746,922
<b>Total revenues</b>	-	-	2,746,922	2,746,922
<b>EXPENDITURES</b>				
Capital outlay:				
Drainage flood control	-	4,825,372	2,672,624	2,152,748
<b>Total expenditures</b>	-	4,825,372	2,672,624	2,152,748
Excess (deficiency) of revenues over (under) expenditures	-	(4,825,372)	74,298	4,899,670
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Total other financing sources (uses)</b>	-	-	-	-
Net change in fund balance	-	(4,825,372)	74,298	4,899,670
<b>Fund balance at beginning of year</b>	51,524,510	51,524,510	51,524,510	-
<b>Fund balance at the end of year</b>	<u>\$ 51,524,510</u>	<u>\$ 46,699,138</u>	<u>\$ 51,598,808</u>	<u>\$ 4,899,670</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1****EXHIBIT D-26**

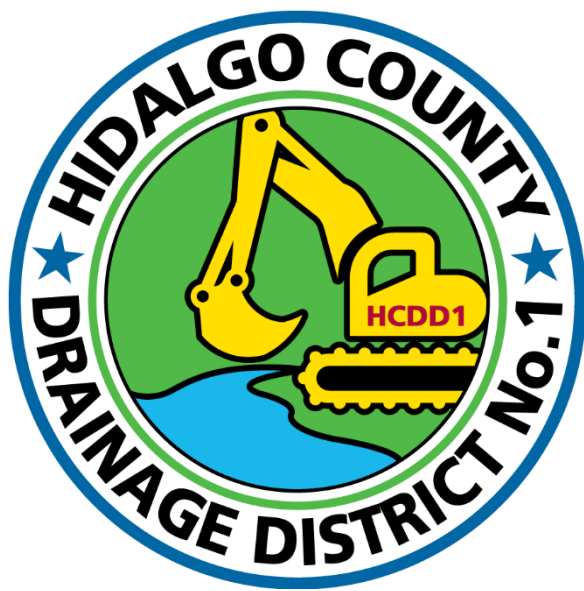
A COMPONENT UNIT OF COUNTY OF HIDALGO, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET AND ACTUAL  
 MAJOR CAPITAL PROJECT FUND  
 2023 BOND SERIES CAPITAL PROJECT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 3,290,590	\$ 3,290,590
<b>Total revenues</b>	-	-	3,290,590	3,290,590
<b>EXPENDITURES</b>				
Capital outlay:				
General government	-	-	-	-
Drainage flood control	-	59,580,886	17,939,522	41,641,364
<b>Total expenditures</b>	-	59,580,886	17,939,522	41,641,364
Excess (deficiency) of revenues over (under) expenditures	-	(59,580,886)	(14,648,932)	44,931,954
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out		763,624	-	(763,624)
<b>Total other financing sources (uses)</b>	-	763,624	-	(763,624)
Net change in fund balance	-	(58,817,262)	(14,648,932)	44,168,330
<b>Fund balance at beginning of year</b>	59,597,059	59,597,059	59,597,059	-
<b>Fund balance at the end of year</b>	<u>\$ 59,597,059</u>	<u>\$ 779,797</u>	<u>\$ 44,948,127</u>	<u>\$ 44,168,330</u>





**STATISTICAL SECTION**  
**(UNAUDITED)**



## **HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

### **Statistical Section**

**December 31, 2024**

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			
	2024	2023	2022	2021
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 239,036,975	\$ 199,558,798	\$ 167,416,519	\$ 143,866,282
Restricted for:				
Special revenue				
Legislative (1)	-	-	-	-
Grants (1)	1,283,761	1,236,500	-	1,254
Debt service	21,562,682	18,841,607	18,058,630	18,842,644
Capital projects	-	-	-	-
Unrestricted	20,532,712	7,888,041	1,639,393	(7,583,293)
<b>Subtotal governmental activities net position</b>	<b>\$ 282,416,130</b>	<b>\$ 227,524,946</b>	<b>\$ 187,114,542</b>	<b>\$ 155,126,887</b>
% change from prior year	24.1%	21.6%	20.6%	17.2%
<b>Business-type activities:</b>				
<b>Subtotal business-type activities net position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
% change from prior year	0.0%	0.0%	0.0%	0.0%
<b>Primary government:</b>				
Net investment in capital assets	\$ 239,036,975	\$ 199,558,798	\$ 167,416,519	\$ 143,866,282
Restricted for:				
Grants (1)	1,283,761	1,236,500	-	1,254
Debt service	21,562,682	18,841,607	18,058,630	18,842,644
Unrestricted	20,532,712	7,888,041	1,639,393	(7,583,293)
<b>Total primary government net position (2)</b>	<b>\$ 282,416,130</b>	<b>\$ 227,524,946</b>	<b>\$ 187,114,542</b>	<b>\$ 155,126,887</b>
% change from prior year	24.1%	21.6%	20.6%	17.2%

(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					
2020	2019	2018	2017	2016	2015
\$ 135,237,940	\$ 122,823,880	\$ 113,921,907	\$ 113,245,221	\$ 110,770,579	\$ 97,975,178
-	-	-	-	-	-
-	-	-	-	2,054	426
11,346,900	11,648,315	9,400,427	9,205,175	4,627,610	10,090,911
-	-	-	-	-	-
(14,249,375)	(17,339,057)	(23,093,462)	(38,274,625)	(43,000,052)	(46,575,802)
<u>\$ 132,335,465</u>	<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>
13.0%	16.9%	19.1%	16.3%	17.7%	35.9%
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$ 135,237,940	\$ 122,823,880	\$ 113,921,907	\$ 113,245,221	\$ 110,770,579	\$ 97,975,178
-	-	-	-	2,054	426
11,346,900	11,648,315	9,400,427	9,205,175	4,627,610	10,090,911
(14,249,375)	(17,339,057)	(23,093,462)	(38,274,625)	(43,000,052)	(46,575,802)
<u>\$ 132,335,465</u>	<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>
13.0%	16.9%	19.1%	16.3%	17.7%	35.9%

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

	Fiscal Year			
	2024	2023	2022	2021
<b>Expenses</b>				
<i>Governmental activities:</i>				
General government	\$ 5,681,029	\$ 3,475,477	\$ 5,227,737	\$ 4,611,785
Drainage flood control	19,189,475	23,919,428	18,009,707	17,466,813
Interest on long-term debt	8,039,931	7,978,976	7,088,079	6,966,417
Gain (loss) on sale of capital assets	-	-	-	-
<b>Total governmental activities expenses</b>	<b>32,910,435</b>	<b>35,373,881</b>	<b>30,325,523</b>	<b>29,045,015</b>
<i>Business-type activities:</i>				
<b>Total business-type activities expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government expenses</b>	<b>32,910,435</b>	<b>35,373,881</b>	<b>30,325,523</b>	<b>29,045,015</b>
<b>Program revenues</b>				
<i>Governmental activities:</i>				
Charges for services	228,873	316,780	245,254	100,692
Operating grants and contributions	5,910,539	5,505,282	2,916,223	1,368,045
Capital grants and contributions	-	1,000,000	3,010,766	-
<b>Total governmental activities program revenues</b>	<b>6,139,412</b>	<b>6,822,062</b>	<b>6,172,243</b>	<b>1,468,737</b>
<i>Business-type activities:</i>				
<b>Total business-type activities program revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government program revenues</b>	<b>6,139,412</b>	<b>6,822,062</b>	<b>6,172,243</b>	<b>1,468,737</b>
<b>Net (expenses) revenues</b>				
<i>Governmental activities</i>	(26,771,023)	(28,551,819)	(24,153,280)	(27,576,278)
<i>Business-type activities</i>	-	-	-	-
<b>Total primary government net expenses</b>	<b>\$ (26,771,023)</b>	<b>\$ (28,551,819)</b>	<b>\$ (24,153,280)</b>	<b>\$ (27,576,278)</b>

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

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 4,320,518	\$ 3,744,042	\$ 2,693,067	\$ 6,582,295	\$ 5,940,806	\$ 2,867,683
15,610,610	16,576,753	15,398,590	8,201,939	10,816,262	9,228,802
5,953,631	4,736,406	4,120,104	5,940,055	5,068,698	6,609,352
25,884,759	25,057,201	22,211,761	20,724,289	21,825,766	18,705,837
-	-	-	-	-	-
25,884,759	25,057,201	22,211,761	20,724,289	21,825,766	18,705,837
99,380	81,091	60,693	61,000	57,607	61,590
-	2,090,667	4,673,566	571,191	-	5,599,008
-	-	-	-	-	-
99,380	2,171,758	4,734,259	632,191	57,607	5,660,598
-	-	-	-	-	-
99,380	2,171,758	4,734,259	632,191	57,607	5,660,598
(25,785,379)	(22,885,443)	(17,477,502)	(20,092,098)	(21,768,159)	(13,045,239)
-	-	-	-	-	-
\$ (25,785,379)	\$ (22,885,443)	\$ (17,477,502)	\$ (20,092,098)	\$ (21,768,159)	\$ (13,045,239)

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

	Fiscal Year			
	2024	2023	2022	2021
<b>General Revenues and Other Changes in Net Position</b>				
<i>Governmental activities:</i>				
Taxes:				
Property taxes	\$ 65,192,947	\$ 54,608,296	\$ 51,139,480	\$ 48,776,231
Interest earnings	11,174,416	9,001,257	2,694,371	396,990
Penalty and interest	1,188,487	1,106,951	1,130,728	995,881
Miscellaneous	4,596,549	4,440,503	1,176,356	215,283
Other	-	-	-	-
Gain (loss) on sale of capital assets	-	282,387	-	(16,685)
Transfers	-	-	-	-
<b>Total governmental activities</b>	<b>82,152,399</b>	<b>69,439,394</b>	<b>56,140,935</b>	<b>50,367,700</b>
<i>Business-type activities:</i>				
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>82,152,399</b>	<b>69,439,394</b>	<b>56,140,935</b>	<b>50,367,700</b>
<b>Change in net position</b>				
<i>Governmental activities</i>	55,381,376	40,887,574	31,987,655	22,791,422
<i>Business-type activities</i>	-	-	-	-
<b>Total primary government (1)</b>	<b>\$ 55,381,376</b>	<b>\$ 40,887,574</b>	<b>\$ 31,987,655</b>	<b>\$ 22,791,422</b>

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



Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 38,720,572	\$ 35,225,673	\$ 32,353,117	\$ 30,504,959	\$ 28,757,262	\$ 27,956,826
1,178,603	2,427,546	1,220,266	778,435	491,532	277,365
876,768	836,274	814,826	761,869	767,511	795,286
196,664	1,194,933	77,450	131,728	-	-
-	-	-	(309,313)	1,564,336	768,736
15,099	105,283	5,866	-	(7,421)	-
-	-	-	-	-	-
40,987,706	39,789,709	34,471,525	31,867,678	31,573,220	29,798,213
-	-	-	-	-	-
40,987,706	39,789,709	34,471,525	31,867,678	31,573,220	29,798,213
15,202,327	16,904,266	16,994,023	11,775,580	9,805,061	16,752,974
-	-	-	-	-	-
\$ 15,202,327	\$ 16,904,266	\$ 16,994,023	\$ 11,775,580	\$ 9,805,061	\$ 16,752,974

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

	Fiscal Year			
	2024	2023	2022	2021
General fund:				
<b>Nonspendable:</b>				
Prepays	\$ 1,000	\$ 1,000	\$ 1,000	\$ 5,681
<b>Assigned:</b>				
Designated for Raymondville Drain	7,823,421	6,171,701	2,354,793	1,262,504
<b>Unassigned:</b>	26,034,846	21,978,143	22,081,634	18,476,750
<b>Total general fund</b>	<b>\$ 33,859,267</b>	<b>\$ 28,150,844</b>	<b>\$ 24,437,427</b>	<b>\$ 19,744,935</b>
% change from prior year	20.3%	15.2%	23.8%	4.4%
Other governmental funds:				
<b>Restricted:</b>				
Special revenue	1,283,761	1,236,500	-	1,254.00
Drainage improvement projects	146,379,606	181,036,865	146,416,676	170,964,943
Debt service reserve	5,546,687	4,607,650	4,243,166	3,915,053
<b>Committed for:</b>				
TWDB	-	-	-	-
<b>Unassigned:</b>				
Capital projects funds	-	-	-	-
<b>Total other governmental funds</b>	<b>153,210,054</b>	<b>186,881,015</b>	<b>150,659,842</b>	<b>174,881,250</b>
<b>Total governmental funds</b>	<b>\$ 187,069,321</b>	<b>\$ 215,031,859</b>	<b>\$ 175,097,269</b>	<b>\$ 194,626,185</b>
% change from prior year	-13.0%	22.8%	-10.0%	75.0%

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 1,000	\$ 14,236	\$ 1,100	\$ 958	\$ 10,224	\$ 192
1,162,504	1,446,923	1,349,911	1,415,469	1,694,524	-
17,757,667	19,449,540	16,577,711	20,209,159	19,316,844	21,850,044
\$ 18,921,171	\$ 20,910,699	\$ 17,928,722	\$ 21,625,586	\$ 21,021,592	\$ 21,850,236
-9.5%	16.6%	-17.1%	2.9%	-3.8%	30.3%
-	-	-	-	-	-
88,798,284	106,833,806	33,240,955	38,082,540	43,531,469	50,697,425
3,505,450	3,650,183	3,253,041	3,185,459	3,264,751	2,461,315
-	-	-	-	2,054	-
-	-	-	-	-	-
92,303,734	110,483,989	36,493,996	41,267,999	46,798,274	53,158,740
\$ 111,224,905	\$ 131,394,688	\$ 54,422,718	\$ 62,893,585	\$ 67,819,866	\$ 75,008,976
-15.4%	141.4%	-13.5%	-7.3%	-9.6%	-4.6%

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

(modified accrual basis of accounting)

	Fiscal Year			
	2024	2023	2022	2021
<b>Revenues</b>				
Taxes	\$ 61,618,292	\$ 55,827,172	\$ 53,917,869	\$ 40,861,852
Operating grants and contributions	-	-	-	-
Charges for services	228,873	316,780	245,254	100,692
Interest	11,174,416	9,001,257	2,694,371	396,990
Intergovernmental	5,910,539	6,505,282	5,926,989	1,368,045
Miscellaneous	4,596,549	4,440,503	1,176,356	215,283
<b>Total revenues</b>	<b>\$ 83,528,669</b>	<b>\$ 76,090,994</b>	<b>\$ 63,960,839</b>	<b>\$ 42,942,862</b>
% change from prior year	9.8%	19.0%	48.9%	6.6%
<b>Expenditures</b>				
Current:				
General government	6,173,881	3,571,569	5,175,442	4,611,785
Drainage flood control	13,168,900	15,570,307	13,397,599	12,465,329
Debt service:				
Principal	26,788,000	23,773,000	22,393,000	13,020,000
SBITA Principal	217,025	96,093	-	-
Interest and fiscal charges	9,963,043	8,995,215	8,765,140	7,435,313
Bond issuance costs	7,050	-	5,450	963,488
Advance refunding escrow	-	-	-	-
Capital outlay	56,022,741	45,195,518	34,053,748	28,873,344
Intergovernmental	-	-	-	-
<b>Total expenditures</b>	<b>112,340,640</b>	<b>97,201,702</b>	<b>83,790,379</b>	<b>67,369,259</b>
% change from prior year	15.6%	16.0%	24.4%	11.4%
Excess (deficiency) of revenues over (under) expenditures	(28,811,971)	(21,110,708)	(19,829,540)	(24,426,397)
<b>Other financing sources (uses)</b>				
Transfers in	5,224,400	3,317,087	409,334	1,660,000
Transfers out	(5,224,400)	(3,317,087)	(409,334)	(1,660,000)
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	271,864	437,134	300,624	196,483
SBITA obligations	577,569	-	-	-
<b>Total other financing sources (uses)</b>	<b>849,433</b>	<b>61,045,298</b>	<b>300,624</b>	<b>107,827,677</b>
Net change in fund balances	<b>\$ (27,962,538)</b>	<b>\$ 39,934,590</b>	<b>\$ (19,528,916)</b>	<b>\$ 83,401,280</b>
Capital outlay	57,128,541	42,771,713	33,700,831	28,660,175
Debt service as a percentage of non-capital expenditures	65.6%	63.2%	62.6%	53.1%

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 38,821,822	\$ 33,706,942	\$ 32,322,210	\$ 30,614,346	\$ 29,109,043	\$ 27,663,950
-	-	4,500,000	-	-	5,599,008
99,380	81,091	60,693	61,000	57,607	61,590
1,178,603	2,427,546	1,220,266	778,436	491,530	276,687
-	2,090,667	173,566	571,191	204,710	-
196,664	1,194,933	77,450	131,728	321,257	768,736
\$ 40,296,469	\$ 39,501,179	\$ 38,354,185	\$ 32,156,701	\$ 30,184,147	\$ 34,369,971
2.0%	3.0%	19.3%	6.5%	-12.2%	28.4%
4,320,519	2,929,980	2,593,065	2,772,624	2,493,024	2,105,618
10,336,862	11,734,756	11,044,060	11,057,559	14,800,681	12,671,056
13,399,023	10,145,178	9,704,513	8,809,365	7,770,774	7,391,180
-	-	-	-	-	-
8,307,957	5,120,048	5,463,045	5,940,355	5,068,697	6,608,672
-	814,062	100,000	61,521	666,846	-
-	-	373,680	249,917	1,350,683	-
24,134,995	19,427,379	17,684,993	8,464,605	7,336,409	9,193,910
-	-	-	-	-	-
60,499,356	50,171,403	46,963,356	37,355,946	39,487,114	37,970,436
20.6%	6.8%	25.7%	-5.4%	4.0%	-2.2%
(20,202,887)	(10,670,224)	(8,609,171)	(5,199,245)	(9,302,967)	(3,600,465)
3,143,569	250,000	2,225,000	6,509,939	683,630	145,959
(3,143,569)	(250,000)	(2,225,000)	(6,509,939)	(683,630)	(145,959)
-	10,172,204	-	56,605	10,402,222	-
-	-	-	(1,955,083)	-	-
-	73,845,000	-	-	-	-
-	-	6,095,000	1,960,000	52,625,000	-
-	-	(5,995,000)	-	(62,360,377)	-
-	3,320,000	-	-	1,243,079	-
33,104	304,990	38,304	211,442	203,933	-
33,104	87,642,194	138,304	272,964	2,113,857	-
\$ (20,169,783)	\$ 76,971,970	\$ (8,470,867)	\$ (4,926,281)	\$ (7,189,110)	\$ (3,600,465)
23,614,387	19,427,379	17,717,690	9,672,553	9,075,516	13,871,409
59.7%	49.7%	51.8%	52.1%	46.2%	48.7%

**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
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%
2024	2023	53,161,308,115	7,571,967,632	60,733,275,747	0.1179	67,345,207,642	90.18%

(1) Includes minerals.

(2) Recalculated for Tax Roll Years 2015-2024.

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
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
2024	2023	67,345,207,642	60,733,275,747	53,161,308,115

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:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	Tax Roll Year:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Hidalgo County Drainage District No. 1</b>												
Operating:												
General Fund		0.0460	0.0500	0.0528	0.0545	0.0524	0.0521	0.0502	0.0496	0.0481	0.0466	0.0449
Total Operating		0.0460	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		0.0101	0.0115	0.0128	0.0137	0.0144	0.0095	0.0165	0.0176	0.0186	-	0.0208
Unlimited Tax Refunding Bonds, Series 2014		0.0039	0.0006	0.0007	0.0008	0.0008	0.0009	0.0009	0.0009	0.0010	-	-
Unlimited Tax Refunding Bonds, Series 2016		0.0097	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		0.0114	0.0125	0.0140	0.0152	0.0125	-	-	-	-	-	-
Unlimited Tax Improvement Bonds, Series 2021 (TWDB FIF Loan)		0.0014	0.0016	0.0018	-	-	-	-	-	-	-	-
Unlimited Tax Improvement Bonds, Series 2021		0.0032	0.0038	0.0042	-	-	-	-	-	-	-	-
Unlimited Tax Improvement Bonds, Taxable Series 2021A		0.0215	0.0228	0.0232	-	-	-	-	-	-	-	-
Unlimited Tax Improvement Bonds, Series 2023		0.0067	-	-	-	-	-	-	-	-	-	-
Notes Payable		-	-	-	-	-	-	-	-	-	-	-
Total Debt Service		0.0679	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		0.1139	0.1179	0.1264	0.1026	0.1051	0.0951	0.0951	0.0951	0.0951	0.0957	0.0958
<b>Hidalgo County Drainage District No. 1</b>												
Operating		0.0460	0.0500	0.0528	0.0545	0.0524	0.0521	0.0502	0.0496	0.0481	0.0466	0.0449
Debt Service		0.0679	0.0679	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		0.1139	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:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Tax Roll Year:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Hidalgo County		0.5750	0.5750	0.5750	0.5750	0.5800	0.5800	0.5800	0.5900	0.5900	0.5900
Drainage District No. 1		0.1139	0.1179	0.1264	0.1026	0.1051	0.0951	0.0951	0.0951	0.0951	0.0957
EMS District No. 1		0.0169	0.0192	0.0195	0.0196	0.0200	0.0194	0.0176	0.0200	0.0185	0.0165
EMS District No. 2		0.0320	0.0347	0.0347	0.0352	0.0360	0.0360	0.0380	0.0380	0.0361	0.0361
EMS District No. 3		0.0154	0.0177	0.0197	0.0227	0.0245	0.0257	0.0285	0.0300	0.0300	0.0300
EMS District No. 4		0.0225	0.0241	0.0246	0.0246	0.0253	0.0252	0.0254	0.0272	0.0027	0.0272
Red Sands GWC District		0.1463	0.1528	0.1528	0.1528	0.1528	0.1528	0.1690	0.1690	0.1690	0.1690
City of Alamo		0.5801	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	0.4367	0.4440	0.4440	0.4440	0.4490	0.4540	0.4591
City of Donna		0.6653	0.7479	0.7785	0.7889	0.7889	0.7989	0.7989	0.8800	0.9828	1.1424
City of Edcouch		0.8456	0.8456	0.8456	0.9152	0.9654	0.9687	0.9154	0.9286	0.9286	0.9286
City of Edinburg		0.6300	0.6400	0.6800	0.6800	0.6800	0.6350	0.6350	0.6350	0.6350	0.6350
City of Elsa		0.7897	0.7961	0.8237	0.8832	0.8832	0.8822	0.9018	0.9177	0.8566	0.9867
City of Granjeno		0.4342	0.4342	0.4342	0.4448	0.4607	0.4607	0.4469	0.4419	0.4251	0.4230
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		0.5798	0.5898	0.5898	0.5898	0.5904	0.5668	0.5251	0.5394	0.5435	0.5700
City of La Villa		0.7929	0.7929	0.7929	0.7929	0.7929	0.7836	0.7836	0.7836	0.7836	0.7836
City of McAllen		0.4572	0.4799	0.4956	0.4956	0.4957	0.4792	0.4763	0.4763	0.4763	0.4763
City of Mercedes		0.7750	0.7750	0.7750	0.7450	0.7450	0.7450	0.7450	0.7450	0.7551	0.7600
City of Mission		0.5276	0.5299	0.5299	0.5299	0.5212	0.4862	0.4862	0.4962	0.4988	0.5188
City of Palmview		0.5586	0.5346	0.5001	0.4901	0.5001	0.5001	0.5001	0.4751	0.4751	0.4790
City of Peñitas		0.5562	0.5562	0.5562	0.5562	0.5562	0.5562	0.5562	0.5060	0.5060	0.4595
City of Pharr		0.7676	0.7176	0.7176	0.7176	0.7176	0.6490	0.6490	0.6540	0.6540	0.6800
City of Progreso		0.6980	0.7636	0.8291	0.8429	0.8429	0.8129	0.7840	0.7961	0.8061	0.7930
City of San Juan		0.6765	0.6765	0.6876	0.6926	0.6993	0.6993	0.6993	0.6993	0.6993	0.6993
City of Sullivan		0.5000	0.5000	0.4838	0.4838	0.5000	0.5000	0.5000	0.4606	0.4668	0.4478
City of Weslaco		0.6867	0.6967	0.6967	0.6967	0.6967	0.6667	0.6667	0.6667	0.6767	0.6767
Donna ISD		1.0709	1.1199	1.1199	1.1304	1.2267	1.2582	1.2582	1.2582	1.2582	1.2582
Edcouch-Elsa ISD		1.1325	1.2175	1.2175	1.2580	1.2580	1.2580	1.2580	1.2580	1.2580	1.2580
Edinburg CISD		0.8750	1.0604	1.1057	1.1382	1.1382	1.2398	1.2398	1.2398	1.2398	1.2398
Hidalgo ISD		1.2028	1.2321	1.2765	1.2765	1.2963	1.4700	1.4700	1.4900	1.5300	1.5300
La Joya ISD		1.0661	1.2700	1.2662	1.3110	1.3110	1.3110	1.3110	1.3110	1.3110	1.3110
La Villa ISD		1.2465	1.4477	1.4477	1.4838	1.4838	1.4838	1.3038	1.3038	1.3038	1.3038
McAllen ISD		0.9892	1.0964	1.1370	1.1386	1.1528	1.1550	1.1550	1.1550	1.1550	1.1650
Mercedes ISD		1.0960	1.3450	1.3520	1.3519	1.2784	1.3800	1.3800	1.3800	1.3800	1.3800
Mission CISD		1.1130	1.1130	1.1332	1.1993	1.2396	1.3398	1.3502	1.3582	1.3720	1.3300
Monte Alto ISD		1.1892	1.1946	1.2234	1.2380	1.3500	1.3500	1.3500	1.3500	1.3500	1.3500
Pharr-San Juan-Alamo ISD		1.0183	1.1837	1.2167	1.2675	1.2725	1.3792	1.3892	1.3992	1.3992	1.3592
Progreso ISD		1.3029	1.3299	1.2600	1.2600	1.3200	1.3900	1.3900	1.3900	1.3700	1.3700
Sharyland ISD		0.9575	1.1234	1.1593	1.2808	1.2987	1.3755	1.3755	1.3755	1.3355	1.3350
South Texas College		0.1562	0.1615	0.1715	0.1718	0.1733	0.1780	0.1850	0.1850	0.1850	0.1850
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		1.1599	1.2453	1.2770	1.2770	1.2770	1.2770	1.2770	1.2770	1.2770	1.2770
Weslaco ISD		0.9464	0.9593	0.9807	1.0189	1.0687	1.1597	1.1597	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: 2024 Tax Roll Year: 2023					2015 2014				
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)	\$ 511,543,070	1	0.96%	\$ 582,648	\$ 215,409,490	1	0.77%	\$ 206,147	
Simon Property Group-McAllen No 2	157,167,477	2	0.30%	\$ 179,014	85,303,024	3	0.31%	81,635	
Electric Transmission of Texas	115,837,110	3	0.22%	\$ 131,938			0.00%	-	
Day Surgery at Renaissance LLC	111,138,160	4	0.21%	\$ 126,586	49,484,156	10			
H E Butt Grocery Company	110,866,182	5	0.21%	\$ 126,277	104,974,764	2	0.38%	100,461	
CPG Mercedes LP	110,000,000	6	0.21%	\$ 125,290	71,900,000	4	0.26%	68,808	
Ignacio Grid LLC	79,438,690	7	0.15%	\$ 90,481					
Madero Grid LLC	79,438,690	8	0.15%	\$ 90,481					
Trenton Street Corporation	75,511,012	9	0.14%	\$ 86,007					
Big Sky Commercial Property	66,787,082	10	0.13%	\$ 76,070					
Rio Grande Regional Hospital					54,415,269	9	0.20%	52,075	
Wal-Mart Stores Texas LLC					58,524,954	8	0.21%	56,008	
Universal Health Services					-		0.00%	-	
Frontera Generation LTD Partnership					67,964,220	5	0.24%	65,042	
Calpine Const Fin (Magic VY GN)					65,093,830	7	0.23%	62,295	
Sharyland Utilities LP					66,317,510	6	0.24%	63,466	
<b>Total</b>	<b>\$ 1,417,727,473</b>		<b>2.67%</b>	<b>\$ 1,614,791</b>	<b>\$ 839,387,217</b>		<b>2.86%</b>	<b>\$ 755,937</b>	

(1) Appraisal District certified values for Fiscal Year 2024 and Tax Roll Year 2023.

(2) Total tax levy is: \$ 60,619,813 \$ 26,632,748

(3) Tax rate is: \$ 0.1139 \$ 0.0957

Source: Hidalgo County Appraisal District and 2015 Hidalgo County Annual Financial Report

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
PROPERTY TAX LEVY AND  
RESERVE FOR UNCOLLECTIBLE TAXES  
FISCAL YEAR 2024

**EXHIBIT E-10**

	Tax Levy (1)	Reserved For Uncollectible Taxes	Current Tax Levy Net of Uncollectible Amount
<b>Hidalgo County Drainage District No. 1</b>			
Operating:			
General Fund	\$ 24,482,102	\$ 121,301	\$ 24,603,403
Total Operating	24,482,102	121,301	24,603,403
Debt Service:			
Total Debt Service	36,137,711	153,893	36,291,605
<b>Total Hidalgo County Drainage District No. 1</b>	<b>\$ 60,619,813</b>	<b>\$ 275,194</b>	<b>\$ 60,895,008</b>

(1) Hidalgo County Tax Assessor & Collector 2024 Tax Roll  
Source: District Financial Statements

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

	Fiscal Year:	2024	2023	2022	2021	2020
	Tax Roll Year:	2023	2022	2021	2020	2019
<b>Hidalgo County Drainage District No. 1</b>						
Operating:						
General Fund	\$	24,482,102	\$ 23,263,020	\$ 21,726,120	\$ 20,921,462	\$ 19,124,661
Total Operating		<u>24,482,102</u>	<u>23,263,020</u>	<u>21,726,120</u>	<u>20,921,462</u>	<u>19,124,661</u>
Debt Service:						
Debt Service		36,137,711	31,591,181	30,284,895	18,464,630	19,234,152
Total Debt Service		<u>36,137,711</u>	<u>31,591,181</u>	<u>30,284,895</u>	<u>18,464,630</u>	<u>19,234,152</u>
<b>Total Hidalgo County Drainage District No. 1</b>	\$	<u>60,619,813</u>	\$ 54,854,201	\$ 52,011,015	\$ 39,386,092	\$ 38,358,813

Source: Hidalgo County Tax Office

EXHIBIT E-11

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

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

	Fiscal Year:	2024	2023	2022	2021	2020	2019	2018						
	Tax Roll Year:	2023	2022	2021	2020	2019	2018	2017						
<b>Drainage District No. 1</b>														
Operating	\$	907,305	\$	460,365	\$	262,122	\$	188,240	\$	137,138	\$	112,868	\$	91,921
Debt Service		1,339,056		625,145		365,415		166,128		137,908		100,938		84,308
<b>Total Drainage District No. 1</b>	<b>\$</b>	<b>2,246,361</b>	<b>\$</b>	<b>1,085,510</b>	<b>\$</b>	<b>627,537</b>	<b>\$</b>	<b>354,368</b>	<b>\$</b>	<b>275,046</b>	<b>\$</b>	<b>213,806</b>	<b>\$</b>	<b>176,229</b>

Source: Hidalgo County Delinquent Tax Roll as of December 31, 2024

EXHIBIT E-12

2017	2016	2015	Not Barred	Reserve	Net
2016	2015	2014	By Limitation	for Loss on	Property
				Collections	Taxes
					Receivable
\$ 84,862	\$ 73,166	\$ 59,852	\$ 2,470,461	\$ (1,176,338)	\$ 1,294,123
77,834	71,490	63,072	3,646,055	(1,224,228)	2,421,827
\$ 162,696	\$ 144,656	\$ 122,924	\$ 6,116,516	\$ (2,400,566)	\$ 3,715,950

**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
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
2024	2023	53,161,308,115	0.1139	-	60,619,813	864,362	61,484,175

(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
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%
59,162,154	96.22%	1,268,946	60,431,100	98.29%	2,246,361	3.65%

**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
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%
2024	2023	52,419	49,200	101,619	73,374	28,245	72.20%

(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			
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
2024	260,933,823	-	-	260,933,823	0.84%	285

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)
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
2024	260,933,823	-	260,933,823	(5,546,687)	255,387,136	398,368	0.48%	279

(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
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%
2024	26,788,000	9,962,030	36,750,030	111,538,997	32.95%

(1) Excludes bond issuance, SBITAs and other costs

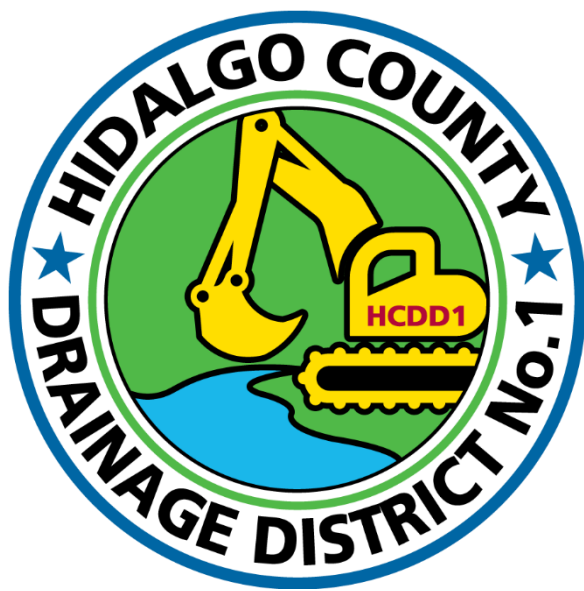
(2) Includes general, special revenue, debt service, and capital projects funds.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
DIRECT AND OVERLAPPING BONDED DEBT  
DECEMBER 31, 2024

**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
<b>Direct Debt:</b>				
Hidalgo County Drainage District No. 1	\$ 249,590,000	100%	12/31/2024	\$ 249,590,000
<b>Total Direct Debt</b>	<u>249,590,000</u>			<u>249,590,000</u>
<b>Overlapping Debt:</b>				
<b>Independent School Districts:</b>				
Donna	\$ 160,590,000	99.80%	12/31/2024	\$ 160,268,820
Edcouch - Elsa	22,868,335	100%	12/31/2024	22,868,335
Edinburg	109,735,000	93.02%	12/31/2024	102,075,497
Hidalgo	24,382,000	100%	12/31/2024	24,382,000
La Joya	168,112,680	77.21%	12/31/2024	129,799,800
La Villa	7,845,000	100%	12/31/2024	7,845,000
McAllen	63,996,000	100%	12/31/2024	63,996,000
Mercedes	36,266,120	100%	12/31/2024	36,266,120
Mission	88,307,960	1000%	12/31/2024	88,307,960
Monte Alto	9,405,000	89.55%	12/31/2024	8,422,178
Pharr - San Juan - Alamo	232,440,000	100%	12/31/2024	232,440,000
Progreso	24,195,000	100%	12/31/2024	24,195,000
Sharyland	74,615,000	100%	12/31/2024	74,615,000
Valley View	29,650,000	100%	12/31/2024	29,650,000
Weslaco	205,587,854	100%	12/31/2024	205,587,854
<b>Cities:</b>				
Alamo	14,820,000	100%	12/31/2024	14,820,000
Alton	18,622,000	100%	12/31/2024	18,622,000
Donna	94,615,000	100%	12/31/2024	94,615,000
Edcouch	1,525,000	100%	12/31/2024	1,525,000
Edinburg	112,950,000	100.00%	12/31/2024	112,950,000
Elsa	5,550,000	100%	12/31/2024	5,550,000
Hidalgo County	379,475,000	97%	12/31/2024	366,534,903
Hidalgo	5,061,000	100%	12/31/2024	5,061,000
La Joya	5,364,000	1.39%	12/31/2024	74,560
La Villa	4,455,000	100%	12/31/2024	4,455,000
McAllen	85,970,000	99.92%	12/31/2024	85,901,224
Mercedes	29,990,000	99.72%	12/31/2024	29,906,028
Mission	42,025,000	99.93%	12/31/2024	41,995,583
Palmview	16,094,000	99.90%	12/31/2024	16,077,906
Penitas	5,470,065	7.40%	12/31/2024	404,785
Pharr	115,829,000	100%	12/31/2024	115,829,000
Progreso	1,075,000	100%	12/31/2024	1,075,000
San Juan	51,602,000	100%	12/31/2024	51,602,000
Weslaco	80,846,000	100%	12/31/2024	80,846,000
<b>Road Districts:</b>				
Road District No. 5				
<b>County Line School Districts:</b>				
Lyford	21,335,000	0.85%	12/31/2024	181,348
South Texas College District	85,419,693	91.56%	12/31/2024	78,210,271
<b>Total Overlapping Debt</b>	<u>2,436,088,708</u>			<u>2,336,956,169</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 2,685,678,708</u>			<u>\$ 2,586,546,169</u>

Source: The information contained in this statement was provided by the Municipal Advisory Council of Texas (12/31/2024) 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			
	2024	2023	2022	2021
Assessed Value (1) (3)	\$ 53,161,308,115	\$ 46,399,550,026	\$ 41,104,192,204	\$ 38,339,577,535
Debit limit, 25 % of Assessed Value (2)	13,290,327,029	11,599,887,507	10,276,048,051	9,584,894,384
Debt Applicable to Limitation:				
Bonded debt:				
County Wide				
Special Road Districts	-	-	-	-
Drainage District No. 1	260,933,823	289,586,967	254,880,224	279,744,255
Total bonded debt	260,933,823	289,586,967	254,880,224	279,744,255
Less: amounts available for repayment of general obligation bonds				
Drainage District No. 1	(5,546,687)	(4,607,650)	(4,243,166)	(3,915,053)
Total amount available for repayment of general obligation bonds	(5,546,687)	(4,607,650)	(4,243,166)	(3,915,053)
Total debt applicable to limitation	255,387,136	284,979,317	250,637,058	275,829,202
Legal Debt Margin	\$ 13,034,939,893	\$ 11,314,908,190	\$ 10,025,410,993	\$ 9,309,065,182
Total net debt applicable to the limit as a percentage of debt limit	1.92%	2.46%	2.44%	2.88%

(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					
2020	2019	2018	2017	2016	2015
\$ 36,453,447,769	\$ 34,732,762,896	\$ 33,025,123,406	\$ 32,379,158,320	\$ 34,063,956,028	\$ 33,193,667,610
9,113,361,942	8,683,190,724	8,256,280,852	8,094,789,580	8,515,989,007	8,298,416,903
-	-	-	-	-	-
186,098,274	183,725,000	119,805,000	131,260,000	137,910,000	150,445,000
186,098,274	183,725,000	119,805,000	131,260,000	137,910,000	150,445,000
(3,505,450)	(3,650,183)	(3,253,032)	(3,185,459)	(3,264,751)	(2,461,315)
(3,505,450)	(3,650,183)	(3,253,032)	(3,185,459)	(3,264,751)	(2,461,315)
182,592,824	180,074,817	116,551,968	128,074,541	134,645,249	147,983,685
\$ 8,930,769,118	\$ 8,503,115,907	\$ 8,139,728,884	\$ 7,966,715,039	\$ 8,381,343,758	\$ 8,150,433,218
2.00%	2.07%	1.41%	1.58%	1.58%	1.78%

**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
3/1/2025		-	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>\$ 37,395,000</u>	<u>\$ 6,848,250</u>	<u>\$ 44,243,250</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**

<u>Date of Payment</u>	<u>Interest Rate (Per Bond) March &amp; September 1st</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Annual Requirements</u>
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>\$ 5,850,000</u>	<u>\$ 469,100</u>	<u>\$ 6,319,100</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
3/1/2025		-	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>\$ 19,180,000</u>	<u>\$ 2,509,250</u>	<u>\$ 21,689,250</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
3/1/2025		-	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>\$ 61,050,000</u>	<u>\$ 22,858,850</u>	<u>\$ 83,908,850</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
3/1/2025		-	-	-
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>\$ 20,580,000</u>	<u>\$ -</u>	<u>\$ 20,580,000</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
3/1/2025		-	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>\$ 27,345,000</u>	<u>\$ 11,950,900</u>	<u>\$ 39,295,900</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
3/1/2025		-	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		-	190,151	190,150
9/1/2033	2.172%	830,000	190,151	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	17,409	1,192,408
TOTALS		<u>\$ 19,985,000</u>	<u>\$ 6,672,848</u>	<u>\$ 26,657,846</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
3/1/2025		-	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>\$ 58,205,000</u>	<u>\$ 31,367,563</u>	<u>\$ 89,572,563</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)
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	30,883,504,000	34,373	263,859	6.1%
2024	914,820	(4)	(4)	265,094	6.0%

(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 2024

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**
**EXHIBIT E-29**

HIDALGO COUNTY

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
(5) Doctor's Hospital at Renaissance	6,423	1	2.02%	3,400	6	1.11%
(5) University of Texas-Rio Grande Valley	5,257	2	1.65%	2,850	9	0.93%
(5) PSJA ISD	5,000	3	1.57%	4,100	3	1.34%
(5) Edinburg ISD	4,993	4	1.57%	3,600	5	1.18%
US Customs and Border Patrol	3,700	5	1.16%	1,209		
(1) Hidalgo County	3,579	6	1.13%	3,163	7	1.04%
(5) McAllen ISD	3,400	7	1.07%	3,900	4	1.28%
City of McAllen	2,566	8	0.81%	1,771		
Donna ISD	2,360	9	0.74%			
Mission ISD	2,290	10	0.72%			
(3) H-E-B			0.00%	4,343	2	1.42%
(5) Weslaco ISD			0.00%	2,817	10	0.92%
(2) Wal-Mart			0.00%	5,514	1	1.81%
(5) Edinburg Regional Medical Center			0.00%	3,000	8	0.98%
	<u>39,568</u>		<u>12.42%</u>	<u>39,667</u>		<u>12.01%</u>
						(4)

Source: Hidalgo County, Texas ACFR

Texas Workforce Commission (2024 list based on Workforce Solution's Hidalgo County 2024 Largest Employers Report)

(1) Includes Hidalgo County and County related agencies employees in 2015.

(2) Based on 19 stores with an average of 290 employees in 2015.

(3) Based on 19 stores with an average of 228 employees in 2015.

(4) Total employment in 2015 was 305,333.

(5) Data not found for 2015, used 2014.

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

DECEMBER 31, 2024

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**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, 2024( millions):	\$14,770,329
County Seat:	Edinburg, Texas		
Number of employees:	4,003		
Area in acres:	9,525,000		
Miles of County maintained roads:	Precinct 1	718	
	Precinct 2	123	
	Precinct 3	566	
	Precinct 4	470	

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**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:	21	

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**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:	23	
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	

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**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	

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**Economic**

(1) Median household income:	\$53,661	Principal industries:	Retail
(1) People below poverty level:	248,831		Education
(1) % of people below poverty level:	27.20%		Healthcare
Labor force:	396,065		Transportation
People employed:	372,431		Finance & Insurance
People unemployed:	23,634		Hospitality
Unemployment rate:	6.00%		Professional
			Manufacturing
			Oil & Gas
			Other Services
			Construction
			Administrative
			Wholesalers

**Gross Sales**

Industry	2024	2023	2022	2021
Agriculture	\$ 281,053,000	\$ 140,194,000	\$ 511,698,000	\$ 445,165,000
Construction	815,459,000	808,829,000	609,560,000	599,428,000
Finance, Real Estate, Insurance	8,568,880,000	7,897,647,000	6,673,321,000	6,316,119,000
Manufacturing	2,988,881,000	3,022,714,000	2,978,057,000	2,794,550,000
Mining	783,446,000	592,311,000	1,339,618,000	1,209,175,000
Other	4,725,843,000	4,332,866,000	4,447,523,000	2,256,959,000
Retail	2,647,556,000	2,420,946,000	2,331,890,000	2,246,371,000
Other Services	651,118,000	696,834,000	583,809,000	545,838,000
Transportation, Communications, and Utilities	2,738,486,000	2,616,066,000	2,302,043,000	2,454,703,000
Wholesale-Trade	1,146,116,000	1,074,892,000	1,020,126,000	949,640,000
	<u>\$ 25,346,838,000</u>	<u>\$ 23,603,299,000</u>	<u>\$ 22,797,645,000</u>	<u>\$ 19,817,948,000</u>

**Agriculture**

Products Raised	Crops	Acres Harvested	Production
	Grain Sorghum	69,600	3,459,000 Bushels
(1)	Sugar Cane	18,400	691,000 Tons
(2)	Corn	33,600	3,246,000 Bushels
	Upland Cotton	16,500	17,800 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 2024, used 2018

(2) Data not available for 2024, used 2023

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

**EXHIBIT E-31**

Function	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Drainage	192	180	181	180	174	172	164	142	139	130
Total	192	180	181	180	174	172	164	142	139	130

Source: Hidalgo County Drainage District No. 1 payroll database

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

**EXHIBIT E-32**

Function	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Drainage</b>										
Drainage Review Fees Collected	167,200	209,450	166,025	70,250	5,250	65,500	53,500	51,250	57,500	61,590
Subdivision Drainage Reviews	352	441	435	281	209	262	214	205	230	246
Utility and Crossing Review Fees	500	6,000	10,000	6,000	8,500	3,000	6,500	-	-	-
Number of Utility Crossing Reviews	1	12	20	12	17	6	13	-	-	-
Re-Inspection Fees	5,250	7,875	4,725	-	-	-	-	-	-	-
Number of Re-Inspection Fees	10	15	9	-	-	-	-	-	-	-
Donation Review Fees	1,250	2,000	-	-	-	-	-	-	-	-
Number of Donation Reviews	5	8	-	-	-	-	-	-	-	-
<b>Total</b>	<b>174,568</b>	<b>225,801</b>	<b>181,214</b>	<b>76,543</b>	<b>13,976</b>	<b>68,768</b>	<b>60,227</b>	<b>51,455</b>	<b>57,730</b>	<b>61,836</b>

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

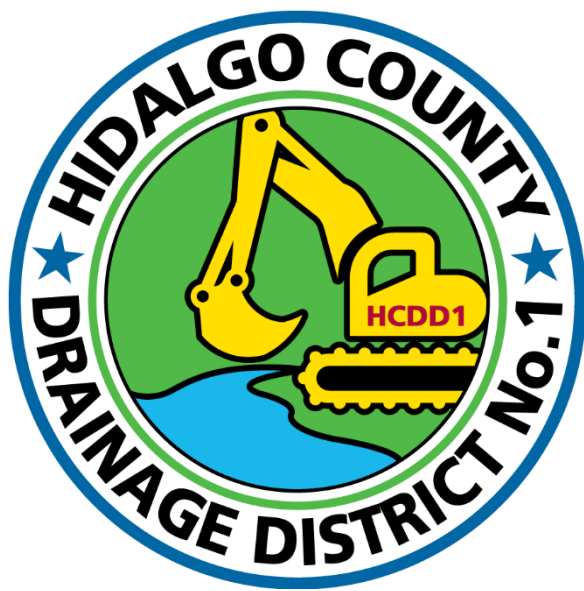
**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**CAPITAL ASSETS STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function	Fiscal Year				
	2024	2023	2022	2021	2020
General government/Administrative Office	3	3	3	3	3
Drainage					
Drainage Flood Control Structures	247	234	218	212	197
Total	250	237	221	215	200
<b>Assets</b>					
Vehicles	128	114	112	116	109
Backhoes	4	4	4	4	4
Draglines	0	0	0	3	3
Dump Trucks	13	12	12	12	12
Dozers	8	9	9	9	9
Excavators	32	30	30	33	28
Front Loaders	4	3	2	2	2
Motorgraders	10	10	9	9	9
Rollers	1	1	1	1	1
Tractors	44	46	44	46	48
Total	244	229	223	235	225

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



Fiscal Year				
2019	2018	2017	2016	2015
2	1	1	1	1
191	188	175	171	171
193	189	176	172	172
96	78	83	88	78
4	4	3	3	3
3	3	3	3	3
12	12	12	12	12
7	6	5	6	6
25	23	19	22	19
2	2	2	2	2
5	5	4	4	2
1	1	1	1	1
43	43	39	43	39
198	177	171	184	165



## **TEXAS SUPPLEMENTARY INFORMATION**

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF SERVICES AND RATES**  
**YEAR ENDED DECEMBER 31, 2024**

**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, 2024**

**EXHIBIT TSI-2**

Personnel Expenditures (including benefits) *	\$ 12,587,469
Professional Fees:	
Auditing	140,000
Legal	190,840
Engineering	286,278
Contracted Services:	
Appraisal district	698,912
Hidalgo County Tax Assessor Collector	547,168
Utilities	77,091
Repairs and Maintenance	1,320,616
Administrative Expenditures:	
Office supplies	33,930
Insurance	307,499
Capital Outlay:	
Acquisition of capital assets	4,960,352
Aid to other governments	135,965
Other Expenditures	3,162,823
	<hr/>
TOTAL EXPENDITURES	<u><u>\$ 24,448,943</u></u>

\*Number of full-time persons employed by the District: 192

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF TEMPORARY INVESTMENTS**  
**DECEMBER 31, 2024**

**EXHIBIT TSI-3**

**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, 2024**

**EXHIBIT TSI-4**

	Maintenance Taxes	Debt Service Taxes
Property taxes receivable, beginning of year	\$ 2,748,187	\$ 2,460,733
2023 original tax levy (less abatements)	24,482,102	36,137,711
Adjustments for 2023 original tax levy modifications	316,148	466,662
Adjustments for rollbacks and refunds	(26,341)	(38,882)
Total to be accounted for	<u>27,520,096</u>	<u>39,026,225</u>
Tax collections:		
Current	(23,892,921)	(35,268,029)
Prior years	(512,444)	(756,412)
Total collections	<u>(24,405,365)</u>	<u>(36,024,440)</u>
Property taxes receivable, end of year	\$ 3,114,731	\$ 3,001,784
	<u>3,114,731</u>	<u>3,001,784</u>
Property taxes receivable by years		
2023	\$ 907,222	\$ 1,339,139
2022	460,352	625,158
2021	262,136	365,401
2020 and prior	1,485,021	672,086
Property taxes receivable, end of year	<u>\$ 3,114,731</u>	<u>\$ 3,001,784</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF TAXES LEVIED AND RECEIVABLE**  
**YEAR ENDED DECEMBER 31, 2024**

	Tax Levy			
	2023	2022	2021	2020
Property Valuations:				
Land and improvements	\$ 63,060,264,165	\$ 54,436,507,212	\$ 48,384,932,334	\$ 44,507,248,686
Minerals	37,965,222	30,646,270	23,339,519	26,217,836
Personal property	5,603,784,516	4,991,577,254	4,595,127,952	4,479,023,030
Total property valuations	<u>\$ 68,702,013,903</u>	<u>\$ 59,458,730,736</u>	<u>\$ 53,003,399,805</u>	<u>\$ 49,012,489,552</u>
Tax Rates Per \$100 Valuation:				
Debt service tax rates	0.0679	0.0679	0.0736	0.0481
Maintenance tax rates	0.0460	0.0500	0.0528	0.0545
Total tax rates per \$100 valuation	<u>0.1139</u>	<u>0.1179</u>	<u>0.1264</u>	<u>0.1026</u>
Original tax levy	<u>\$ 60,619,813</u>	<u>\$ 54,854,200</u>	<u>\$ 52,011,015</u>	<u>\$ 39,386,092</u>
Percent of taxes collected to tax levied at December 31, 2024	<u>97.59%</u>	<u>97.29%</u>	<u>99.07%</u>	<u>97.90%</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, 2024**

**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.

	<u>Taxing Jurisdiction</u>	<u>Tax Rate</u>
a. County:	Hidalgo County	\$ .5750
b. Cities:	Average of 19 cities within Drainage District	.6296
c. School district(s):	Average of 15 school districts within Drainage District	1.0962
d. Special district(s) not included above:		
	South Texas College	.1620
	South Texas I.S.D.	.0492
e. Total District:		.1123
	Total Overlapping Tax Rate	<u>\$ 2.6243</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF LONG - TERM DEBT SERVICE REQUIREMENTS BY YEARS**  
**DECEMBER 31, 2024**

**EXHIBIT TSI-5**

**Schedule of Long-Term Requirements**

This schedule is omitted because information is provided in the statistical section on Exhibits E20-E26.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF CHANGES IN LONG TERM BONDED DEBT**  
**DECEMBER 31, 2024**

**EXHIBIT TSI-6**

**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				
	2024	2023	2022	2021	2020
<b>GENERAL FUND</b>					
<b>REVENUES</b>					
Property taxes	\$ 24,886,567	\$ 23,675,644	\$ 22,522,655	\$ 21,704,872	\$ 19,355,454
Operating grants and contributions	-	-	518,519	-	-
Charges for services	228,873	316,780	245,254	100,692	99,380
Interest	2,680,631	2,394,910	527,723	129,958	321,583
Intergovernmental	1,318,205	-	-	673,751	-
Miscellaneous	4,355,193	2,776,036	1,176,356	208,306	196,664
Total revenues	<u>33,469,469</u>	<u>29,163,370</u>	<u>24,990,507</u>	<u>22,817,579</u>	<u>19,973,081</u>
<b>EXPENDITURES</b>					
Professional fees	477,118	426,024	452,231	296,903	590,773
Contracted services	1,253,518	1,086,163	1,103,062	836,044	778,442
Payroll	12,587,469	11,676,661	11,848,969	11,868,520	10,788,741
Utilities	77,091	166,755	129,423	76,565	52,690
Materials and supplies	384,813	301,064	228,515	561,337	429,091
Repairs and maintenance	1,320,616	762,019	468,974	299,583	260,218
Aid to other governments	135,965	-	82,853	-	-
Other expenditures	3,252,001	3,875,375	3,470,039	3,236,128	1,757,426
Capital outlay	4,960,352	5,201,320	2,812,285	3,355,218	5,293,999
Total expenditures	<u>24,448,943</u>	<u>23,495,381</u>	<u>20,596,351</u>	<u>20,530,298</u>	<u>19,951,380</u>
Excess (deficiency) revenues over (under) expenditures	9,020,526	5,667,989	4,394,156	2,287,281	21,701
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	271,864	437,134	295,344	196,483	33,104
Capital lease proceeds	-	-	-	-	-
Installment note	-	-	-	-	-
Interfund transfers in	-	-	2,992	-	-
Interfund transfers out	<u>(3,700,400)</u>	<u>(2,845,289)</u>	<u>-</u>	<u>(1,660,000)</u>	<u>(2,044,333)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ 5,591,990</u>	<u>\$ 3,259,834</u>	<u>\$ 4,692,492</u>	<u>\$ 823,764</u>	<u>\$ (1,989,528)</u>
<b>DEBT SERVICE FUND</b>					
<b>REVENUES:</b>					
Property taxes	\$ 36,731,726	\$ 32,151,525	\$ 31,395,214	\$ 19,156,980	\$ 19,466,369
Penalty, interest and other	-	-	-	-	-
Interest	964,393	372,505	99,480	50,786	51,546
Total revenues	<u>37,696,119</u>	<u>32,524,030</u>	<u>31,494,694</u>	<u>19,207,766</u>	<u>19,517,915</u>
<b>EXPENDITURES:</b>					
Debt services, interest and principal	36,757,080	32,159,548	31,163,590	20,458,163	21,706,980
Total expenditures	<u>36,757,080</u>	<u>32,159,548</u>	<u>31,163,590</u>	<u>20,458,163</u>	<u>21,706,980</u>
Excess (deficiency) revenues over (under) expenditures	939,039	364,482	331,104	(1,250,397)	(2,189,065)
<b>OTHER FINANCING SOURCES</b>					
Interfund transfers in	-	-	405,088	1,660,000	3,143,569
Interfund transfers out	-	-	(408,079)	-	(1,099,236)
Bond proceeds	-	-	-	-	-
Bond premium	-	-	-	-	-
Payment to refunded bond escrow agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures and other financing sources	<u>\$ 939,039</u>	<u>\$ 364,482</u>	<u>\$ 328,113</u>	<u>\$ 409,603</u>	<u>\$ (144,732)</u>
<b>TOTAL ACTIVE RETAIL, WATER AND/OR WASTEWATER CONNECTIONS</b>					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## EXHIBIT TSI-7

PERCENT OF FUND TOTAL REVENUES				
2024	2023	2022	2021	2020
74.36	81.18	90.13	95.14	96.91
-	-	2.07	-	-
0.68	1.09	0.98	0.44	0.50
8.01	8.21	2.11	0.57	1.61
3.94	-	-	2.94	-
13.01	9.52	4.71	0.91	0.98
100.00	100.00	100.00	100.00	100.00
1.43	1.46	1.81	1.30	2.96
3.75	3.72	4.41	3.66	3.90
37.61	40.04	47.41	52.01	54.02
0.23	0.57	0.52	0.34	0.26
1.15	1.03	0.91	2.46	2.15
3.95	2.61	1.88	1.31	1.30
0.41	-	0.33	-	-
9.72	13.29	13.89	14.18	8.80
14.82	17.84	11.25	14.71	26.51
73.07	80.56	82.41	89.97	99.90
26.93	19.44	17.59	10.03	0.11
0.81	1.50	1.18	0.86	0.17
-	-	-	-	-
-	-	-	-	-
-	-	0.01	-	-
(11.06)	(9.76)	-	(7.28)	(10.24)
16.68	11.18	18.78	3.61	(9.96)
97.44	98.85	99.68	99.74	99.74
-	-	-	-	-
2.56	1.15	0.32	0.26	0.26
100.00	100.00	100.00	100.00	100.00
97.51	98.88	98.95	106.51	111.22
97.51	98.88	98.95	106.51	111.22
2.49	1.12	1.05	(6.51)	(11.22)
-	-	1.29	8.64	16.11
-	-	(1.30)	-	(5.63)
-	-	-	-	-
-	-	-	-	-
2.49	1.12	1.04	2.13	(0.74)
-	-	-	-	-

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**YEAR ENDED DECEMBER 31, 2024**

**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 12/31/24	Expense Reimbursements FYE 12/31/24	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

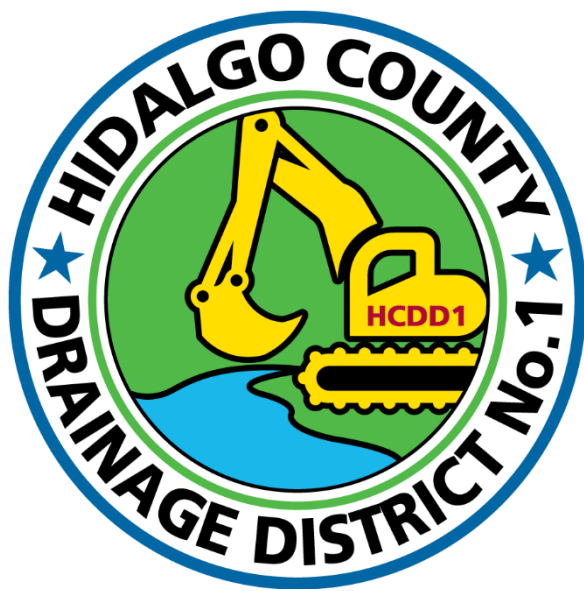
**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS - CONTINUED**  
**YEAR ENDED DECEMBER 31, 2024**

**EXHIBIT TSI-8**  
**Concluded**

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

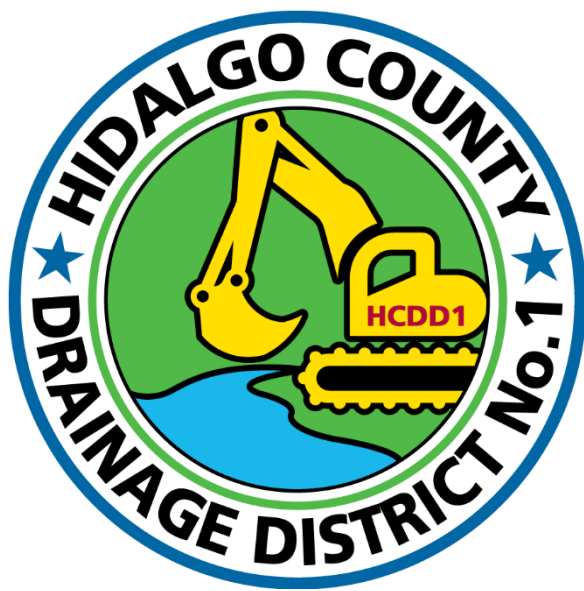
District Business Telephone Number: (956) 292-7080

Name and Address		Fees 12/31/24	Expense Reimbursements FYE 12/31/24	Title at Year End
Key Personnel:				
Consultants:				
Letty Chavez Hidalgo County Auditor's Office 2808 S. Business Highway 281 Edinburg, TX 78539	(Appointed) 12/01/23	\$ -	\$ -	County Auditor
Pablo "Paul" Villarreal Jr. PO Box 178 Edinburg, TX 78539	(Elected) 01/01/13	\$ 547,168	\$ -	County Tax Assessor/ Collector
Jones Galligan Key & Lozano, LLP 2300 W Pike Blvd Suite #300 Weslaco, TX 78596	09/4/2018	\$ 197,528	\$ -	Attorneys
Perez Law Firm PLLC 208 Lindberg Avenue McAllen, TX 78501	-	\$ -	\$ -	Bond Counsel
Chamberlain, Hrdlicka, White & Aughtry, PC 1200 Smith Street, 14th Floor Houston, Texas 77002	-	\$ -	\$ -	Attorney
Burton McCumber & Longoria, LLP 205 Pecan Boulevard McAllen, TX 78501	10/31/17	\$ 140,000	\$ -	Independent Auditors
Hidalgo County Appraisal District 4405 Professional Drive Edinburg, TX 78539	-	\$ 698,912	\$ -	Appraisal Services
Investment Officer:				
Lita L. Leo 2810 S. Business Highway 281 Edinburg, TX 78539	(Elected) 01/01/19	\$ -	\$ -	County Treasurer





## **SINGLE AUDIT 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

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, 2024, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated July 15, 2025.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

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

*Burton McCumber & Longoria LLP*

McAllen, Texas  
July 15, 2025

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

**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, 2024. 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, 2024.

***Basis for Opinion on Each Major Federal Program***

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

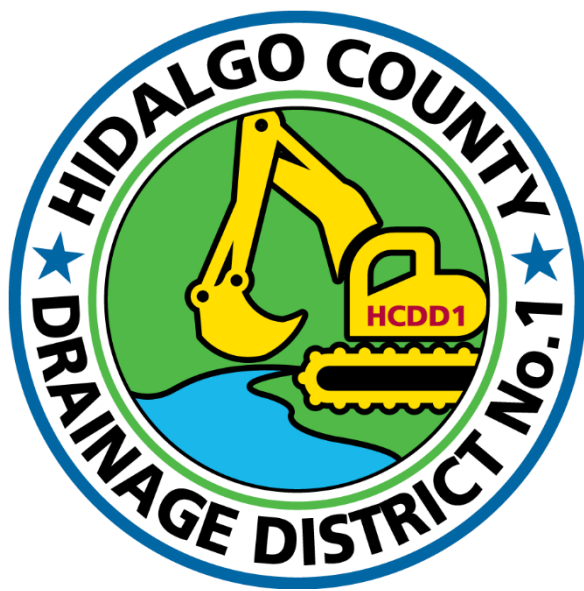
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over 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.

*Burton Mcumber & Longoria LLP*

McAllen, Texas  
July 15, 2025

**Hidalgo County Drainage District No. 1  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2024**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal ALN	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>Federal Awards</b>			
<b><u>U.S. Department of the Treasury</u></b>			
Passed Through Texas Commission on Environmental Quality Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	RDCGR480090	\$ 4,017,883
Total ALN 21.015			<u>4,017,883</u>
Total Passed Through Texas Commission on Environmental Quality			<u>4,017,883</u>
<b>Total U.S. Department of the Treasury</b>			<u>\$ 4,017,883</u>
<b><u>U.S. Department of Homeland Security FEMA</u></b>			
Passed Through Texas Department of Emergency Management Building Resilient Infrastructure & Communities (BRIC)	97.047		\$ 385,789
Total ALN 97.047			<u>385,789</u>
Total Passed Through Texas Division of Emergency Management			<u>385,789</u>
<b>Total U.S. Department of Homeland Security FEMA</b>			<u>\$ 385,789</u>
<b>Total Federal Expenditures</b>			<u><b>\$ 4,403,672</b></u>





**Hidalgo County Drainage District No. 1  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2024**

**General**

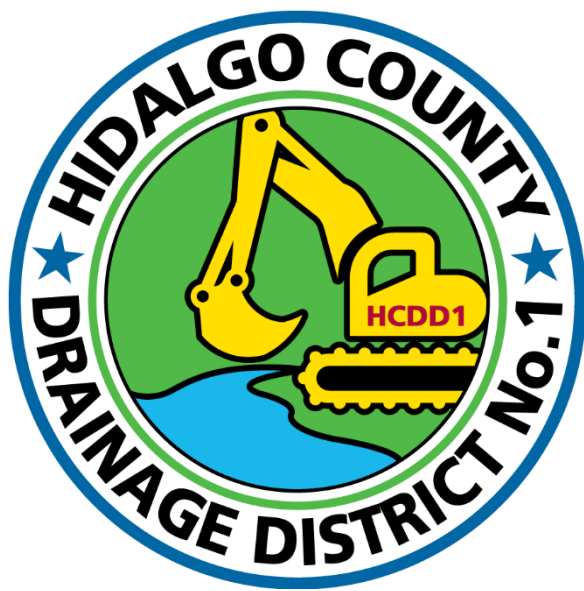
The accompanying Schedule of Expenditures of Federal Awards (SEFA) present the federal grant activity for the Hidalgo County Drainage District No. 1 (the District) for the year ended December 31, 2024. The reporting entity is defined in Note A, 1 to the District's basic financial statements. The information 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, 2024**

**Section I – Summary of Auditors' Results**

***Financial Statements***

Type of auditors' 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?

\_\_\_\_\_ yes      X   none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes      X   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)*  
21.015

*Name of Federal Program or Cluster*  
Resources and Ecosystems Sustainability,  
Tourists Opportunities, and Revived  
Economies of the Gulf Coast States

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, 2024**

**Section II – Financial Statement Findings**

None noted.

**Section III – Federal Award Findings**

None noted.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR  
THE YEAR ENDED DECEMBER 31, 2024**

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 and
- 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

2023-001 Internal Control: Payroll Test of Internal Controls

Current Status of Corrective Action Plan: The District has successfully implemented a structured Corrective Action Plan (CAP) to address identified issues within the timesheet approval process. Key actions taken include:

- Ongoing Training and Communication: The District has consistently reinforced the importance of accurate and timely timesheet approvals through targeted training sessions, written guidance, and regular reminders to all employees, including supervisors.
- Strengthened Oversight: Supervisory personnel have been re-trained on their responsibilities in reviewing and approving employee timesheets to ensure compliance with established policies and procedures.

These actions demonstrate the District's commitment to ensuring payroll integrity, improving internal controls, and preventing recurrence of prior deficiencies.

2023-002 Capital Assets Module

Current Status of Corrective Action Plan: During fiscal year 2024, the District completed the reconciliation of accumulated depreciation discrepancies between the Capital Asset Module and the general ledger.

2023-003-Public Funds Investment Act Compliance

Current Status of Corrective Action Plan: The corrective action plan, initiated in 2024, is currently active. Regular communication with the Hidalgo County Treasurer's Office is ongoing to support implementation and oversight.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**Management and Accounting Personnel**

**As of December 31, 2024**

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