

CITY OF DONNA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE I – LONG TERM DEBT

John Deere Lease - due in annual installments of \$9,484 through July 2024; interest at 5.95%. The original lease amount was \$39,817 accounted for with governmental activities.

First Capital Equipment Lease - due in annual installments of \$17,099 through December 2025; interest at 4.568%. The original lease amount was \$88,000 accounted for with governmental activities.

Dell Financial Services Lease - due in annual installments of \$5,234 through January 2024; interest at 2.341%. The original lease amount was \$22,365 accounted for with governmental activities.

First Capital Lease - due in annual installments of \$52,465 through October 2026; interest at 3.019%. The original lease amount was \$330,411 accounted for with governmental activities.

First Capital Equipment Lease - due in semi-annual installments of \$51,623 through June 2027; interest at 1.53%. The original lease amount was \$567,850 accounted for with governmental activities.

The changes in notes and leases payable during the year are summarized as follows:

	Balance			Balance	Due Within
Notes and Leases Payable	September 30, 2020	Additions	Reductions	September 30, 2021	One Year
<i>Governmental Activities</i>					
Series 2014 Tax Notes	\$ 75,600	\$ -	\$ (75,600)	\$ -	\$ -
Capital One LED Note	309,513	-	(99,673)	209,840	103,131
Motorola Lease	37,094	-	(37,094)	-	-
First Capital Equipment Lease	363,115	-	(106,576)	256,539	111,076
John Deere Lease	32,768	-	(7,480)	25,288	7,937
First Capital Equipment Lease	88,000	-	(13,079)	74,921	13,676
Dell Financial Services	22,365	-	(22,365)	-	-
First Capital Lease	330,411	-	(46,544)	283,867	43,842
First Capital Equipment Lease	-	194,824	-	194,824	30,042
Total Governmental Activities					
Notes and Leases Payable	1,258,866	194,824	(408,411)	1,045,279	309,704
<i>Water and Sewer Fund</i>					
Series 2014 Tax Notes	134,400	-	(134,400)	-	-
Government Capital Corporation Lease	53,209	-	(9,878)	43,331	10,285
First Capital Equipment Lease	-	145,305	-	145,305	22,406
Total Water and Sewer Fund					
Notes and Leases Payable	187,609	145,305	(144,278)	188,636	32,691
<i>Brush Collections</i>					
First Capital Equipment Lease	-	224,630	-	224,630	34,638
Total Brush Collections					
Notes and Leases Payable	-	224,630	-	224,630	34,638
Total Notes and Leases Payable	\$ 1,446,475	\$ 564,759	\$ (552,689)	\$ 1,458,545	\$ 377,033

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Debt service requirements to maturity for the above notes payable are as follows:

Year ending September 30,	Governmental Activities		Business-Type Activities		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 309,704	\$ 34,454	\$ 67,329	\$ 12,088	\$ 377,033	\$ 46,542
2023	321,475	22,682	69,701	9,716	391,176	32,398
2024	132,139	12,532	71,780	7,638	203,919	20,170
2025	96,527	8,653	73,920	5,497	96,527	8,653
2026	150,570	7,076	64,337	3,292	150,570	7,076
2027-2031	34,863	753	66,198	1,430	34,863	753
Total	<u>\$ 1,045,278</u>	<u>\$ 86,150</u>	<u>\$ 413,265</u>	<u>\$ 39,661</u>	<u>\$ 1,254,088</u>	<u>\$ 115,592</u>

Claims Payable

In 2004, the City entered into an agreement with a consultant to perform services regarding the coordination, planning, development and management of the City's financial applications to the Texas Water Development Board and the Border Environmental Cooperation Commission in order to obtain financing for water and sewer improvements. This agreement stipulated that the consultant would be paid a 10% fee of all grants and loans received by the City. The City was awarded significant grants and a loan in 2008 and 2009, wherein the City was billed a total of \$2,062,513 for these types of fees plus an additional fixed fee contract amount of \$213,733 for other services.

Since the City was unable to pay this, the consultant offered a payment agreement that the City accepted and became effective September 30, 2009.

The payment agreement has no stated interest rate and therefore has been discounted to reflect the present values of the claims payable based on interest rates of debts with comparable terms as shown below.

Claims payable by Water and Sewer Fund to consultant are due in monthly installments of \$20,000 including interest through June 1, 2022 with a payment of \$15,609 including interest due July 1, 2022. These claims payable was discounted to a rate of 3.73%.

In 2015, the City entered into an agreement with a consultant to perform services regarding the coordination, planning, development and management of the City's financial applications to the Texas Transportation Commission in order to obtain financing for the construction of the commercial inspection facilities for southbound bridge improvements. This agreement stipulated that the consultant would be paid a 10% fee of all grants and loans received by the City. The City was awarded significant grants in 2015, wherein the City was billed a total of \$1,000,000, less \$184,000 in fees paid to consultant resulting in an \$816,000 balance. Since the City was unable to pay this, the consultant offered a payment agreement that the City accepted and became effective May 19, 2015.

Claims payable by City International Bridge Fund to consultant are due in monthly payments of interest only of \$1,790 through June 19, 2022, then monthly installments of \$20,000 including interest beginning July 19, 2022 through July 19, 2025, with a payment of \$11,034 including interest due August 19, 2025; interest accruing from May 19, 2015 at 3.00%.

In 2016, the City entered into an agreement with a consultant to perform services regarding the creation of a financial plan for the City to refinance or issue new debt for improvements associated with the Donna International Bridge or the City's capital improvement program. The City refunded prior bond Series 2007 Combination Tax and International Toll Bridge Revenue Certificates of Obligation with Series 2016.

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Combination Tax and International Toll Bridge Revenue Refunding Bonds, wherein the City was billed a total of \$1,650,000, less \$50,000 in fees paid to consultant resulting in a \$1,600,000 balance. Since the City was unable to pay this, the consultant offered a payment agreement that the City accepted and became effective February 17, 2016.

The changes in claims payable during the year are summarized as follows:

<u>Claims Payable</u>	<u>Balance September 30, 2020</u>	<u>Reductions</u>	<u>Balance September 30, 2021</u>
<i>Water and Sewer Fund</i>			
W/S Claims by SOS	\$ 886,751	\$ -	\$ 886,751
Total Water and Sewer Fund Claims	<u>886,751</u>	<u>-</u>	<u>886,751</u>
<i>City International Bridge Fund</i>			
Bridge Success Fee	716,000	-	716,000
Bond Refinance and Grant Success Fee	<u>2,175,044</u>	<u>-</u>	<u>2,175,044</u>
Total City International Bridge Fund Claims	<u>2,891,044</u>	<u>-</u>	<u>2,891,044</u>
 Total Claims Payable	 <u>\$ 3,777,795</u>	 <u>\$ -</u>	 <u>\$ 3,777,795</u>

Debt service requirements to maturity for the above claims payable are as follows:

Year ending September 30,	Business-Type Activities	
	Principal	Interest
2022	\$ -	\$ -
2023	748,275	273,325
2024	324,972	66,747
2025	484,738	55,262
2026	496,806	43,194
2027-2031	1,625,003	86,032
2032-2036	<u>98,001</u>	<u>404</u>
Total	<u>\$ 3,777,795</u>	<u>\$ 524,964</u>

2. COMPONENT UNITS

DEDC-4A

Bonds outstanding at September 30, 2021 are:

Series 2018 Sales Tax Revenue Bonds – due in variable installments of \$70,000 to \$110,000, through August 1, 2028; interest is 4.49%, payable semi-annually.

Series 2019 Sales Tax Revenue and Refunding Bonds - due in variable installments of \$180,000 to \$265,000 through August 1, 2034; interest is between 4.16% to 4.75%, payable semi-annually.

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NOTE I – LONG TERM DEBT

DEDC-4A

	Balance September 30, 2020	Additions	Reductions	Adjustment	Balance September 30, 2021	Due Within One Year
DEDC-4A						
2018 Sales Tax Revenue Bonds	\$ 780,000	\$ -	\$ (85,000)	\$ -	\$ 695,000	\$ 85,000
2019 Sales Tax Revenue Refunding Bonds	<u>3,350,000</u>	<u>-</u>	<u>(185,000)</u>	<u>(215,000)</u>	<u>2,950,000</u>	<u>190,000</u>
	4,130,000	-	(270,000)	(215,000)	3,645,000	275,000
Less: Discount on Sales Tax Revenue and Refunding Bonds	<u>(28,573)</u>	<u>-</u>	<u>3,810</u>	<u>-</u>	<u>(24,763)</u>	<u>-</u>
Total Bonds	<u>\$ 4,101,427</u>	<u>\$ -</u>	<u>\$ (355,000)</u>	<u>\$ (215,000)</u>	<u>\$ 3,620,237</u>	<u>\$ 275,000</u>

The bonds payable annual debt service requirements to maturity are:

Year ending September 30,	Principal	Interest	Total
2022	\$ 275,000	\$ 111,741	\$ 386,741
2023	290,000	102,737	392,737
2024	295,000	93,236	388,236
2025	310,000	83,511	393,511
2026	320,000	73,288	393,288
2027-2031	1,380,000	217,383	1,597,383
2032-2036	<u>775,000</u>	<u>42,588</u>	<u>817,588</u>
Total	<u>\$ 3,645,000</u>	<u>\$ 724,484</u>	<u>\$ 4,369,484</u>

On June 27, 2016, the DEDC-4A entered into a loan agreement with Texas National Bank in the amount of \$4,500,000 for the purchase and development of an approximate 15-acre tract of land located at the northwest corner of FM 493 and U.S. Hwy 83 in Hidalgo County, Texas. The following summarizes the DEDC-4A debt relating to this land.

	Balance September 30, 2020	Reductions	Balance September 30, 2021	Due Within One Year
DEDC- 4A				
Texas National Bank Loan	<u>\$ 2,144,125</u>	<u>\$ (950,490)</u>	<u>\$ 1,193,635</u>	<u>\$ 300,000</u>

The notes payable annual debt service requirements to maturity are:

Year ending September 30,	Principal	Interest	Total
2022	\$ 300,000	\$ 65,750	365,750
2023	300,000	47,500	347,500
2024	300,000	29,350	329,350
2025	<u>293,635</u>	<u>11,000</u>	<u>304,635</u>
Total	<u>\$ 1,193,635</u>	<u>\$ 153,600</u>	<u>1,347,235</u>

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NOTE I – LONG TERM DEBT

DCD-4B

Bonds outstanding at September 30, 2021 are:

Series 2009 Sales Tax Revenue and Refunding Bonds - due in variable installments of \$70,000 to \$285,000 through August 1, 2034; interest is between 4.07% to 4.75%, payable semi-annually.

	Balance September 30, 2020	Additions	Reductions	Adjustment	Balance September 30, 2021	Due Within One Year
DCD-4B						
2019 Sales Tax Revenue Refunding Bonds	\$ 3,290,000	\$ -	\$ (180,000)	\$ (210,000)	\$ 2,900,000	\$ 190,000
	3,290,000	-	(180,000)	(210,000)	2,900,000	190,000
Less: Discount on Sales Tax Revenue and Refunding Bonds	(39,123)	-	2,794	-	(36,329)	-
Total Bonds	\$ 3,250,877	\$ -	\$ (177,206)	\$ (210,000)	\$ 2,863,671	\$ 380,000

The bonds payable annual debt service requirements to maturity are:

Year ending September 30,	Principal	Interest	Total
2022	\$ 190,000	\$ 78,300	\$ 268,300
2023	195,000	73,170	268,170
2024	195,000	67,905	262,905
2025	205,000	62,640	267,640
2026	210,000	57,105	267,105
2027-2031	1,140,000	197,370	1,337,370
2032-2036	765,000	41,580	806,580
Total	\$ 2,900,000	\$ 578,070	\$ 3,478,070

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NOTE I – LONG TERM DEBT

Revenues Pledged in Connection with Compliance Unit Debt

DEDC-4A

The City has pledged future sales tax revenues to repay \$3.68 million in sales tax revenue and refunding bonds issued in December 2009. Proceeds from the bonds provided a refunding of prior bonds and financing for projects related to the bridge projects, industrial park and related infrastructure. The bonds are payable through 2034. In addition, the City has pledged future sales tax revenues to repay \$4.50 million in notes payable issued in June 2016. Proceeds from the notes provided for the purchase and development of an approximate 15-acre tract of land located at the northwest corner of FM 493 and U.S. Hwy 83 in Hidalgo County, Texas. Annual principal and interest payments on the bonds and notes are expected to require 100 percent of net revenues.

DCD-4B

The City has pledged future sales tax revenues to repay \$3.61 million in sales tax revenue and refunding bonds issued in December 2009. Proceeds from the bonds provided a refunding of prior bonds and financing for projects related to the bridge projects, industrial park and related infrastructure. The bonds are payable through 2034. Annual principal and interest payments on the bonds are expected to require 100 percent of net revenues.

Bond Compliance Requirements

The combination tax and revenue bond ordinances require that during the period in which the bonds are outstanding the City must create and maintain certain accounts or funds to receive the proceeds from the sale of the bonds and to account for the revenues, which are pledged to the extent the City elects to not levy a tax. The assets can be used only in accordance with the terms of the bond ordinance and for the specific purpose(s) designated therein. The City is generally required to make a monthly transfer to debt service funds equal to one-twelfth of the annual debt service. The City has complied with these requirements.

The City is also required under its present ordinances to provide certain monthly reports, set aside certain funds for future requirements, submit continuing disclosure reporting and annual financial statements. The City was current on these reporting and funding.

CITY OF DONNA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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NOTE I – LONG TERM DEBT

3. CHANGES IN LONG TERM LIABILITIES

Changes in the City's long-term liabilities for the year ended September 30, 2021 are as follows:

	Balance September 30, 2020	Additions	Reductions	Balance September 30, 2021	Due Within One Year
<i>Governmental activities</i>					
Bonds payable					
Bonded debt	\$ 5,917,080	\$ -	\$ (389,840)	\$ 5,527,240	\$ 417,960
Premium on bonds	390,774	-	(28,060)	362,714	-
Total bonds payable	6,307,854	-	(417,900)	5,889,954	417,960
Notes and Leases payable					
Taxnote	75,600	-	(75,600)	-	-
Capital One Bank Note	309,513	-	(99,673)	209,840	103,131
Motorola Lease	37,094	-	(37,094)	-	-
First Capital Equipment Lease	363,115	-	(106,576)	256,539	111,076
John Deere Lease	32,768	-	(7,480)	25,288	7,937
First Capital Equipment Lease	88,000	-	(13,079)	74,921	13,676
Dell Financial Services	22,365	-	(22,365)	-	-
First Capital Lease	330,411	-	(46,544)	283,867	43,842
First Capital Equipment Lease	-	194,824	-	194,824	30,042
Total notes and leases payable	1,258,866	194,824	(408,411)	1,045,279	309,704
Subtotal	7,566,720	194,824	(826,311)	6,935,233	727,664
Compensated absences	238,883	52,480	-	291,363	-
Net pension liability					
TMRS	2,305,179	-	(30,947)	2,274,232	-
Firemen's retirement plan	57,985	-	(39,664)	18,321	-
Total net pension liability	2,363,164	-	(70,611)	2,292,553	-
Governmental activities long-term liabilities	<u>\$ 9,929,884</u>	<u>\$ 194,824</u>	<u>\$ (896,922)</u>	<u>\$ 9,227,786</u>	<u>\$ 727,664</u>
<i>Business-type activities</i>					
Bonds payable					
Bonded debt	\$ 44,057,920	\$ -	\$ (1,490,160)	\$ 42,567,760	\$ 1,647,040
Premium on bonds	4,377,478	-	(212,490)	4,164,988	-
Total bonds payable	48,435,398	-	(1,702,650)	46,732,748	1,647,040
Notes and Leases payable					
Series 2014 Tax Notes	134,400	-	(134,400)	-	-
Governmental Capital Corporation lease	53,209	-	(9,878)	43,331	10,285
First Capital Equipment Lease	-	145,305	-	145,305	10,285
First Capital Equipment Lease	-	224,630	-	224,630	34,638
Total notes and leases payable	187,609	369,935	(144,278)	413,266	55,208
Claims payable	3,777,795	-	-	3,777,795	-
Compensated absences	83,812	36,931	-	120,743	-
Subtotal	52,484,614	406,866	(1,846,928)	51,044,552	1,702,248
Net pension liability - TMRS	719,611	-	(60,416)	659,195	-
Business-type activities long-term liabilities	<u>\$ 53,204,225</u>	<u>\$ 406,866</u>	<u>\$ (1,907,344)</u>	<u>\$ 51,703,747</u>	<u>\$ 1,702,248</u>

CITY OF DONNA, TEXAS
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NOTE J – OTHER ASSETS AND PAYABLES

1. PRIMARY GOVERNMENT

Business-type Activities

Water and sewer bond indentures and the bridge bond indentures require that during the period the bonds are outstanding, the City must maintain certain separate accounts and funds to account for the proceeds from the issuance of the bonds and the debt service deposits made from revenues and from bond proceeds. These restricted assets can be used only in accordance with the bond indentures.

Restricted assets included in business-type activities as of September 30, 2021 consist of:

	Water and Sewer Activities	City International Bridge Activities	Total
O&M Reserve	\$ -	\$ 307,946	\$ 307,946
Repairs & Replacement Reserve	-	311,984	311,984
Debt Service	26,585	103,404	129,989
	<u>\$ 26,585</u>	<u>\$ 723,334</u>	<u>\$ 749,919</u>

2. COMPONENT UNITS

Other Non-Current Liabilities - Component Unit

TIRZ #2 has accrued expenses of \$2,499,696 for completed infrastructure by developers. These amounts will be reimbursed to the extent that future tax increment funding becomes available.

NOTE K – TEXAS MUNICIPAL RETIREMENT SYSTEM BENEFIT PLAN

Plan Description

The City of Donna participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

All eligible employees of the city are required to participate in TMRS.

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NOTE K – TEXAS MUNICIPAL RETIREMENT SYSTEM BENEFIT PLAN

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Employees covered by benefit terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	101
Active employees	144
Total	<hr/> 281

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 8.61% and 11.06% in calendar years 2019 and 2020, respectively. The city's contributions to TMRS for the year ended September 30, 2020, were \$685,438, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020 for TMRS and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability at December 31, 2020 actuarial valuations was determined using the following actuarial assumptions:

Inflation	2.50%
Investment rate of return	6.75%
Overall payroll growth	2.75%

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NOTE K – TEXAS MUNICIPAL RETIREMENT SYSTEM BENEFIT PLAN

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with male rates multiplied by 109% and female rates by 103%. Based on the size of the City, rates are multiplied by a factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality 16 rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	<u>100.0%</u>	

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NOTE K – TEXAS MUNICIPAL RETIREMENT SYSTEM BENEFIT PLAN

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Schedule of Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 11,776,999	\$ 8,730,382	\$ 3,046,617
Changes for the year			
Service cost	880,735	-	880,735
Interest	814,221	-	814,221
Difference between expected/actual experience	(11,289)	-	(11,289)
Changes of assumptions	-	-	-
Contributions - employer	-	684,222	(684,222)
Contributions - employee	-	431,431	(431,431)
Net investment income	-	664,578	(664,578)
Benefit payments, including refunds of employee contributions	(309,661)	(309,661)	-
Administrative expenses	-	(4,288)	4,288
Other charges	-	(167)	167
Net changes	<u>1,374,006</u>	<u>1,466,115</u>	<u>(92,109)</u>
Balance at December 31, 2020	<u>\$ 13,151,005</u>	<u>\$ 10,196,497</u>	<u>\$ 2,954,508</u>

Net pension liability amounts are allocated between the primary government and component unit on the statement of net position. The City's portion of the liability is \$2,933,427 and the component units are \$21,081.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's net pension liability for the TMRS pension, calculated using the discount rate, as well as what the City's net pension liability and proportionate share of the net pension liability allocated would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 5,091,245	\$ 2,933,427	\$ 1,189,697
Component unit's net pension liability	<u>36,588</u>	<u>21,081</u>	<u>8,550</u>
Total net pension liability	<u>\$ 5,127,833</u>	<u>\$ 2,954,508</u>	<u>\$ 1,198,247</u>

CITY OF DONNA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE K – TEXAS MUNICIPAL RETIREMENT SYSTEM BENEFIT PLAN

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2020, the City recognized pension expense of \$760,391 for the TMRS pension plan. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to TMRS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ 50,591	\$ 8,645
Changes in actuarial assumptions	41,924	-
Differences between projected and actual investment earnings (net of current year amortization)	-	303,045
Contributions subsequent to the measurement date	<u>564,469</u>	<u>-</u>
Total	<u>\$ 656,984</u>	<u>\$ 311,690</u>

The city includes contributions made subsequent to the measurement date (12/31/2019) through the City's fiscal year end (9/30/2020) as deferred outflows resources.

\$518,733 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	City
Year ended September 30,	
2022	\$ (53,773)
2023	39,606
2024	(108,689)
2025	(15,767)
Thereafter	<u>-</u>
	<u>\$ (138,623)</u>

CITY OF DONNA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE L – FIREMEN’S PENSION PLAN

Plan Description

The Texas Emergency Services Retirement System (TESRS) administers a cost-sharing multiple employer pension system (the System) established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. Direct financial activity for the System is classified in the financial statements as pension trust funds. The System issues a stand-alone financial report that is available to the public at www.tesrs.org.

Of the nine-member state board of trustees, at least five trustees must be active members of the pension system, one of whom must represent emergency medical services personnel. One trustee may be a retiree of the pension system, and three trustees must be persons who have experience in the fields of finance, securities investment, or pension administration. At August 31, 2020, there were 238 fire and/or emergency services member departments participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department.

Benefits Provided

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body’s average monthly contribution over the member’s years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount or continuing monthly payments to a member’s surviving spouse and dependent children.

Covered Membership

On August 31, 2021 the pension system membership consisted of:

Retirees and beneficiaries currently receiving benefits	3,843
Terminated members entitled to but not yet receiving benefits	1,706
Active participants	3,571

Funding Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities.

According to the state law governing the System, the state is required to contribute an amount necessary to make the System “actuarially sound” each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

CITY OF DONNA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE L – FIREMEN’S PENSION PLAN

The board rule defining contributions was amended in 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the state are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percent of the Part One portion (not to exceed 15%), is to be actuarially adjusted every two years based on the most recent actuarial valuation. Based on the August 31, 2020 actuarial valuation, the Part Two contributions are not required for an adequate contribution arrangement.

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to 15 years of credit for prior service per member. Prior service must have occurred before the department began participation in the System.

A small subset of participating departments have a different contribution arrangement which is being phased out over time. In this arrangement, contributions made in addition to the monthly contributions for active members, are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when their respective departments merged into the System. There is no actuarial impact associated with this arrangement as the pay-as-you-go contributions made by these governing bodies are always equal to benefit payments paid by the System.

Contributions Required and Contributions Made:

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions are set by board rule, and there is no maximum contribution rate. For the fiscal year ending August 31, 2020, total contributions of \$10,728 were paid into TESRS by the City.

The purpose of the biennial actuarial valuation is to determine if the contribution arrangement is adequate to pay the benefits that are promised. Actuarial assumptions are disclosed in Section I(B)(1).

The most recently completed biennial actuarial valuation as of August 31, 2020 stated that TESRS has an adequate contribution arrangement for the benefit provisions recognized in the valuation based on the expected total contributions, including the expected contributions both from the governing body of each participating department and from the state. The expected contributions from the state are state appropriations equal to (1) the maximum annual contribution (one-third of all contributions to TESRS by governing bodies of participating departments in a year) as needed in accordance with state law governing TESRS and (2) approximately \$675,000 each year to pay for part of the System’s administrative expenses.

Net Pension Liability

The System’s net pension liability was measured as of August 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2020.

Total Pension Liability	\$ 266,219
Plan Fiduciary Net Pension	<u>247,898</u>
City's Net Pension Liability	<u>\$ 18,321</u>
Plan fiduciary Net Position as a Percentage of the Total Pension Liability	93.1%

CITY OF DONNA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE L – FIREMEN’S PENSION PLAN

Actuarial Assumptions

The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	N/A
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projection scale MP-2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (currently 4.6%) and by adding expected inflation (3.0%). In addition, the final 7.5% assumption was selected by rounding down. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities		
Large cap domestic	20%	5.83%
Small cap domestic	10%	5.94%
Developed international	15%	6.15%
Emerging markets	5%	7.25%
Global infrastructure	5%	6.41%
Real Estate	10%	4.48%
Multi asset income	5%	3.84%
Fixed income	30%	1.99%
Cash	0%	0.00%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. No projection of cash flows was used to determine the discount rate because the August 31, 2020 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method, the pension plan’s fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF DONNA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE L – FIREMEN’S PENSION PLAN

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability for the Firemen’s Relief pension, calculated using the discount rate of 7.5%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Firemen's Net Pension Liability	\$59,880	\$18,321	\$ (9,422)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2021, the City reported its proportionate share of TESRS’ deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ -	\$ 725
Changes in assumptions	-	25
Net difference between projected and actual investment earnings	-	17,156
City contribution subsequent to measurement date	-	-
Total	<u>\$ -</u>	<u>\$ 17,906</u>

The deferred outflows and (inflows) of resources related to pensions will be amortized and recognized in pension expenses as follows:

Year ended September 30,	Net Deferred Outflows Minus Deferred <u>Inflows of Resources</u>
2022	\$ (4,839)
2023	(2,980)
2024	(5,624)
2025	(4,463)
	<u>\$ (17,906)</u>

CITY OF DONNA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE M – CONSTRUCTION AND IMPROVEMENT COMMITMENTS

At September 30, 2021, the City had the following contractual commitments outstanding:

The City of Donna and Donna International Bridge Project

The City of Donna has three Donation Acceptance Agreement Applications that have been approved. The application is as followed:

- Phase 1
 - FY 2015 – Southbound Empty Commercial Inspection Facilities, project status is the City conditionally awarded to D. Wilson Construction for \$4,437,506.48 (Based on TxDOT concurrence). TxDOT issued concurrence on December 19, 2018. Contract executed by Contractor and City on January 21st, 2019. Construction was completed during October 2020.
- Phase 2 – Two Proposals Combined into a Single Project
 - FY 2016 – Northbound Empty Commercial Inspection Facilities.
 - FY 2017 – Loaded Commercial Inspection Facilities – GSA and CBP requested a planning study related to commercial traffic at the Donna-Rio Bravo International Bridge which was completed October 2017. This planning study was used to justify the size of the facilities and provide design direction for CBP Facilities Management & Engineering. The project plans are complete. The timeline for the project is to begin July 2020. Project construction estimate is 18 months. The estimated construction cost is \$43,900,000. It will include latest technology available for 100% Non-Intrusive Inspection (NII) of commercial vehicles, NII Command Center, Secondary Inspection Loading Docks, Cargo Processing Offices, Exit Control booth and Roadway Improvements.
- Phase 3 and 4 Future DAP Applications
 - TBD – Expansion Northbound Commercial Secondary Dock (Will be necessitated by Truck Crossing Volumes).
 - TBD – Expansion of POV Primary and Secondary (CBP Request).

NOTE N – FUND BALANCES

The City has classified its fund balances with the following hierarchy:

Nonspendable: The City's nonspendable fund balances totaled \$16,146 represented in inventory.

Spendable: The City has classified the spendable fund balances as Restricted and Unassigned and considered each to have been spent when expenditures are incurred. The City currently has no funds classified as *Assigned*.

- Restricted for Federal and State Programs, Debt Service, Tax Increment and Capital Projects:
Federal Laws, Texas Statutes and local ordinances require that certain revenues be specifically designated for the purposes as determined by state and local regulations, debt service, and capital projects. The funds have been included in the restricted category of fund balance. The restricted fund balances totaled \$2,484,179 and represented \$206,164 in local and state and \$2,278,015 in debt service.
- Unassigned:
The unassigned fund balances totaled \$4,030,591, in the general fund and \$7,767 in other governmental funds.

CITY OF DONNA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE O – CONTINGENCIES

Litigation

The City maintains general liability and automotive liability insurance in addition to contractor, law enforcement and public officials' policies designed to minimize the City's exposure to claims. The extent to which insurance coverage may satisfy claims, if any, is not known. The City is in active litigation in several suits which it intends to vigorously defend.

The City participates periodically in Federal and State assisted grant programs. The principal grant programs the City currently participates in are with the Community Development Block Grant and the Disaster Recovery Texas CDBG. Under the terms of the Community Development Block Grant, Hidalgo County (the County) includes the surface area and population of the City of Donna in its application to the Department of Housing and Urban Development. Consequently, the County is the grantee of these funds. Also, the County assumes responsibility for the eligibility of activities, environmental assessments, awarding of contracts, approval and payment for completed contracts, project close out, and audits for the projects. The City's grant programs are subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

City International Bridge Fund

All financial projections for the City International Bridge Fund operations were based on having both passenger and commercial traffic. The projections for a combination of both passenger and commercial traffic indicated that in the near term the international bridge would have been a self-supporting operation. However, since the bridge opened in December 2010 as a passenger traffic only international bridge, the City has and will have to continue providing a significant level of debt service funding for the debts of the international bridge with a levy of taxes and assistance from other funds of the City.

NOTE P – SUBSEQUENT EVENTS

The City refunded the Combination Tax & International Toll Bridge Revenue Refunding Bonds on February 1st, 2022. The new bond issue, a General Obligation Refunding Bond a \$26,175,000 issue, is a taxable issue to be paid by a tax levy assessed on taxable property.

NOTE Q – PRIOR PERIOD ADJUSTMENT

Governmental Activities

During fiscal year 2020, the City understated the General Fund's receivables by \$123,531 and overstated Debt Service Fund's receivables by \$53,571. The effect of these adjustments increased prior period's governmental activities net position by \$69,960.

Business Type Activities

During fiscal year 2020 the City overstated Water and Sewer Fund's capital assets by 10,887 and understated City International Bridge Fund's receivables by \$473,954. The effect of these adjustments increased prior period's business-type activities net position by \$494,036.

CITY OF DONNA, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 5-A

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 4,704,973	\$ 4,704,973	\$ 4,875,937	\$ 170,964
Nonproperty taxes	3,147,056	3,147,056	3,515,611	368,555
Fees and charges for services	2,251,540	2,991,540	2,962,485	(29,055)
Fines and forfeitures	163,547	163,547	130,237	(33,310)
Licenses and permits	147,416	219,358	301,594	82,236
Intergovernmental	1,184,682	1,005,284	815,782	(189,502)
Investment earnings	15,000	15,000	989,122	974,122
Miscellaneous income	50,948	60,848	66,993	6,145
Total revenue	<u>11,665,162</u>	<u>12,307,606</u>	<u>13,657,761</u>	<u>1,350,155</u>
EXPENDITURES				
General government:				
City council	23,000	35,000	32,710	2,290
City manager	296,845	416,066	391,040	25,026
Municipal court	212,645	225,145	171,717	53,428
Finance	560,030	577,718	549,694	28,024
Information & technology	145,417	154,497	131,453	23,044
City hall	138,355	141,355	134,943	6,412
City secretary	84,464	88,464	86,981	1,483
Tax assessor collector	150,870	159,630	145,174	14,456
Planning and development	145,750	145,750	133,896	11,854
Non-departmental	787,051	787,051	738,265	48,786
Total general government	<u>2,544,427</u>	<u>2,730,676</u>	<u>2,515,873</u>	<u>214,803</u>
Public safety:				
Police	3,486,210	3,504,613	3,535,403	(30,790)
Fire	300,737	351,637	380,055	(28,418)
Inspections	81,189	85,189	82,343	2,846
Total public safety	<u>3,868,136</u>	<u>3,941,439</u>	<u>3,997,801</u>	<u>(56,362)</u>
Public works:				
Public works department	1,597,382	1,878,982	1,853,361	25,621
City vehicle maintenance	49,592	49,592	49,589	3
Sanitation	1,376,729	1,376,729	1,296,547	80,182
Street and roadways	320,847	320,847	262,704	58,143
Total public works	<u>3,344,550</u>	<u>3,626,150</u>	<u>3,462,201</u>	<u>163,949</u>

CITY OF DONNA, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 5-A (Cont'd)

	Original Budget	Final Budget	Actual	Variance from Final
EXPENDITURES (Continued)				
Culture and recreation:				
Community support	37,250	37,250	31,772	5,478
Parks and recreation	198,113	371,182	373,995	(2,813)
Swimming pool	22,467	32,334	23,854	8,480
Library	361,331	353,027	339,915	13,112
Total culture and recreation	619,161	793,793	769,536	24,257
Public health:				
Code enforcement and health inspections	112,806	115,166	112,551	2,615
Animal control	111,696	133,687	136,129	(2,442)
Cemetery	63,926	63,926	99,144	(35,218)
Total public health	288,428	312,779	347,824	(35,045)
Capital outlay	493,203	1,171,303	1,926,383	(755,080)
Total capital outlay	493,203	1,171,303	1,926,383	(755,080)
Debt service:				
Principal retirement	99,673	206,249	330,989	(124,740)
Interest and fiscal agent fees	9,798	9,798	37,065	(27,267)
Total debt service	109,471	216,047	368,054	(152,007)
Total expenditures	11,267,376	12,792,187	13,387,672	(595,485)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	397,786	(484,581)	270,089	754,670
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	-	36,570	36,570
Capital lease proceeds	-	419,455	194,824	(224,631)
Sale of capital asset	3,500	46,200	45,265	(935)
Transfers in	-	-	6	6
Transfers (out)	-	-	(158,000)	(158,000)
Total other financing sources (uses)	3,500	465,655	118,665	(346,990)
NET CHANGE IN FUND BALANCE	401,286	(18,926)	388,754	407,680
FUND BALANCE, BEGINNING	3,534,452	3,534,452	3,534,452	-
PRIOR PERIOD ADJUSTMENT	-	-	123,531	123,531
FUND BALANCE, ENDING	\$ 3,935,738	\$ 3,515,526	\$ 4,046,737	\$ 531,211

CITY OF DONNA, TEXAS
NOTES TO BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2021

1. Budgetary Expenditures in Excess of Appropriations

During the year ended September 30, 2021, expenditures exceeded appropriations as follows in the General Fund.

Department	General fund Excess of Expenditures Over Appropriations
Police	\$ 30,790
Fire	28,418
Parks and recreation	2,813
Animal Control	2,442
Cemetery	35,218
Capital Outlay	755,080
Principal retirement	124,740
Interest and fiscal agent fees	27,267
	<u>\$ 1,006,768</u>

2. Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF DONNA, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 5-B

	Plan Year Ended December 31,					
	2020	2019	2018	2017	2016	2015
A. Total pension liability						
Service Cost	\$ 880,735	\$ 847,124	\$ 790,000	\$ 567,001	\$ 546,200	\$ 352,384
Interest (on the Total Pension Liability)	814,221	711,120	643,876	529,082	477,136	413,029
Change in benefit terms	-	-	934,668	-	-	498,676
Difference between expected and actual experience	(11,289)	152,450	(104,734)	(18,136)	82,844	260,094
Changes of assumptions	-	126,333	-	-	-	243,482
Benefit payments, including refunds of employee contributions	(309,661)	(343,154)	(379,827)	(467,109)	(226,986)	(168,272)
Net change in total pension liability	1,374,006	1,493,873	1,883,983	610,838	879,194	1,599,393
Total pension liability - beginning	11,776,959	10,283,086	8,399,103	7,788,265	6,909,071	5,309,678
Total pension liability - ending (a)	\$ 13,150,965	\$ 11,776,959	\$ 10,283,086	\$ 8,399,103	\$ 7,788,265	\$ 6,909,071
B. Plan fiduciary net position						
Contributions - Employer	\$ 684,222	\$ 655,367	\$ 495,296	\$ 405,473	\$ 329,520	\$ 197,480
Contributions - Employee	431,431	409,239	337,967	284,212	285,881	202,753
Net Investment Income	664,578	1,075,485	(200,772)	788,860	335,867	6,982
Benefit payments, including refunds of employee contributions	(309,661)	(343,154)	(379,827)	(467,109)	(226,986)	(168,272)
Administrative Expenses	(4,288)	(6,062)	(3,874)	(4,083)	(3,789)	(4,250)
Other	(167)	(182)	(202)	(207)	(204)	(210)
Net change in plan fiduciary net position	1,466,115	1,790,693	248,588	1,007,146	720,289	234,483
Plan fiduciary net position - beginning	8,730,383	6,939,690	6,691,102	5,683,956	4,963,667	4,729,184
Plan fiduciary net position - ending (b)	\$ 10,196,498	\$ 8,730,383	\$ 6,939,690	\$ 6,691,102	\$ 5,683,956	\$ 4,963,667
C. Net pension liability - ending (a) - (b)	\$ 2,954,467	\$ 3,046,576	\$ 3,343,396	\$ 1,708,001	\$ 2,104,309	\$ 1,945,404
D. Plan fiduciary net position as a percentage of total pension liability	77.53%	74.13%	67.49%	79.66%	72.98%	71.84%
E. Covered employee payroll	\$ 6,553,876	\$ 6,082,718	\$ 5,825,341	\$ 5,226,060	\$ 4,686,623	\$ 3,899,718
F. Net position liability as a percentage of covered employee payroll	45.08%	50.09%	57.39%	32.68%	44.90%	49.89%

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

CITY OF DONNA, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 5-C

	Fiscal Year Ended September 30, 2020						
	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contribution:	\$ 727,398	\$ 674,856	\$ 616,810	\$ 447,760	\$ 383,354	\$ 160,460	\$ 160,460
Contributions in relation to the actuarially determined contribution	<u>(727,398)</u>	<u>(674,856)</u>	<u>(616,810)</u>	<u>(447,760)</u>	<u>(383,354)</u>	<u>(160,460)</u>	<u>(160,460)</u>
Contribution deficiency (excess):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered employee payroll	\$ 6,553,876	\$ 6,082,718	\$ 5,825,341	\$ 5,226,060	\$ 4,686,623	\$ 3,899,718	\$ 3,899,718
Contributions as a percentage of covered employee payroll	11.10%	11.09%	10.59%	8.57%	8.18%	4.11%	4.11%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closec
Remaining Amortization period	14 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(1) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes: There were no benefit changes during the year. Seven years of data is presented in accordance with GASB 68, Paragraph 138, since this is the only information available that is measured in accordance with this statement.

CITY OF DONNA, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
FIREMEN'S RELIEF AND RETIREMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 5-D

Plan Year	August 31, 2021	August 31, 2020	August 31, 2019	August 31, 2018	September 30,		
					2017	2016	2015
A. Total pension liability							
Service Cost	\$ 2,661	\$ 4,292	\$ 2,687	\$ 3,012	\$ 3,792	\$ 318	\$ -
Interest (on the Total Pension Liability)	19,017	25,298	15,196	18,719	22,534	1,203	1,224
Changes of benefit terms	-	6,875	-	5,340	-	-	-
Difference between expected and actual experience	-	(4,520)	-	(171)	-	1,096	921
Changes of assumptions	-	(156)	-	-	-	-	-
Benefit payments	<u>(12,712)</u>	<u>(15,828)</u>	<u>(9,262)</u>	<u>(11,037)</u>	<u>(11,977)</u>	<u>(2,400)</u>	<u>(2,300)</u>
Net change in total pension liability	8,966	15,960	8,621	15,863	14,349	217	(155)
Total pension liability - beginning	<u>257,253</u>	<u>330,052</u>	<u>198,021</u>	<u>244,040</u>	<u>292,959</u>	<u>29,772</u>	<u>29,927</u>
Total pension liability - ending (a)	<u>\$ 266,219</u>	<u>\$ 346,013</u>	<u>\$ 206,641</u>	<u>\$ 259,903</u>	<u>\$ 307,308</u>	<u>\$ 29,989</u>	<u>\$ 29,772</u>
B. Plan fiduciary net position							
Contributions - City	\$ 652	\$ 8,637	\$ 5,012	7,747	\$ 11,929	\$ -	\$ -
Contributions - State	2,273	3,057	1,914	2,514	3,770	-	-
Contributions - Employer	-	-	-	-	-	2,400	2,500
Net Investment Income	38,132	28,041	1,642	21,383	23,268	-	-
Benefit payments	(12,712)	(15,828)	(9,262)	(11,037)	(11,977)	(2,400)	(2,300)
Administrative Expenses	(459)	(737)	(327)	(299)	(439)	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(250)</u>	<u>-</u>
Net change in plan fiduciary net position	27,886	23,171	(1,020)	20,308	26,551	(250)	200
Plan fiduciary net position - beginning	<u>214,143</u>	<u>264,858</u>	<u>166,844</u>	<u>198,676</u>	<u>223,634</u>	<u>1,016</u>	<u>816</u>
Plan fiduciary net position - ending (b)	<u>\$ 247,898</u>	<u>\$ 288,028</u>	<u>\$ 165,824</u>	<u>\$ 218,984</u>	<u>\$ 250,185</u>	<u>\$ 766</u>	<u>\$ 1,016</u>
C. Net pension liability - ending (a) - (b)	<u>\$ 18,321</u>	<u>\$ 57,985</u>	<u>\$ 40,818</u>	<u>\$ 40,919</u>	<u>\$ 57,123</u>	<u>\$ 29,223</u>	<u>\$ 28,756</u>
D. Plan fiduciary net position as a percentage of total pension liability	93.12%	83.24%	80.25%	84.26%	81.41%	2.55%	3.41%
E. Number of Active Members	8	8	5	7	10		
F. System's Net Pension Liability per Active Member	\$ 2,290	\$ 6,938	\$ 7,657	\$ 5,846	\$ 5,932		

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

CITY OF DONNA, TEXAS
SCHEDULE OF CONTRIBUTIONS
FIREMEN'S RELIEF AND RETIREMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 5-E

Plan Year	August 31,	August 31,	August 31,	August 31,	September 30,		
	2020	2020	2019	2018	2017	2016	2015
Actuarial determined contribution	8208	\$ 10,728	\$ 6,446	\$ 9,070	\$ 11,520	\$ 2,363	\$ 2,075
Contributions in relation to the actuarially determined contribution	<u>(8,208)</u>	<u>(10,728)</u>	<u>(6,446)</u>	<u>(9,070)</u>	<u>(11,520)</u>	<u>(2,400)</u>	<u>(2,500)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37)</u>	<u>(425)</u>
Covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTES TO SCHEDULE OF CONTRIBUTIONS

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Level dollar
Remaining Amortization period	30 years
Asset Valuation Method	Market value adjusted for unrecognized gains and losses from prior years
Inflation	3.0%
Salary Increases	N/A
Investment Rate of Return	7.5 percent, net of pension plan investment expense, including inflation
Retirement Age	Age 55 with 20 years' experience
Mortality	Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projection scale MP-2019.

Other Information:

1. This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.
2. Determined from the end of year total pension liability using the roll back procedure allowed for the initial year of implementing GASB 67.
3. There is no compensation for active members, so number of active members is used instead.
4. Determined from the beginning of year total pension liability using the roll forward procedure allowed by GASB 67.

**CITY OF DONNA, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for resources legally restricted to expend for specific purposes. A special revenue fund continues in existence as long as governmental resources are allocated to its specific purposes. Included in the Special Revenue Funds are:

Hotel Occupancy Tax Fund accounts for the accumulation of resources from the Hotel Occupancy Tax levied by the City. These monies are to be spent to promote the progress, development and growth of tourism development of the City within the guidelines set forth on disposition of revenues collected under the authority of the Texas Hotel Occupancy Tax Act. The City ordinance levying this tax provides that these monies are to be spent for activities and/or facilities that will attract nonpermanent visitors to the City of Donna.

Fire Equipment Service Fee Fund accounts for the accumulation of resources from the City Ordinance establishing and fixing a monthly charge to defray costs for the acquisition of firefighting equipment.

American Rescue Plan Act (ARPA) Fund accounts for expenditures funded by the American Rescue Plan Act.

Texas Confiscated Forfeitures Fund accounts for monies obtained through forfeited “contraband” provisions pursuant to Chapter 59 of the Texas Code of Criminal Procedure. The City’s share of adjudicated forfeitures are to be used solely for law enforcement purposes as provided by Article 59.06 of the Code.

Tax Note Equipment Fund is used to account for the proceeds of tax notes issued for the purchase of various equipment.

Parks Improvement Fee Fund accounts for fees collected under the City ordinance establishing and fixing a charge for the purpose of improvements to City parks.

Urban County CDBG Program Fund accounts for funds received from the federal government by Hidalgo County and administered by Hidalgo County on behalf of the City.

Wastewater Impact Fee Fund accounts for a fee charged to new developments to offset increase demand on existing water and wastewater system.

Tax Increment Reinvestment Zone One (TIRZ #1) is a reinvestment zone created by the City of Donna pursuant to Chapter 311 of the Texas Tax Code to provide property.

CAPITAL PROJECTS FUNDS

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those by financed proprietary funds and trust funds. The City has the following capital projects funds:

The **Certificates of Obligation Bonds Series 2017 Fund** is used to account for streets and water and sewer improvements.

CITY OF DONNA, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

EXHIBIT 6-A

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 1,517,744	\$ 14,220	\$ 1,531,964
Receivables, net:			
Property taxes	224,404	-	224,404
Accounts	28,771	-	28,771
Due from other funds	41,741	-	41,741
Due from component units	75,217	-	75,217
Total assets	<u>\$ 2,540,938</u>	<u>\$ 14,220</u>	<u>\$ 2,555,158</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 9,143	\$ 11,372	\$ 20,515
Accrued liabilities	228,707	-	228,707
Due to other funds	73,415	-	73,415
Total liabilities	<u>2,329,855</u>	<u>11,372</u>	<u>2,341,227</u>
Fund balances:			
Restricted for			
Tourism	157,149	-	157,149
Fire equipment debt service	39,434	-	39,434
Law enforcement	(13,759)	-	(13,759)
Park improvements	20,492	-	20,492
Capital projects	-	2,848	2,848
Unassigned	7,767	-	7,767
Total fund balances	<u>211,083</u>	<u>2,848</u>	<u>213,931</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,540,938</u>	<u>\$ 14,220</u>	<u>\$ 2,555,158</u>

CITY OF DONNA, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 6-B

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
REVENUES			
Nonproperty taxes	\$ 141,802	\$ -	\$ 141,802
Fines and forfeitures	22,424	-	22,424
Charges for services	95,935	-	95,935
Miscellaneous income	200	-	200
Interest and investment income	88	-	88
Total revenues	<u>285,006</u>	<u>-</u>	<u>285,006</u>
EXPENDITURES			
Current:			
General government	5,573	-	5,573
Tourism	178,588	-	178,588
Public safety	36,388	-	36,388
Public works	15,651	-	15,651
Culture and recreation	6,984	-	6,984
Total expenditures	<u>243,184</u>	<u>11,372</u>	<u>254,556</u>
EXCESS (DEFICIENCY) OF REVENUES (OVER) UNDER EXPENDITURES	<u>41,822</u>	<u>(11,372)</u>	<u>30,450</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital asset	4,470	-	4,470
Transfers (out)	(63,370)	-	(63,370)
Total other financing sources (uses)	<u>(58,900)</u>	<u>-</u>	<u>(58,900)</u>
NET CHANGE IN FUND BALANCES	(17,078)	(11,372)	(28,450)
FUND BALANCES, BEGINNING	<u>228,161</u>	<u>14,220</u>	<u>242,381</u>
FUND BALANCES, ENDING	<u>\$ 211,083</u>	<u>\$ 2,848</u>	<u>\$ 213,931</u>

CITY OF DONNA, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2021

	Hotel Occupancy Tax	Fire Equipment Service Fee	Texas Confiscated Forfeitures
ASSETS			
Cash and investments	\$ 18,256	\$ 54,542	\$ 17,118
Receivables, net:			
Taxes	-	-	-
Other	19,370	9,401	-
Due from other funds	-	14,162	-
Due from component unit	75,217	-	-
Prepaid expense	57,000	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 169,843</u>	<u>\$ 78,105</u>	<u>\$ 17,118</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 3,105	\$ -	\$ 515
Accrued liabilities	6,707	-	-
Due to other funds	2,882	38,671	30,362
Unearned revenues	-	-	-
Total liabilities	<u>12,694</u>	<u>38,671</u>	<u>30,877</u>
Fund balances:			
Restricted for			
Tourism	157,149	-	-
Fire equipment debt service	-	39,434	-
Law enforcement	-	-	(13,759)
Park improvements	-	-	-
Unassigned	-	-	-
Total fund balances	<u>157,149</u>	<u>39,434</u>	<u>(13,759)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 169,843</u>	<u>\$ 78,105</u>	<u>\$ 17,118</u>

EXHIBIT 6-C

ARPA	Tax Note Equipment	Parks Improvement Fee	Urban County CDBG Program	Wastewater Impact Fee	Tax Increment Reinvestment Zone One	Total Nonmajor Special Revenue Funds
\$ 1,424,552	\$ -	\$ 1,148	\$ -	\$ 500	\$ 1,628	\$ 1,517,744
-	-	-	-	-	224,404	224,404
-	-	-	-	-	-	28,771
4,000	-	19,844	-	-	3,735	41,741
-	-	-	-	-	-	75,217
596,061	-	-	-	-	-	653,061
<u>\$ 2,024,613</u>	<u>\$ -</u>	<u>\$ 20,992</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 229,767</u>	<u>\$ 2,540,938</u>
\$ 5,523	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,143
-	-	-	-	-	222,000	228,707
500	-	500	-	500	-	73,415
2,018,590	-	-	-	-	-	2,018,590
<u>2,024,613</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>	<u>222,000</u>	<u>2,329,855</u>
-	-	-	-	-	-	157,149
-	-	-	-	-	-	39,434
-	-	-	-	-	-	(13,759)
-	-	20,492	-	-	-	20,492
-	-	-	-	-	7,767	7,767
<u>-</u>	<u>-</u>	<u>20,492</u>	<u>-</u>	<u>-</u>	<u>7,767</u>	<u>211,083</u>
<u>\$ 2,024,613</u>	<u>\$ -</u>	<u>\$ 20,992</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 229,767</u>	<u>\$ 2,540,938</u>

CITY OF DONNA, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Hotel Occupancy Tax	Fire Equipment Service Fee	Texas Confiscated Forfeitures
REVENUES			
Nonproperty taxes	\$ 141,802	\$ -	\$ -
Charges for services	215	77,525	-
Fines and forfeitures	-	-	22,424
Intergovernmental revenue	3,333	-	-
Miscellaneous income	200	-	-
Interest and investment income	49	39	-
Total revenues	<u>145,599</u>	<u>77,564</u>	<u>22,424</u>
EXPENDITURES			
Current:			
General government	-	-	-
Tourism development	178,588	-	-
Public safety	-	-	36,388
Public works	-	-	-
Culture and recreation	6,984	-	-
Total expenditures	<u>185,572</u>	<u>-</u>	<u>36,388</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(39,973)</u>	<u>77,564</u>	<u>(13,964)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	-	4,470
Transfers (out)	-	(63,364)	-
Total other financing sources (uses)	<u>-</u>	<u>(63,364)</u>	<u>4,470</u>
NET CHANGE IN FUND BALANCES	(39,973)	14,200	(9,494)
FUND BALANCES, BEGINNING	<u>197,122</u>	<u>25,234</u>	<u>(4,265)</u>
FUND BALANCES, ENDING	<u>\$ 157,149</u>	<u>\$ 39,434</u>	<u>\$ (13,759)</u>

EXHIBIT 6-D

ARPA	Tax Note Equipment	Parks Improvement Fee	Urban County CDBG Program	Wastewater Impact Fee	Tax Increment Reinvestment Zone One	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,802
-	-	18,195	-	-	-	95,935
-	-	-	-	-	-	22,424
5,573	-	-	15,651	-	-	24,557
-	-	-	-	-	-	200
-	-	-	-	-	-	88
<u>5,573</u>	<u>-</u>	<u>18,195</u>	<u>15,651</u>	<u>-</u>	<u>-</u>	<u>285,006</u>
5,573	-	-	-	-	-	5,573
-	-	-	-	-	-	178,588
-	-	-	-	-	-	36,388
-	-	-	15,651	-	-	15,651
-	-	-	-	-	-	6,984
<u>5,573</u>	<u>-</u>	<u>-</u>	<u>15,651</u>	<u>-</u>	<u>-</u>	<u>243,184</u>
-	-	18,195	-	-	-	41,822
-	-	-	-	-	-	4,470
-	(6)	-	-	-	-	(63,370)
-	(6)	-	-	-	-	(58,900)
-	(6)	18,195	-	-	-	(17,078)
-	6	2,297	-	-	7,767	228,161
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,767</u>	<u>\$ 211,083</u>

**CITY OF DONNA, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

EXHIBIT 6-E

	Certificate of Obligation Series 2017	Total Nonmajor Capital Projects Funds
ASSETS		
Cash and investments	\$ 14,220	\$ 14,220
Total assets	<u>\$ 14,220</u>	<u>\$ 14,220</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 11,372	\$ 11,372
Total liabilities	<u>11,372</u>	<u>11,372</u>
 Fund balances:		
Restricted	<u>2,848</u>	<u>2,848</u>
Total fund balances	<u>2,848</u>	<u>2,848</u>
 Total liabilities and fund balances	<u>\$ 14,220</u>	<u>\$ 14,220</u>

CITY OF DONNA, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 6-F

	Certificate of Obligation Series 2017	Total Nonmajor Capital Projects Funds
REVENUES		
Interest and investment income	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>
EXPENDITURES		
Capital outlay	<u>11,372</u>	<u>11,372</u>
Total expenditures	<u>11,372</u>	<u>11,372</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,372)</u>	<u>(11,372)</u>
NET CHANGE IN FUND BALANCES	(11,372)	(11,372)
FUND BALANCES, BEGINNING	<u>14,220</u>	<u>14,220</u>
FUND BALANCES, ENDING	<u><u>\$ 2,848</u></u>	<u><u>\$ 2,848</u></u>

CITY OF DONNA, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 7-A

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Budget	Final		
REVENUES				
Property taxes	\$ 1,143,437	\$ 1,143,437	\$ 1,147,965	\$ 4,528
Interest and investment income	1,396	1,396	195	(1,201)
Total revenue	<u>1,144,833</u>	<u>1,144,833</u>	<u>1,148,160</u>	<u>3,327</u>
EXPENDITURES				
Debt service:				
Principal retirement	474,340	474,340	465,440	8,900
Interest and fiscal agent fees	<u>230,140</u>	<u>230,140</u>	<u>239,240</u>	<u>(9,100)</u>
Total expenditures	<u>704,480</u>	<u>704,480</u>	<u>704,680</u>	<u>(200)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>440,353</u>	<u>440,353</u>	<u>443,480</u>	<u>3,127</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	317,075	317,075	317,024	51
Transfers out	<u>(800,000)</u>	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(482,925)</u>	<u>(482,925)</u>	<u>(482,976)</u>	<u>51</u>
NET CHANGE IN FUND BALANCE	(42,572)	(42,572)	(39,496)	3,076
FUND BALANCE, BEGINNING	2,317,510	2,317,510	2,371,081	-
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>(53,571)</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 2,274,938</u>	<u>\$ 2,274,938</u>	<u>\$ 2,331,585</u>	<u>\$ 56,647</u>

Governmental

The **Donna Economic Development Corporation (4A)** – was organized exclusively for the purposes of benefiting and accomplishing public purposes of the City of Donna, by promotion and development of commercial, industrial and manufacturing enterprises, and in promoting and encouraging employment and the public welfare for the City by the State Act, Section 4A.

The **Development Corporation of Donna, Inc. (4B)** - was organized for the same purposes as mentioned above, except under Section 4B of the State Act.

The **Tax Increment Reinvestment Zone Number Two (TIRZ #2)** - is a reinvestment zone created by the City of Donna pursuant to Chapter 311 of the Texas Tax Code to provide property tax increment funding to support qualifying development activities within the TIRZ #2 zone area.

Exhibits 8-A and 8-B present the combining governmental fund financial statements for all three component units.

Presented on Exhibits 8-C, 8-E and 8-G are the respective reconciliations of the governmental fund balance sheets to the statement of net position. Additionally, presented on Exhibits 8-D, 8-F, and 8-H are the respective reconciliations of the statements of revenues, expenditures, and changes in fund balances of these governmental funds to the statement of activities.

**CITY OF DONNA, TEXAS
COMBINING BALANCE SHEET
COMPONENT UNITS
SEPTEMBER 30, 2021**

EXHIBIT 8-A

	Donna Economic Development Corporation	Development Corporation of Donna	Tax Reinvestment Zone Two	Total Funds
ASSETS				
Cash and investments	\$ 150	\$ 84,137	\$ 35,208	\$ 119,495
Restricted cash and investments	1,278,132	467,119	-	1,745,251
Receivables, net:				
Taxes	228,942	228,942	58,816	516,700
Accounts	14,837	172,305	-	187,142
Due from other funds	-	472,660	-	472,660
Due from primary government	-	3,595	-	3,595
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,522,061</u>	<u>\$ 1,428,758</u>	<u>\$ 94,024</u>	<u>\$ 3,044,843</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 290,513	\$ 23,237	\$ 55,000	\$ 368,750
Accrued liabilities	64,671	64,697	-	129,368
Deposits	1,000	-	-	1,000
Due to primary government	447,394	285,969	-	733,363
Due to other funds	472,660	-	-	472,660
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,276,238</u>	<u>373,903</u>	<u>55,000</u>	<u>1,705,141</u>
Fund balances:				
Restricted for				
Debt service	1,278,132	1,054,855	-	2,332,987
Tax increment zone purposes	-	-	39,024	39,024
Unassigned	(1,032,309)	-	-	(1,032,309)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>245,823</u>	<u>1,054,855</u>	<u>39,024</u>	<u>1,339,702</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 1,522,061</u>	<u>\$ 1,428,758</u>	<u>\$ 94,024</u>	<u>\$ 3,044,843</u>

CITY OF DONNA, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 8-B

	Donna Economic Development Corporation	Development Corporation of Donna	Tax Reinvestment Zone Two	Total Funds
REVENUES				
Nonproperty taxes	\$ 1,248,874	\$ 1,248,874	\$ -	\$ 2,497,748
Property taxes	-	-	21,989	21,989
Charges for services	-	34,956	-	34,956
Interest	763	5,335	-	6,098
Miscellaneous income	33,600	-	-	33,600
Intergovernmental	-	6,665	-	6,665
Total revenues	<u>1,283,237</u>	<u>1,295,830</u>	<u>21,989</u>	<u>2,601,056</u>
EXPENDITURES				
Current:				
Economic development	512,842	414,637	10,000	937,479
Capital outlay	812,205	228,895	-	1,041,100
Debt service:				
Principal retirement	1,220,490	180,000	-	1,400,490
Interest and fees	<u>269,417</u>	<u>83,160</u>	<u>-</u>	<u>352,577</u>
Total expenditures	<u>2,814,954</u>	<u>906,692</u>	<u>10,000</u>	<u>3,731,646</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,531,717)</u>	<u>389,138</u>	<u>11,989</u>	<u>(1,130,590)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	1,895,798	-	-	1,895,798
Transfers (out) to primary government	<u>(126,830)</u>	<u>(126,830)</u>	<u>-</u>	<u>(253,660)</u>
Total other financing sources (uses)	<u>1,768,968</u>	<u>(126,830)</u>	<u>-</u>	<u>1,642,138</u>
NET CHANGE IN FUND BALANCES	237,251	262,308	11,989	511,548
FUND BALANCES, BEGINNING	<u>8,572</u>	<u>792,547</u>	<u>27,035</u>	<u>828,154</u>
FUND BALANCES, ENDING	<u>\$ 245,823</u>	<u>\$ 1,054,855</u>	<u>\$ 39,024</u>	<u>\$ 1,339,702</u>

CITY OF DONNA, TEXAS
RECONCILIATION OF THE DONNA ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

EXHIBIT 8-C

Fund balance of the component unit fund	\$ 245,823
Amount reported for government type activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not report in the funds.	5,028,441
Long term liabilities applicable to the component unit'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 assets.	(4,815,236)
Included in the noncurrent assets/liabilities is the recognition of the component unit's net pension asset/(liability) requires by GASB 68 in the amount of (\$10,541), and a deferred resource outflow in the amount of \$2,344, and a deferred resource inflow in the amount of \$1,112. This results in an increase/(decrease) in net position by (\$9,309).	(9,309)
Net position of component unit - Statement of Net Position	<u>\$ 449,719</u>

CITY OF DONNA, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE
DONNA ECONOMIC DEVELOPMENT CORPORATION
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 8-D

Net change in fund balances	\$ 237,251
Amounts reported for governmental activities in the statement of activities are different because:	
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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(2,553,001)
Repayment of notes payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,215,842
Some pension-related expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(151)</u>
Change in net position of governmental component unit - Statement of Activities	<u>\$ (1,100,059)</u>

CITY OF DONNA, TEXAS
RECONCILIATION OF THE DEVELOPMENT CORPORATION OF DONNA, INC.
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

EXHIBIT 8-E

Fund balance of the component unit fund	\$ 1,054,855
Amount reported for government type activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not report in the funds.	884,391
Long term liabilities applicable to the component unit'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 assets.	(2,865,035)
Included in the noncurrent assets/liabilities is the recognition of the component unit's net pension asset/(liability) requires by GASB 68 in the amount of (\$10,540), a deferred resource outflow in the amount of \$2,344, and a deferred resource inflow in the amount of (\$1,112). This results in an increase/(decrease) in net position by	(9,308)
Interest accrued is not reported in the fund.	<u>(12,907)</u>
Net position of component unit - Statement of Net Position	<u>\$ (948,004)</u>

CITY OF DONNA, TEXAS
RECONCILIATION OF THE COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE
DEVELOPMENT CORPORATION OF DONNA, INC.
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 8-F

Net change in fund balances	\$ 262,308
Amounts reported for governmental activities in the statement of activities are different because:	
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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	324,198
Repayment of notes payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	176,384
Some pension-related expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(1,815)</u>
Change in net position of governmental component unit - Statement of Activities	<u><u>\$ 771,844</u></u>

CITY OF DONNA, TEXAS RECONCILIATION OF THE TAX INCREMENT REINVESTMENT ZONE NUMBER TWO BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2021	EXHIBIT 8-G
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Fund balance of the component unit fund	\$	39,024
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Amount reported for government type activities in the statement of net position are different because:

Long term liabilities applicable to the component unit'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 assets.

(2,499,696)

Net position of component unit - Statement of Net Position	\$	<u>(2,460,672)</u>
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CITY OF DONNA, TEXAS
RECONCILIATION OF THE COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE
TAX INCREMENT REINVESTMENT ZONE NUMBER TWO
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 8-H

Net change in fund balances	\$ 11,989
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Amounts reported for governmental activities in the statement of activities are different

Repayment of long term debt principal is an expenditure in the governmental funds, but the repayment has no effect on net position.

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Change in net position of governmental component unit - Statement of Activities	<u>\$ 11,989</u>
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CITY OF DONNA, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

The Continuing Financial Disclosure Tables portion of the Statistical section presents various financial data originally distributed in debt official statements. The City is required to update financial tables originally distributed in debt official statements. The financial tables that follow are updated through September 30, 2021. This financial information is also sent to the Electronic Municipal Market Access (EMMA) website, the official repository for information on municipal bonds.

CITY OF DONNA, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 1

	2012	2013	2014	2015
Governmental activities				
Net investments in capital assets	\$ 22,322,916	\$ 22,508,397	\$ 24,260,086	\$ 24,886,384
Restricted	2,861,266	2,786,431	3,439,698	5,481,325
Unrestricted	1,425,585	2,485,784	2,921,896	839,100
Total governmental activities net position	\$ 26,609,767	\$ 27,780,612	\$ 30,621,680	\$ 31,206,809
Business-type activities				
Net investments in capital assets	\$ 37,284,859	\$ 37,091,287	\$ 36,537,530	\$ 36,392,353
Restricted	2,149,273	2,370,963	2,710,237	3,143,902
Unrestricted	(7,942,293)	(7,667,796)	(6,915,609)	(8,600,817)
Total business-type activities net position	\$ 31,491,839	\$ 31,794,454	\$ 32,332,158	\$ 30,935,438
Primary government				
Net investments in capital assets	\$ 59,607,775	\$ 59,599,684	\$ 60,797,616	\$ 61,278,737
Restricted	5,010,539	5,157,394	6,149,935	8,625,227
Unrestricted (deficit)	(6,516,708)	(5,182,012)	(3,993,713)	(7,761,716)
Total primary government activities net position	\$ 58,101,606	\$ 59,575,066	\$ 62,953,838	\$ 62,142,247

TABLE 1

2016	2017	2018	2019	2020	2021
\$ 25,485,725	\$ 4,223,363	\$ 7,276,162	\$ 6,993,089	\$ 5,817,612	\$ 7,473,275
5,720,759	3,197,909	3,184,403	266,867	2,574,074	2,443,902
1,680,992	3,310,863	457,033	1,824,364	2,668,478	3,079,266
<u>\$ 32,887,476</u>	<u>\$ 10,732,135</u>	<u>\$ 10,917,598</u>	<u>\$ 9,084,320</u>	<u>\$ 11,060,164</u>	<u>\$ 12,996,443</u>
\$ 34,591,149	\$ 34,591,149	\$ 39,229,693	\$ 44,354,918	\$ 44,354,918	\$ 18,223,937
9,674,905	9,671,905	2,219,457	1,836,197	1,836,197	-
(16,939,208)	(24,196,514)	(24,255,971)	(31,165,371)	(31,764,959)	(5,147,772)
<u>\$ 27,326,846</u>	<u>\$ 20,066,540</u>	<u>\$ 17,193,179</u>	<u>\$ 15,025,744</u>	<u>\$ 14,426,156</u>	<u>\$ 13,076,165</u>
\$ 60,076,874	\$ 38,814,512	\$ 46,505,855	\$ 51,348,007	\$ 50,172,530	\$ 25,697,212
15,395,664	12,869,814	5,403,860	2,103,064	4,410,271	2,443,902
(15,258,216)	(20,885,651)	(23,798,938)	(29,341,007)	(29,096,481)	(2,068,506)
<u>\$ 60,214,322</u>	<u>\$ 30,798,675</u>	<u>\$ 28,110,777</u>	<u>\$ 24,110,064</u>	<u>\$ 25,486,320</u>	<u>\$ 26,072,608</u>

**CITY OF DONNA, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 2

	2012	2013	2014	2015	2016
EXPENSES					
Governmental activities					
General government	\$ 1,083,063	\$ 1,150,560	\$ 1,395,999	\$ 2,423,156	\$ 2,973,410
Public Safety	1,847,489	1,956,753	2,251,531	2,675,445	2,936,275
Public Works	1,391,738	1,459,303	1,769,246	2,276,526	2,202,414
Culture and recreation	519,826	591,910	585,057	723,354	840,311
Health and welfare	217,651	155,716	238,260	231,283	279,247
Economic development	144,809	-	9,715	9,000	632,000
Tourism development	17,598	75,771	236,107	231,556	207,043
Interest and Fiscal Agent Fees	73,071	124,785	113,604	117,228	1,189,004
Total governmental activities expenses	<u>5,295,245</u>	<u>5,514,799</u>	<u>6,599,519</u>	<u>8,687,548</u>	<u>11,259,702</u>
Business-type activities					
Water and sewer	5,005,481	5,148,958	5,160,233	5,806,462	5,764,408
International Bridge	3,551,342	3,568,683	3,851,680	4,488,981	3,589,093
Brush Collection	-	-	-	-	-
Total business-type activities	<u>8,556,823</u>	<u>8,717,642</u>	<u>9,011,913</u>	<u>10,295,443</u>	<u>9,353,501</u>
Total Primary government expenses	<u>\$ 13,852,068</u>	<u>\$ 14,232,441</u>	<u>\$ 15,611,432</u>	<u>\$ 18,982,991</u>	<u>\$ 20,613,203</u>
PROGRAM REVENUES					
Governmental activities					
Charges for services					
General government	\$ 197,791	\$ 225,776	\$ 315,141	\$ 1,065,606	\$ 867,737
Public Safety	268,301	229,304	241,697	346,296	308,271
Public Works	945,531	980,066	1,004,919	1,020,698	1,023,099
Culture and recreation	60,926	29,700	28,292	60,321	44,927
Health and welfare	29,673	37,179	59,858	52,586	56,099
Economic development	-	-	13,669	-	-
Tourism development	-	-	-	-	-
Interest on Long Term Debt	-	-	-	254,763	255,756
Operating grants and contributions	312,700	88,950	664,438	-	-
Capital grants and contributions	976,729	-	1,267,992	-	-
Total governmental activities program revenues	<u>2,791,651</u>	<u>1,590,976</u>	<u>3,596,006</u>	<u>2,800,270</u>	<u>2,555,888</u>
Business-type activities					
Charges for services					
Water and sewer	5,451,758	5,573,405	5,236,681	5,045,190	5,054,315
International Bridge	1,148,628	1,370,490	1,670,603	1,734,996	1,980,468
Brush collections	-	-	-	-	-
Operating grants and contributions	-	-	153,115	-	753,684
Capital grants and contributions	1,941,851	127,000	1,518,832	432,157	-
Total business-type activities program revenues	<u>8,542,237</u>	<u>7,070,895</u>	<u>8,579,231</u>	<u>7,212,344</u>	<u>7,788,467</u>
Total primary government program revenues	<u>\$ 11,333,888</u>	<u>\$ 8,661,871</u>	<u>\$ 12,175,237</u>	<u>\$ 10,012,614</u>	<u>\$ 10,344,355</u>

TABLE 2

2017	2018	2019	2020	2021
\$ 2,396,171	\$ 2,655,049	\$ 2,688,139	\$ 3,225,235	\$ 2,567,062
3,521,271	3,534,571	4,247,051	4,083,960	4,309,971
2,318,032	3,624,035	3,747,715	3,910,665	4,004,001
353,023	365,175	396,328	329,714	431,481
1,182,640	796,618	1,015,067	532,138	783,445
-	-	-	-	-
-	-	-	302,008	178,588
1,885,115	1,630,176	272,612	263,091	255,087
11,656,253	12,605,624	12,366,911	12,646,811	12,529,635
9,351,572	6,583,271	6,863,105	6,842,476	7,014,916
2,724,840	1,996,385	3,373,337	3,351,392	3,311,948
-	-	-	-	2,010
12,076,413	8,579,656	10,236,441	10,193,868	10,328,874
\$ 23,732,666	\$ 21,185,280	\$ 22,603,352	\$ 22,840,679	\$ 22,858,509
\$ 2,005,593	\$ 2,306,326	\$ 2,479,445	\$ 2,688,968	\$ 3,512,675
92,712	152,941	134,825	237,600	-
248,615	248,615	247,203	-	-
14,983	68,645	14,937	14,959	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	1,566,252	840,339
-	-	-	-	-
2,361,903	2,776,526	2,876,410	4,507,779	4,353,014
5,237,910	4,608,339	4,655,536	4,880,132	5,864,531
2,205,195	2,414,556	2,323,632	1,601,587	1,600,760
-	-	-	-	26,573
-	-	-	-	4,787
59,552	-	10,714	-	-
7,502,657	7,022,895	6,989,882	6,481,719	7,496,651
\$ 9,864,560	\$ 9,799,421	\$ 9,866,292	\$ 10,989,498	\$ 11,849,665

**CITY OF DONNA, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)**

**TABLE 2
(continued)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
NET (EXPENSES)/PROGRAM REVENUES					
Governmental activities	\$ (2,503,594)	\$ (3,923,823)	\$ (3,003,513)	\$ (5,887,278)	\$ (8,703,814)
Business-type activities	(14,586)	(1,646,746)	(432,682)	(3,083,099)	(1,565,034)
Total primary government net expenses	<u>\$ (2,518,180)</u>	<u>\$ (5,570,569)</u>	<u>\$ (3,436,195)</u>	<u>\$ (8,970,377)</u>	<u>\$ (10,268,848)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS					
GOVERNMENTAL ACTIVITIES					
Taxes					
Property taxes general purposes	\$ 4,390,543	\$ 5,038,673	\$ 5,442,523	\$ 5,574,392	\$ 5,338,779
Sales taxes	865,983	999,188	1,052,265	1,252,446	1,415,593
Franchises taxes	731,064	751,686	762,260	775,496	908,670
Hotel occupancy tax	108,290	115,573	127,324	119,071	139,300
Investment earnings	8,245	6,027	3,893	3,994	12,338
Miscellaneous	43,218	125,706	579,510	87,101	192,322
Special item	-	-	-	-	-
Transfers	(1,504,045)	(1,942,184)	(2,094,974)	(1,610,089)	2,377,478
Total governmental activities	<u>4,643,298</u>	<u>5,094,669</u>	<u>5,872,801</u>	<u>6,202,410</u>	<u>10,384,479</u>
Business type activities					
Investment earnings	10,256	7,178	12,570	21,157	53,921
Miscellaneous	-	-	1,291	26,589	-
Special items	-	-	-	-	-
Transfers	1,504,045	1,942,184	2,094,973	1,610,089	(2,097,479)
Total business -type activities	<u>1,514,301</u>	<u>1,949,361</u>	<u>2,108,834</u>	<u>1,657,835</u>	<u>(2,043,558)</u>
Total primary government	<u>\$ 6,157,599</u>	<u>\$ 7,044,030</u>	<u>\$ 7,981,634</u>	<u>\$ 7,860,245</u>	<u>\$ 8,340,920</u>
CHANGES IN NET POSITION					
Governmental activities	\$ 2,139,704	\$ 1,170,846	\$ 2,869,288	\$ 315,132	\$ 1,680,665
Business- type activities	1,499,715	302,615	1,676,152	(1,425,264)	(3,608,593)
Total primary government	<u>\$ 3,639,419</u>	<u>\$ 1,473,461</u>	<u>\$ 4,545,439</u>	<u>\$ (1,110,133)</u>	<u>\$ (1,927,927)</u>

TABLE 2
(continued)

2017	2018	2019	2020	2021
\$ (9,294,350)	\$ (9,829,098)	\$ (9,490,501)	\$ (8,139,032)	\$ (8,176,621)
(4,573,756)	(1,556,761)	(3,246,559)	(3,712,149)	(2,832,223)
<u>\$ (13,868,106)</u>	<u>\$ (11,385,859)</u>	<u>\$ (12,737,060)</u>	<u>\$ (11,851,183)</u>	<u>\$ (11,008,844)</u>
\$ 5,215,690	\$ 5,177,715	\$ 5,281,998	\$ 5,450,826	\$ 6,217,376
1,461,161	1,677,546	1,812,547	2,125,248	2,545,393
917,579	917,579	961,712	970,218	970,218
140,980	118,465	132,860	109,589	141,802
60,419	93,633	100,619	71,840	67,277
43,365	122,679	43,706	52,561	1,043,666
-	-	-	-	-
721,780	1,906,943	(126,495)	2,386,995	(704,340)
<u>8,560,975</u>	<u>10,014,560</u>	<u>8,206,947</u>	<u>11,167,277</u>	<u>10,281,392</u>
71,515	42,557	58,656	-	1,291
19,469	268,421	752,640	6,100	144,987
-	-	-	4,304,373	-
(2,638,566)	(1,627,578)	266,495	(2,246,997)	958,000
<u>(2,547,582)</u>	<u>(1,316,600)</u>	<u>1,077,791</u>	<u>2,063,476</u>	<u>1,104,278</u>
<u>\$ 6,013,393</u>	<u>\$ 8,697,960</u>	<u>\$ 9,284,738</u>	<u>\$ 13,230,753</u>	<u>\$ 11,385,670</u>
\$ (733,375)	\$ 185,462	\$ (1,283,554)	\$ 3,028,245	\$ 2,104,771
(7,121,338)	(2,873,361)	(2,168,770)	(1,648,675)	(1,727,945)
<u>\$ (7,854,714)</u>	<u>\$ (2,687,899)</u>	<u>\$ (3,452,324)</u>	<u>\$ 1,379,570</u>	<u>\$ 376,826</u>

TABLE 3

CITY OF DONNA, TEXAS
CHANGES IN FUND BALANCE- GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2012	2013	2014	2015
Revenues				
Taxes	\$ 6,021,470	\$ 6,809,260	\$ 7,332,268	\$ 7,885,911
Licenses and Permits	123,623	134,634	165,471	134,150
Charges for Services	1,271,315	1,269,626	1,308,877	1,427,198
Fines and Forfeitures	97,283	98,188	175,558	137,876
Intergovernmental	478,287	320,909	377,508	1,055,328
Investment earnings	8,245	6,027	3,893	3,994
Other	55,502	137,014	335,480	137,820
Total revenues	<u>8,055,726</u>	<u>8,775,657</u>	<u>9,699,056</u>	<u>10,782,277</u>
Expenditures				
General government	1,083,183	1,209,763	1,414,959	2,542,486
Public safety	1,873,037	2,119,400	2,357,686	2,800,668
Public works	1,412,629	1,523,106	1,685,840	2,151,430
Culture and recreation	535,166	646,579	631,467	785,679
Health and welfare	217,651	164,762	238,260	250,941
Economic development	144,809	-	-	-
Tourism development	17,598	75,771	306,797	231,556
Capital outlay	605,493	838,933	117,424	2,624,627
Debt service:				
Principal	629,765	394,091	454,184	473,227
Interest	136,765	97,824	86,879	272,411
Issuance charges	-	-	-	-
Total expenditures	<u>6,656,096</u>	<u>7,070,229</u>	<u>7,293,496</u>	<u>12,133,024</u>
Excess of revenues over (under) expenditures	1,399,630	1,705,428	2,405,560	(1,350,747)
Other Financing Sources (Uses)				
Transfers in	285,288	269,558	291,192	256,393
Transfers out	(1,808,499)	(2,084,532)	(2,386,167)	(1,866,483)
Bond proceeds	1,260,600	-	-	4,875,401
Lease/Loan proceeds	-	351,753	-	760,000
Other	(1,228,516)	-	544,628	-
Total other financing sources (uses)	<u>(1,491,127)</u>	<u>(1,463,221)</u>	<u>(1,550,346)</u>	<u>4,025,312</u>
Net change in fund balances	<u>\$ (91,497)</u>	<u>\$ 242,207</u>	<u>\$ 855,214</u>	<u>\$ 2,674,564</u>
Debt service as a percentage of noncapital expenditures	13.02%	7.99%	7.88%	8.04%

Source: Comprehensive Annual Financial Reports

TABLE 3

2016	2017	2018	2019	2020	2021
\$ 7,854,097	\$ 7,754,697	\$ 7,945,925	\$ 7,393,901	\$ 8,859,342	\$ 9,681,315
123,668	132,297	186,350	141,632	141,968	301,594
1,717,025	1,757,255	1,927,564	2,030,994	2,364,805	3,058,420
197,220	112,585	189,504	179,470	182,195	152,661
462,983	359,766	473,109	154,000	1,818,811	840,339
12,338	39,680	93,633	26,083	71,840	67,277
170,719	60,419	93,547	90,016	50,483	989,322
10,538,051	10,216,699	10,909,633	10,016,096	13,489,444	15,090,928
2,093,850	2,358,471	2,617,688	2,441,057	3,183,944	2,521,446
3,028,591	3,346,955	3,311,500	3,449,858	3,729,219	4,034,189
2,033,080	1,984,262	3,211,853	2,981,093	3,367,448	3,477,852
808,693	284,427	288,628	794,612	254,318	354,808
279,247	1,179,068	788,046	296,213	521,686	769,536
-	-	-	-	-	-
532,522	-	-	-	302,008	178,588
2,318,183	3,470,039	3,230,235	681,253	594,911	1,937,755
552,616	302,161	521,138	200,658	704,646	796,429
1,160,861	1,755,084	1,664,416	37,810	284,873	276,305
-	134,509	-	-	-	-
12,807,642	14,814,975	15,633,504	10,882,554	12,943,053	14,346,908
(2,269,591)	(4,598,276)	(4,723,871)	(866,458)	546,391	744,020
3,296,932	1,939,643	2,159,935	-	3,125,431	317,030
(919,454)	(1,217,863)	(252,992)	-	(738,436)	(1,021,370)
-	1,988,781	-	-	-	-
-	-	105,986	579,157	452,291	194,824
-	3,685	24,527	11,725	4,830	86,305
2,377,478	2,714,246	2,037,456	590,882	2,844,116	(423,211)
\$ 107,887	\$ (1,884,030)	\$ (2,686,415)	\$ (275,576)	\$ 3,390,507	\$ 320,809
17.21%	18.35%	17.62%	2.34%	8.21%	8.77%

TABLE 4

CITY OF DONNA, TEXAS
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	592,346	336,460	170,620	170,460
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	874,428	1,893,052	2,349,252	2,636,498
Total General Fund	<u>\$ 1,466,774</u>	<u>\$ 2,229,512</u>	<u>\$ 2,519,871</u>	<u>\$ 2,806,958</u>
All Other Governmental Funds				
Reserved, reported in : special revenue funds	\$ -	\$ -	\$ -	\$ -
Unassigned reported in: special revenue funds	-	-	-	-
Restricted, reported in special revenue funds and debt service fund	1,674,015	1,793,223	2,441,399	2,765,496
Committed, reported in capital project and special revenue funds	817,205	177,467	94,146	2,157,526
Total all other governmental funds	<u>\$ 2,491,220</u>	<u>\$ 1,970,690</u>	<u>\$ 2,535,545</u>	<u>\$ 4,923,022</u>

Note: The City implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions" fiscal year 2011.

TABLE 4

2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
4,285	31,352	61,733	19,392	12,405	16,146
-	-	-	-	-	-
-	-	-	-	-	-
2,590,168	2,692,718	2,717,629	2,484,394	3,529,814	4,030,591
<u>\$ 2,594,453</u>	<u>\$ 2,724,070</u>	<u>\$ 2,779,362</u>	<u>\$ 2,503,786</u>	<u>\$ 3,542,219</u>	<u>\$ 4,046,737</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	(44,867)	7,767	7,767
					-
3,179,016	413,305	(11,169)	2,577,379	2,371,081	2,481,331
					-
2,064,395	2,816,460	499,226	(2,278,891)	234,615	2,848
<u>\$ 5,243,411</u>	<u>\$ 3,229,765</u>	<u>\$ 488,057</u>	<u>\$ 253,621</u>	<u>\$ 2,613,463</u>	<u>\$ 2,491,946</u>

TABLE 5

CITY OF DONNA, TEXAS
GOVERNMENT-WIDE EXPENSES BY FUNCTION
FISCAL YEAR ENDED
(Unaudited)

Fiscal Year	General Government	Public Safety	Public Works	Culture and Recreation	Health and Welfare	Economic Development
2012	\$ 1,083,063	\$ 1,847,489	\$ 1,391,738	\$ 519,826	\$ 217,651	\$ 144,809
2013	1,150,560	1,956,753	1,459,303	591,910	155,716	-
2014	1,395,999	2,251,531	1,769,246	585,057	238,260	9,715
2015	2,423,156	2,675,445	2,276,526	723,354	231,283	9,000
2016	2,973,410	2,936,275	2,202,414	840,311	279,247	632,000
2017	2,396,171	3,521,271	2,318,032	353,023	1,182,640	-
2018	2,655,049	3,534,571	3,624,035	365,175	796,618	1,616,096
2019	2,688,139	4,247,051	3,747,715	396,328	1,015,067	1,044,613
2020	3,225,235	4,083,960	3,910,665	329,714	532,138	-
2021	2,567,062	4,309,971	4,004,001	431,481	783,445	1,164,223

Source: Audit Exhibit 1-B

TABLE 5

Tourism Development	Interest & Fiscal Agent Fees	Water and Sewer	City International Bridge Fund	Donna International Bridge Corporation	Brush Collections	Totals
\$ 17,598	\$ 73,071	\$ 5,005,481	\$ 3,551,342	\$ -	\$ -	\$ 13,852,068
75,771	124,785	5,148,958	3,568,683	-	-	14,232,439
236,107	113,604	5,160,233	3,851,680	-	-	15,611,433
231,556	117,228	5,806,462	4,488,981	-	-	18,982,991
207,043	1,189,004	5,764,408	3,589,093	-	-	20,613,205
-	1,885,115	9,351,572	2,724,840	-	-	23,732,663
-	1,630,176	6,583,271	1,996,385	-	-	22,801,376
-	272,612	6,863,105	3,373,337	-	-	23,647,967
302,008	263,091	6,842,476	3,351,392	-	-	22,840,679
178,588	255,087	7,014,916	3,428,030	-	2,010	24,138,814

TABLE 6

CITY OF DONNA, TEXAS
GOVERNMENT - WIDE REVENUES
FISCAL YEAR ENDED
(Unaudited)

Fiscal Year	Program Revenues			General Revenues					
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Interest	Miscellaneous	Transfers	Special Item	Totals
2012	\$ 8,102,608	\$ 312,700	\$ 2,918,580	\$ 6,095,880	\$ 18,501	\$ 43,218	\$ -	\$ -	\$ 17,491,487
2013	8,445,921	88,950	127,000	6,905,120	13,205	125,706	-	-	15,705,902
2014	8,570,860	817,553	2,786,824	7,384,372	16,463	580,802	-	-	20,156,874
2015	9,155,567	424,890	432,157	7,721,405	25,151	113,690	-	-	17,872,860
2016	9,120,940	469,733	753,684	7,802,342	66,258	192,322	-	-	18,405,279
2017	9,445,242	359,766	59,552	7,735,410	131,934	62,834	-	-	17,794,738
2018	9,245,658	473,109	80,655	7,891,305	136,190	670,465	-	-	18,497,382
2019	9,458,613	396,965	10,714	8,189,117	100,619	43,706	-	-	18,199,734
2020	9,170,687	1,818,811	-	8,655,881	77,940	4,356,934	139,998	-	24,220,251
2021	11,004,539	845,126	-	9,874,789	68,568	1,188,652	253,660	-	23,235,334

TABLE 7

**CITY OF DONNA, TEXAS
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Taxes	Licenses and Permits	Inter- governmental Revenues	Charges for Services	Fines and Forfeitures	Interest and Other	Totals (Excluding Other Sources)
2012	\$ 4,036,307	\$ 123,623	\$ 241,369	\$ 1,204,455	\$ 97,283	\$ 46,085	\$ 5,749,122
2013	4,533,880	134,634	77,183	1,199,578	92,765	126,798	6,164,838
2014	4,953,773	165,471	130,074	1,238,179	175,558	36,132	6,699,187
2015	5,648,581	134,150	800,564	1,355,187	137,876	93,491	8,169,849
2016	6,472,993	123,668	199,890	1,646,066	190,470	112,917	8,746,005
2017	7,754,697	132,297	359,766	1,757,255	112,585	100,099	10,216,699
2018	7,144,525	186,350	224,494	1,853,071	187,932	113,683	9,710,055
2019	8,236,530	141,632	396,965	2,106,228	231,585	207,520	11,320,460
2020	8,859,342	141,968	1,818,811	2,364,805	182,195	122,323	13,489,444
2021	8,391,548	301,594	815,782	2,962,485	130,237	1,056,115	13,657,761

Source: Audit Exhibit 2-C

TABLE 8

**CITY OF DONNA, TEXAS
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	General Government	Public Safety	Public Works	Culture and Recreation	Health & Welfare	Capital Outlay	Economic Development	Debt Service	Totals
2012	\$ 1,078,438	\$ 1,873,037	\$ 1,412,629	\$ 535,166	\$ 217,651	\$ -	\$ 75,000	\$ 67,845	\$ 5,259,766
2013	1,209,763	2,119,400	1,523,106	646,579	164,762	-	-	64,410	5,728,020
2014	1,405,244	2,357,686	1,685,840	631,467	238,260	-	-	135,776	6,454,273
2015	2,533,486	2,800,668	2,151,430	785,679	250,941	-	-	122,187	8,644,393
2016	2,030,020	3,028,591	2,033,080	808,693	279,247	-	-	185,179	8,364,812
2017	2,358,471	3,346,955	1,984,262	1,179,068	284,427	-	-	2,191,754	11,344,936
2018	2,571,612	3,180,302	3,211,853	752,492	288,628	213,134	-	109,470	10,327,491
2019	2,441,057	3,449,858	2,981,093	794,612	296,213	681,253	-	238,468	10,882,554
2020	3,174,999	3,666,777	3,359,882	521,686	254,318	528,431	-	277,958	11,784,051
2021	2,515,873	3,997,801	3,462,201	769,536	347,824	1,926,383	-	368,054	13,387,672

TABLE 9

CITY OF DONNA, TEXAS
WATER AND SEWER FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Water Sales	Sewer Sales	Penalties	Provision for Bad Debt	Other Charges	Interest/ Capital/ Other	Transfers In	Totals
2012	\$ 3,121,738	\$ 2,100,585	\$ 168,625	\$ (47,666)	\$ 91,761	\$ 1,847,951	\$ 39,421	\$ 7,322,415
2013	3,100,797	2,196,913	184,925	(15,010)	105,780	82,089	-	5,655,494
2014	2,875,418	2,136,133	185,096	(35,088)	76,503	1,364,711	-	6,602,772
2015	2,763,986	1,951,688	172,605	(27,001)	183,911	47,746	-	5,092,936
2016	2,795,157	1,965,695	162,657	(86,632)	217,438	265,909	-	5,320,224
2017	2,980,511	2,163,878	156,083	(74,261)	9,504	34,230	392,650	5,662,595
2018	2,519,671	1,971,600	166,322	(64,148)	181,063	123,203	-	4,897,712
2019	2,605,690	1,988,240	208,905	(42,880)	53,380	65,828	-	4,879,163
2020	2,719,289	2,094,155	105,617	-	42,449	6,094	-	4,967,604
2021	3,159,847	2,323,003	219,530	-	296,573	11,556	158,000	6,168,509

Source: Trial Balance

TABLE 10

**CITY OF DONNA, TEXAS
WATER AND SEWER FUND EXPENSES BY FUNCTION
AND TRANSFERS OUT**

**LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Water Distribution	Sewer Collection	Waste Water Treatment	Water/Sewer Billing	Water Treatment	Engineering Services	Administrative
2012	\$ 102,610	\$ 126,379	\$ 282,718	\$ 301,007	\$ 418,909	\$ 15,000	\$ 365,150
2013	88,196	84,797	277,481	211,897	409,672	15,000	491,042
2014	42,407	131,247	293,199	210,521	416,498	15,000	463,055
2015	36,593	160,441	316,077	777,330	523,488	-	213,484
2016	420,779	476,074	567,204	781,037	866,057	-	494,397
2017	571,420	356,007	728,848	673,465	892,367	74,394	412,338
2018	494,982	497,592	607,992	775,500	874,452	-	416,908
2019	508,609	397,000	647,213	264,641	1,710,073	-	237,141
2020	608,368	420,854	638,490	972,475	1,102,476	-	210,274
2021	659,090	567,549	687,225	244,892	984,696	-	270,322

TABLE 10

Water/Sewer Operations Contractor	Debt Interest and Fees	Non- Departmental	Depreciation and Amortization	Transfers Out	Totals
\$ 1,592,264	\$ 395,275	\$ -	\$ 1,406,172	\$ -	\$ 5,005,484
1,670,060	404,687	-	1,496,126	403,500	5,552,458
1,721,967	391,699	-	1,474,641	-	5,160,233
1,831,144	384,453	-	1,563,451	-	5,806,462
-	397,004	-	1,761,856	1,000,000	6,764,408
-	584,239	-	5,021,607	2,376,788	11,691,472
	771,505		2,144,338	977,808	7,561,077
-	1,996,315	-	-	616,209	6,377,202
-	527,308		2,362,231	6,570,127	13,412,603
-	506,677	737,240	2,369,636	600,283	7,627,609

TABLE 11

**CITY OF DONNA, TEXAS
PROPERTY TAX RATES AND ASSESSED VALUES
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Tax Levy Year	General Fund	Debt Service Fund	Total	Assessed Values
2012	2011	\$ 0.706169	\$ 0.546207	\$ 1.252376	\$ 341,431,546
2013	2012	0.706169	0.546207	1.252376	379,330,947
2014	2013	0.734764	0.517612	1.252376	419,514,607
2015	2014	0.762395	0.380026	1.142421	440,108,919
2016	2015	0.791292	0.191536	0.982828	499,942,898
2017	2016	0.740318	0.139682	0.880000	547,177,570
2018	2017	0.725352	0.073503	0.798855	614,694,339
2019	2018	0.711131	0.087724	0.798855	620,957,884
2020	2019	0.693987	0.094868	0.788855	668,255,430
2021	2020	0.638454	0.150401	0.788855	708,843,203

TABLE 12

**CITY OF DONNA, TEXAS
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	City Of Donna			Overlapping Rates					
	General Fund	Debt Service Fund	Total	Hidalgo County Tax Rate	Donna ISD Tax Rate	Hidalgo County Drainage Dist. 1 Tax Rate	Donna Irrigation Dist. No 1 Tax Rate	South Texas CCD Tax Rate	Total Direct & OVLP Rates
2011	\$ 0.674052	\$ 0.451927	\$ 1.125979	\$ 0.590000	\$ 1.258200	\$ 0.072500	\$ 0.210000	\$ 0.149700	\$ 3.406379
2012	0.706169	0.546207	1.252376	0.5900	1.25820	0.07330	0.21000	0.15070	3.534576
2013	0.706169	0.546207	1.252376	0.5900	1.25820	0.07500	0.21000	0.15070	3.536276
2014	0.734764	0.517612	1.252376	0.5900	1.25820	0.09570	0.21000	0.15000	3.556276
2015	0.762395	0.380026	1.142421	0.5900	1.25820	0.09570	0.21000	0.18500	3.481321
2016	0.791292	0.191536	0.982828	0.5900	1.25820	0.09510	0.21000	0.18500	3.321128
2017	0.740318	0.139682	0.880000	0.5900	1.25820	0.09510	0.21000	0.14000	3.173300
2018	0.725352	0.073503	0.798855	0.5800	1.25820	0.09510	0.21000	0.18500	3.127155
2019	0.711131	0.087724	0.798855	0.5750	1.22670	0.10510	0.21000	0.17330	3.088955
2020	0.693987	0.094868	0.788855	0.5750	1.13040	0.10260	0.21000	0.17180	2.978655
2021	0.638454	0.150401	0.788855	0.5750	1.13040	0.10260	0.21000	0.17180	2.978655

TABLE 13

**CITY OF DONNA, TEXAS
SCHEDULE OF INSURANCE IN-FORCE
SEPTEMBER 30, 2021
(Unaudited)**

<u>Type of coverage</u>	<u>Insurer</u>	<u>Policy Number</u>	<u>Policy Period</u>	
			<u>From</u>	<u>To</u>
Real and Personal Property	Texas Municipal League Intergovernmental Risk Pool (TML-IRP)	9424	10/01/20	09/30/21
General Liability	TML-IRP	9424	10/01/20	09/30/21
Errors and Omissions	TML-IRP	9424	10/01/20	09/30/21
Automobile Liability	TML-IRP	9424	10/01/20	09/30/21
Automobile Physical Damage	TML-IRP	9424	10/01/20	09/30/21
Mobile Equipment	TML-IRP	9424	10/01/20	09/30/21
Boiler & Machinery	TML-IRP	9424	10/01/20	09/30/21
Workers' Compensation	TML-IRP	9424	10/01/20	09/30/21
Law Enforcement Liability	TML-IRP	9424	10/01/20	09/30/21
Public Employee Dishonesty	TML-IRP	9424	10/01/20	09/30/21
Forgery or Alteration	TML-IRP	9424	10/01/20	09/30/21
Computer Fraud	TML-IRP	9424	10/01/20	09/30/21
Tax Assessor/Collector Surety Bond	Victor Insurance Managers Inc.	61BSBBX5218	10/01/20	09/30/21

TABLE 13

<u>Details and Coverage</u>	<u>Per Occur Liability Limits</u>	<u>Annual Premium</u>
Fire, windstorm, valuable papers, accounts receivable, data processing equipment	\$ 29,527,157	\$ 65,546
General, products, personal	1,000,000	3,860
Public officials and employee liability, claims made	1,000,000	6,049
All owned and leased vehicles	1,000,000	39,923
Schedule of vehicles	1,000,000	29,870
Schedule of Mobile equipment	965,244	6,421
Replacement cost	100,000	1,463
Includes volunteer firemen	N/A	228,747
Law enforcement liability	1,000,000	23,226
Public officials and employee dishonesty, claims made	100,000	1,143
Loss resulting from forgery or alteration of covered documents	100,000	167
Loss of money, securities and property	100,000	1,227
Employee Dishonesty	250,000	<u>1,000</u>
		<u>\$ 408,642</u>
Note 1: Liability Insurance Annual Aggregate \$1,000,000.00		

CITY OF DONNA, TEXAS
VALUATION, EXEMPTION AND DEBT OBLIGATIONS

TABLE 14

2021 Market Valuation Established by Hidalgo County Appraisal District (1)		\$ 965,280,073
Less Exemptions/Reductions at 100% Market Value:		
Over 65 and Disabled	4,599,318	
Disabled Veterans Exemptions	6,711,296	
Productivity Loss	41,753,684	
Abatement Value Loss	-	
Exempt Property	175,050,303	
CHODO (Partial)	2,410,742	
Freeport	6,915,229	
Value Loss to 10% Cap	18,996,298	256,436,870
2018 Net Taxable Assessed Valuation		\$ 708,843,203
General Obligation Debt Payable from Ad Valorem Taxes (as of September 30, 2020)		
Limited Tax Refunding Bonds, Series 2012	2,535,000	
2015 Certificate of Obligations	3,275,000	
2016 Certificates of Obligation	5,475,000	
Combination Tax and Int'l Toll Bridge Certificates of Obligation, Series 2016	25,275,000	
2017 Certificates of obligation	7,915,000	
2019 Limited Tax Refunding	3,620,000	
Funded Debt Payable from Ad Valorem Taxes		\$ 48,095,000
Less: Self-supporting Debt		
Limited Tax Refunding Bonds, Series 2012 (4)	1,865,760	
2016 Certificates of Obligation	5,475,000	
2016 Combination TAX 7 Refunding Bridge Revenue	25,275,000	
2017 Certificates of Obligation	6,332,000	
2019 Limited Tax Refunding	3,620,000	42,567,760
Net Funded Debt Payable from Ad Valorem Taxes		\$ 5,527,240
Interest and Sinking Fund Balance (as of September 30, 2021)		\$ 2,278,015 ⁽³⁾
Ratio Funded Debt to Net Taxable Assessed Valuation		6.78%
2021 Estimated Population -	16,475	
Per Capita Taxable Assessed Valuation -	\$43,025	
Per Capita Funded Debt -	\$2,919	

(1) Preliminary values, subject to change. Texas Comptroller of Public Accounts, Property Tax Division

(4) This amount is self-supporting debt of the Water and Sewer Fund

(5) The toll bridge is open to passenger vehicle traffic only. The projection of the percentage allocations of total POV traffic in the Traffic Engineering Study report, when applied to the current POV traffic crossings, seems to project that the 2016 Bonds for the toll bridge will eventually become half self supporting. The City will continue to seek a financial commitment from the U.S. Government to construct and operate facilities to accommodate commercial traffic at the international bridge, since the eventual self support of the 2016 Bonds is dependent on this. At this time the City's general government Debt Service Fund is supporting the 2016 Bonds.

CITY OF DONNA, TEXAS
TAXABLE ASSESSED VALUATION BY CATEGORY

TABLE 15

Category	Taxable Appraised Value For Fiscal Year Ended September 30,									
	2021		2020		2019		2018		2017	
	Amount	% of Total	Amount	% of Total	(1) Amount	% of Total	(1) Amount	% of Total	(1) Amount	% of Total
Real, Residential, Single-Family	\$ 328,061,122	37.01%	\$ 302,157,252	35.75%	\$ 285,500,740	34.32%	\$ 285,715,761	34.78%	\$ 257,449,645	38.32%
Real, Residential, Multi-Family	26,395,628	2.98%	24,864,853	2.94%	22,708,216	2.73%	22,662,177	2.76%	17,624,811	2.43%
Real, Vacant Lots/Tracts	44,261,873	4.99%	37,347,650	4.42%	38,964,821	4.68%	36,724,640	4.47%	34,999,359	4.95%
Real, Acreage (Land Only)	1,139,815	0.13%	1,407,579	0.17%	31,181,613	3.75%	32,005,712	3.90%	34,446,966	5.12%
Real, Farm and Ranch Improvements	203,533	0.02%	5,412,452	0.64%	4,537,858	0.55%	4,316,576	0.53%	4,177,140	0.55%
Real, Commercial	193,391,250	21.82%	184,291,018	21.80%	172,996,168	20.80%	159,270,946	19.39%	143,116,996	16.67%
Real, Industrial	8,246,993	0.93%	8,209,147	0.97%	8,318,925	1.00%	7,650,342	0.93%	7,048,036	0.93%
Real and Tangible Personal, Utilities	13,848,687	1.56%	15,511,840	1.84%	13,990,663	1.68%	13,590,483	1.65%	10,686,308	1.39%
Tangible Personal, Commercial	63,335,655	7.15%	59,386,628	7.03%	56,581,181	6.80%	55,731,957	6.78%	53,623,429	4.89%
Tangible Personal, Industrial	3,403,142	0.38%	4,772,018	0.56%	4,871,655	0.59%	3,936,664	0.48%	3,696,110	0.55%
Tangible Personal, Mobile Homes	17,066,782	1.93%	15,098,052	1.79%	16,371,508	1.97%	17,155,113	2.09%	16,831,327	2.50%
Tangible Personal, Other	-	0.00%	285,491	0.03%	0	0.00%	0	0.00%	0	0.00%
Residential Inventory	142,709	0.02%	529,741	0.06%	129,644	0.02%	141,832	0.02%	141,832	0.14%
Special Inventory	9,346,014	1.05%	8,981,709	1.06%	6,669,409	0.80%	22,567,107	2.75%	5,042,275	0.69%
Total Exempt Property	177,461,045	20.02%	176,941,760	20.93%	168,966,237	20.31%	160,100,643	19.49%	152,692,288	20.87%
Total Appraised Value Before Exemptions	886,304,248	100%	845,197,190	100%	831,788,638	100%	821,569,953	100%	741,576,522	100%
Less: Total Exemptions/Reductions	(177,461,045)		(176,941,760)		(210,830,754)		(206,875,614)		(194,398,952)	
Taxable Assessed Valuation	<u>\$ 708,843,203</u>		<u>\$ 668,255,430</u>		<u>\$ 620,957,884</u>		<u>\$ 614,694,339</u>		<u>\$ 547,177,570</u>	

Category	2016		2015		2014		2013		2012	
	(1) Amount	% of Total	(1) Amount	% of Total	(1) Amount	% of Total	(1) Amount	% of Total	(1) Amount	% of Total
	Amount	Total	Amount	Total	Amount	Total	Amount	Total	Amount	Total
Real, Residential, Single-Family	\$ 263,974,593	38.32%	\$ 232,715,920	37.66%	\$ 226,023,847	38.29%	\$ 201,742,850	37.18%	\$ 186,098,019	37.68%
Real, Residential, Multi-Family	16,745,089	2.43%	15,553,440	2.52%	13,158,922	2.23%	23,090,738	4.26%	12,003,448	2.43%
Real, Vacant Lots/Tracts	34,078,081	4.95%	28,894,099	4.68%	27,078,216	4.59%	23,364,004	4.31%	18,252,276	3.70%
Real, Acreage (Land Only)	35,302,387	5.12%	29,269,963	4.74%	29,558,232	5.01%	28,478,703	5.25%	22,912,459	4.64%
Real, Farm and Ranch Improvements	3,810,198	0.55%	1,725,635	0.28%	2,823,281	0.48%	1,784,229	0.33%	1,434,091	0.29%
Real, Commercial	114,814,401	16.67%	97,476,460	15.77%	89,881,308	15.22%	82,050,572	15.12%	74,435,684	15.07%
Real, Industrial	6,406,260	0.93%	5,320,988	0.86%	6,957,060	1.18%	6,633,333	1.22%	4,886,074	0.99%
Vehicles	9,602,363	1.39%	9,068,913	1.47%	7,357,074	1.25%	6,194,219	1.14%	6,631,484	1.34%
Real and Tangible Personal, Utilities	33,660,310	4.89%	32,060,521	5.19%	30,615,834	5.19%	22,411,992	4.13%	22,022,328	4.46%
Tangible Personal, Commercial	3,756,615	0.55%	4,021,892	0.65%	3,741,642	0.63%	2,914,628	0.54%	3,091,604	0.63%
Tangible Personal, Industrial	17,228,199	2.50%	17,260,965	2.79%	13,319,570	2.26%	12,393,515	2.28%	12,112,850	2.45%
Tangible Personal, Mobile Homes	0	0.00%	261,069	0.04%	0	0.00%	216,027	0.04%	0	0.00%
Tangible Personal, Other	959,510	0.14%	1,418,732	0.23%	1,323,011	0.22%	1,802,726	0.33%	2,147,083	0.43%
Residential Inventory	4,777,819	0.69%	3,957,785	0.64%	3,028,712	0.51%	1,910,198	0.35%	1,710,153	0.35%
Special Inventory	143,730,746	20.87%	139,013,094	22.49%	135,496,610	22.95%	127,570,687	23.51%	126,164,888	25.54%
Total Appraised Value Before Exemptions	688,846,571	100%	618,019,474	100%	590,363,319	100%	542,558,421	100%	493,902,441	100%
Less: Total Exemptions/Reductions	(188,903,673)		(177,910,555)		(170,848,721)		(163,227,474)		(152,470,895)	
Taxable Assessed Valuation	<u>\$ 499,942,898</u>		<u>\$ 440,108,919</u>		<u>\$ 419,514,598</u>		<u>\$ 379,330,947</u>		<u>\$ 341,431,546</u>	

(1) Preliminary values, subject to change. Texas Comptroller of Public Accounts, Property Tax Division.

Sources: City of Donna Property Tax Department

TABLE 16

**CITY OF DONNA, TEXAS
VALUATION AND FUNDED DEBT HISTORY**

Fiscal Year	Tax Year	Estimated Population	Taxable Assessed Valuation (1)	Per Capita Taxable Assessed Valuation	Gross Funded Tax Debt	Ratio Funded Debt to Taxable Assessed Valuation	Gross Per Capita Funded Tax Debt
2012	2011	15,798	\$ 338,446,278	\$ 21,423	\$ 44,125,000	13.04%	\$ 2,793
2013	2012	25,100	379,330,947	15,113	42,600,000	11.23%	1,697
2014	2013	26,600	419,514,607	15,771	41,590,000	9.91%	1,564
2015	2014	27,528	440,108,919	15,988	44,645,000	10.14%	1,622
2016	2015	27,528	499,942,898	18,161	48,697,032	9.74%	1,769
2017	2016	27,528	547,177,570	19,877	20,721,200	3.79%	753
2018	2017	28,079	614,694,339	21,892	54,000,000	8.78%	1,923
2019	2018	28,360	620,957,884	21,896	52,210,000	8.41%	1,841
2020	2019	28,360	668,255,430	16,409	50,185,000	7.51%	1,770
2021	2020	16,475	708,843,203	43,025	48,095,000	6.78%	2,919

(1) The valuations shown are the Total Taxable Assessed Valuations reported annually in September to the Property Tax Board.
The valuations are subject to change during the ensuing year due to settlement of contested valuations, etc.

Sources: City of Donna Property Tax Division

CITY OF DONNA, TEXAS
TAX RATE, LEVY & COLLECTIONS HISTORY

TABLE 17

Fiscal Year Ending	Tax Year	General Fund	Debt Service	Total Tax Rate	Tax Levy (1)	% Current Collections	% Total Collections
2012	2011	\$ 0.706169	\$ 0.546207	\$ 1.252376	\$ 3,720,197	88%	102%
2013	2012	0.706169	0.546207	1.252376	4,750,650	90%	109%
2014	2013	0.762395	0.380026	1.252376	5,253,900	89%	106%
2015	2014	0.762395	0.380026	1.142421	5,027,897	95%	116%
2016	2015	0.791292	0.191536	0.982828	4,913,579	92%	112%
2017	2016	0.740318	0.139682	0.880000	4,815,162	91%	111%
2018	2017	0.725352	0.073503	0.798855	4,910,516	90%	110%
2019	2018	0.711131	0.087724	0.798855	4,960,553	92%	110%
2020	2019	0.693987	0.094868	0.788855	5,274,566	92%	105%
2021	2020	0.638454	0.150401	0.788855	5,591,745	94%	108%

(1) The levies shown are those reported annually in September to the State Property Tax Board. The levies are subject to change during the ensuing year due to settlement of contested valuations, etc.

Sources: City of Donna Property Tax Collection Department

TABLE 18

**CITY OF DONNA, TEXAS
PRINCIPAL TAXPAYERS
FOR FISCAL YEAR ENDING 09/30/2021
(Unaudited)**

Taxpayer	2021			2012		
	Taxable Assessed Valuation	Ranked	% of Taxable Assessed Valuation	Taxable Assessed Valuation	Ranked	% of Taxable Assessed Valuation
Wal-Mart Real Estate Business	\$ 23,459,978	1	3.31%	\$ -		-
MHC Victoria Palms LLC.	12,633,479	2	1.78%	7,601,143	1	2.00%
Packaging Corporation of America	10,747,107	3	1.52%	1,841,647	9	0.49%
Wal-Mart Property Tax Department	7,062,982	4	1.00%	-		-
AEP Texas Inc.	6,981,070	5	0.98%	3,352,150	2	0.88%
Ron Hoover Companies of South TX	5,096,697	6	0.72%	-		-
Love's Travel Stops & Country Stores	4,712,497	7	0.66%	-		-
W. Silver Recycling	4,598,138	8	0.65%	2,207,173	5	0.58%
Arbor Cove Ltd.	4,500,000	9	0.63%	-		-
BH Hester Donna, LLC.	4,162,501	10	0.59%	3,288,164	3	0.87%
MHC Victoria Palms II LLC.	-		-	1,856,570	8	0.49%
H E Butt Grocery Company	-		-	2,191,472	7	0.58%
D & J Investments LTD.	-		-	2,193,063	6	0.58%
Bland Distribution Services, LLC.	-		-	2,240,527	4	0.59%
First National Bank	-		-	1,837,655	10	0.48%
Totals	\$ 83,954,449		11.84%	\$ 28,609,564		7.54%

Source: Hidalgo County Appraisal District

TABLE 19

CITY OF DONNA, TEXAS
TAX SUPPORTED DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 9/30	Existing Outstanding Gross Funded Debt			% of Principal Retired
	Principal	Interest	Requirements	
2022	\$ 2,065,000	\$ 2,003,836	\$ 4,068,836	
2023	2,145,000	1,930,195	4,075,195	
2024	2,235,000	1,853,817	4,088,817	
2025	2,380,000	1,773,501	4,153,501	18%
2026	2,150,000	1,690,203	3,840,203	
2027	2,240,000	1,604,065	3,844,065	
2028	2,325,000	1,513,195	3,838,195	
2029	2,420,000	1,417,930	3,837,930	
2030	2,525,000	1,317,418	3,842,418	
2031	2,635,000	1,206,958	3,841,958	
2032	2,760,000	1,086,925	3,846,925	43%
2033	2,875,000	966,145	3,841,145	
2034	2,720,000	848,342	3,568,342	
2035	2,750,000	730,150	3,480,150	
2036	2,550,000	614,850	3,164,850	
2037	2,220,000	507,225	2,727,225	
2038	1,645,000	413,875	2,058,875	84%
2039	1,725,000	329,625	2,054,625	
2040	1,815,000	241,125	2,056,125	
2041	1,910,000	148,000	2,058,000	
2042	2,005,000	50,125	2,055,125	100%
	<u>\$ 48,095,000</u>	<u>\$ 22,247,503</u>	<u>\$ 70,342,503</u>	

Source: City of Donna debt schedules

City of Donna, Texas
Overlapping Debt Table
As of 9/30/2021

TABLE 20

Taxing Jurisdiction	Total Bonded Debt 9/30/2020	As Of	Estimated % Applicable	City's Overlapping Bonded Debt
<u>Overlapping:</u>				
Donna Independent School District	\$ 58,550,000	9/30/2020	41.14%	\$ 22,646,220
Hidalgo County	366,620,000	9/30/2020	1.95%	6,915,090
Hidalgo County Drainage District No. 1	172,350,000	9/30/2020	2.03%	3,713,952
South Texas College	128,814,693	9/30/2020	1.83%	<u>2,212,739</u>
Total Overlapping Debt				35,488,001
<u>Direct Debt</u>				
City of Donna	50,185,000	9/30/2020	100.00%	<u>48,095,000</u> *
Total Direct and Overlapping Debt				\$ 83,583,001
Total Direct and overlapping Debt % of A. V.	\$ 668,255,430			10.40%
Total Direct and Overlapping Debt per Capita:				\$ 5,073

** Gross Debt. Please note that some debt may be supported by other revenues and thus be considered self supporting debt. Using Gross debt may overstate the actual amount of debt supported by ad valorem taxes.*

TABLE 21

CITY OF DONNA, TEXAS
GENERAL FUND REVENUES, EXPENDITURES HISTORY

	Fiscal Year Ended September 30,					
Revenues	2021	2020	2019	2018	2017	2016
Taxes	\$ 8,391,548	\$ 7,963,906	\$ 8,236,530	\$ 7,144,525	\$ 6,599,758	\$ 6,472,993
Licenses and Permits	301,594	141,968	141,632	186,350	132,297	123,668
Charges for Service	2,962,485	2,272,675	2,106,228	1,853,071	1,684,416	1,646,066
Fines and Forfeitures	130,237	97,337	231,585	187,932	109,792	190,470
Intergovernmental	815,782	1,818,811	396,965	224,494	111,151	199,890
Interest	66,993	28,822	100,619	21,467	10,695	4,997
Other Revenues	989,122	35,507	106,901	92,216	39,159	107,920
Total Revenues	13,657,761	12,359,026	11,320,460	9,710,055	8,687,268	8,746,005
Expenditures						
Current:						
General Government	2,515,873	3,174,999	2,448,057	2,571,612	2,335,716	2,030,020
Public Safety	3,997,801	3,666,777	3,632,363	3,180,302	3,197,662	3,028,591
Public Works	3,462,201	3,888,313	2,981,093	3,211,853	1,984,262	2,033,080
Culture and Recreation	347,824	254,318	296,213	288,628	253,176	808,693
Health and Welfare	769,536	521,686	925,954	752,492	913,637	279,247
Capital Outlay	1,926,383	-	-	-	-	-
Debt Service:						
Principal Retirements	330,989	245,086	639,258	89,978	86,961	158,872
Interest, Fiscal & Issuance Charges	37,065	32,872	300,763	19,492	22,509	26,307
Total Expenditures	13,387,672	11,784,051	11,223,701	10,114,357	8,793,923	8,364,811
Excess/(Deficiency) of Revenues						
Over (Under) Expenditures	270,089	574,975	96,759	(404,302)	(106,655)	381,193
Other Financing Sources/Uses						
Operating Transfers In	6	-	70,000	563,193	738,676	-
Operating Transfers Out	(158,000)	-	(196,495)	-	(400,000)	(593,698)
Sale of Capital Assets	45,265	440,767	-	-	-	-
Other Revenues	36,570	-	-	-	-	-
Loan and Lease Proceeds	194,824	14,924	595,922	109,535	3,685	-
Total Other Financing Sources/Uses	118,665	455,691	469,427	672,728	342,361	(593,698)
NET CHANGE IN FUND BALANCE	388,754	1,030,666	566,186	268,426	235,706	(212,505)
FUND BALANCE BEGINNING	3,534,452	2,503,786	3,267,419	2,724,070	2,594,453	2,806,958
Prior Period Adjustment	123,531	-	-	-	-	-
Fund Balance Ending	\$ 4,046,737	\$ 3,534,452	\$ 3,833,605	\$ 2,992,496	\$ 2,830,159	\$ 2,594,453

Source: City of Donna, TX Annual Financial Reports

TABLE 22

CITY OF DONNA, TEXAS
MUNICIPAL SALES TAX HISTORY

Fiscal Year Ended 9/30	Total Collected	% of Ad Valorem Tax Levy	Assessed Valuation Equivalent of Tax Rate	Total Collections Per Capita
2012	\$ 1,731,965	46.56%	\$ 0.5073	97
2013	1,980,685	41.69%	0.5222	75
2014	2,089,644	39.77%	0.4981	77
2015	2,572,857	51.17%	0.5846	93
2016	3,009,181	61.24%	0.6019	109
2017	3,112,382	64.64%	0.5688	113
2018	3,385,282	68.94%	0.5507	117
2019	3,893,356	78.49%	0.6270	137
2020	4,504,818	85.41%	0.6741	275
2021	5,249,818	93.89%	0.7406	319

Source: City of Donna Finance Department

Annual Financial Report

TABLE 23

**CITY OF DONNA, TEXAS
CURRENT INVESTMENTS**

The City's cash and temporary investments at September 30, 2021 are shown below:

Name	Carrying Amount	Market Value
Non-Interest Bearing Cash Accounts	\$ 2,190,553	\$ 997,249
Money Market Fund available from Trustee	-	-
Local Government Investment Cooperative (LOGIC) ⁽¹⁾	2,267,325	2,267,325
Investments held: Certificates of Deposit	1,225,316	1,862,115
Less: Statement of Fiduciary Net Assets	1,628	1,628
Total	\$ 5,684,822	\$ 5,128,317

⁽¹⁾ Local Government Investment Cooperative ("LOGIC" or the "Cooperative") is organized under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, which permits the creation of investment pools to which a majority of political subdivisions in Texas may delegate the authority to make investment purchases and sales with local investment funds and to hold legal title as custodian of the investment securities.

Source: City of Donna, Texas

**CITY OF DONNA, TEXAS
PRINCIPAL EMPLOYERS
FOR FISCAL YEAR ENDING 2021 AND 2012**

TABLE 24

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Donna I.S.D.	2,285	1	2,280	1
A&E Health Services, Inc.	665	2	-	-
Wal-Mart	255	3	-	-
City of Donna	175	4	92	4
Idea Public Schools	167	5	161	2
HEB Food Store	115	6	115	3
Whataburger	75	7	20	7
Victoria Palms Resort	68	8	40	6
McDonalds	56	9	18	8
Bland Distribution	41	10	-	-
Wells Fargo	-	-	14	10
Burger King	-	-	16	9
Rio Grande Canning Company	-	-	48	5
Total	<u>3,902</u>		<u>2,804</u>	

Source: DEDC

**CITY OF DONNA, TEXAS
PRINCIPAL EMPLOYERS
FOR FISCAL YEAR ENDING 2021 AND 2012**

TABLE 24

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
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Wal-Mart	255	3	-	-
City of Donna	175	4	92	4
Idea Public Schools	167	5	161	2
HEB Food Store	115	6	115	3
Whataburger	75	7	20	7
Victoria Palms Resort	68	8	40	6
McDonalds	56	9	18	8
Bland Distribution	41	10	-	0
Wells Fargo	-	-	14	10
Burger King	-	-	16	9
Total	<u>3,902</u>		<u>2,756</u>	

Source: DEDC



Cascos & Associates, PC

Certified Public Accountants
Audit/Accounting/Tax/Consulting

INDEPENDENT AUDITORS' 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*

The Honorable Mayor and Members
Of the City Commission
City of Donna, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Donna, Texas, (the "City") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 29, 2022.

Internal Control over Financial Reporting

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

Compliance and Other Matters

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

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.

A handwritten signature in cursive script that reads "Cascos & Associates, P.C.".

Cascos & Associates, PC
Brownsville, Texas
March 29, 2022