

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, 2022

EXHIBIT 8-H

Net change in fund balances	\$ 21,293
Amounts reported for governmental activities in the statement of activities are different	
Change in net position of governmental component unit - Statement of Activities	<u>\$ 21,293</u>

CITY OF DONNA, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

The Continuing Financial Disclosure Tables portion of the Statistical section presents various financial data originally 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, 2022. 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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities				
Net investments in capital assets	\$ 22,508,397	\$ 24,260,086	\$ 24,886,384	\$ 25,485,725
Restricted	2,786,431	3,439,698	5,481,325	5,720,759
Unrestricted	2,485,784	2,921,896	839,100	1,680,992
Total governmental activities net position	<u>\$ 27,780,612</u>	<u>\$ 30,621,680</u>	<u>\$ 31,206,809</u>	<u>\$ 32,887,476</u>
Business-type activities				
Net investments in capital assets	\$ 37,091,287	\$ 36,537,530	\$ 36,392,353	\$ 34,591,149
Restricted	2,370,963	2,710,237	3,143,902	9,674,905
Unrestricted	(7,667,796)	(6,915,609)	(8,600,817)	(16,939,208)
Total business-type activities net position	<u>\$ 31,794,454</u>	<u>\$ 32,332,158</u>	<u>\$ 30,935,438</u>	<u>\$ 27,326,846</u>
Primary government				
Net investments in capital assets	\$ 59,599,684	\$ 60,797,616	\$ 61,278,737	\$ 60,076,874
Restricted	5,157,394	6,149,935	8,625,227	15,395,664
Unrestricted (deficit)	(5,182,012)	(3,993,713)	(7,761,716)	(15,258,216)
Total primary government activities net position	<u>\$ 59,575,066</u>	<u>\$ 62,953,838</u>	<u>\$ 62,142,247</u>	<u>\$ 60,214,322</u>

TABLE 1

2017	2018	2019	2020	2021	2022
\$ 4,223,363	\$ 7,276,162	\$ 6,993,089	\$ 5,817,612	\$ 7,473,275	\$ (23,404,679)
3,197,909	3,184,403	266,867	2,574,074	165,887	6,973,124
3,310,863	457,033	1,824,364	2,668,478	5,357,321	3,844,375
<u>\$ 10,732,135</u>	<u>\$ 10,917,598</u>	<u>\$ 9,084,320</u>	<u>\$ 11,060,164</u>	<u>\$ 12,996,483</u>	<u>\$ (12,587,180)</u>
\$ 34,591,149	\$ 39,229,693	\$ 44,354,918	\$ 44,354,918	\$ 18,223,937	\$ 18,223,937
9,671,905	2,219,457	1,836,197	1,836,197	-	-
(24,196,514)	(24,255,971)	(31,165,371)	(31,764,959)	(5,031,690)	14,253,414
<u>\$ 20,066,540</u>	<u>\$ 17,193,179</u>	<u>\$ 15,025,744</u>	<u>\$ 14,426,156</u>	<u>\$ 13,192,247</u>	<u>\$ 32,477,351</u>
\$ 38,814,512	\$ 46,505,855	\$ 51,348,007	\$ 50,172,530	\$ 25,697,212	\$ (5,180,742)
12,869,814	5,403,860	2,103,064	4,410,271	165,887	6,973,124
(20,885,651)	(23,798,938)	(29,341,007)	(29,096,481)	325,631	18,097,789
<u>\$ 30,798,675</u>	<u>\$ 28,110,777</u>	<u>\$ 24,110,064</u>	<u>\$ 25,486,320</u>	<u>\$ 26,188,730</u>	<u>\$ 19,890,171</u>

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

TABLE 2

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
EXPENSES				
Governmental activities				
General government	\$ 1,150,560	\$ 1,395,999	\$ 2,423,156	\$ 2,973,410
Public Safety	1,956,753	2,251,531	2,675,445	2,936,275
Public Works	1,459,303	1,769,246	2,276,526	2,202,414
Culture and recreation	591,910	585,057	723,354	840,311
Health and welfare	155,716	238,260	231,283	279,247
Economic development	-	9,715	9,000	632,000
Tourism development	75,771	236,107	231,556	207,043
Interest and Fiscal Agent Fees	124,785	113,604	117,228	1,189,004
Total governmental activities expenses	<u>\$ 5,514,799</u>	<u>\$ 6,599,519</u>	<u>\$ 8,687,548</u>	<u>\$ 11,259,703</u>
Business-type activities				
Water and sewer	\$ 5,148,958	\$ 5,160,233	\$ 5,806,462	\$ 5,764,408
International Bridge	3,568,683	3,851,680	4,488,981	3,589,093
Brush Collection	-	-	-	-
Total business-type activities	<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>\$ 14,232,441</u>	<u>\$ 15,611,432</u>	<u>\$ 18,982,991</u>	<u>\$ 20,613,204</u>
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 225,776	\$ 315,141	\$ 1,065,606	\$ 867,737
Public Safety	229,304	241,697	346,296	308,271
Public Works	980,066	1,004,919	1,020,698	1,023,099
Culture and recreation	29,700	28,292	60,321	44,927
Health and welfare	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	88,950	664,438	-	-
Capital grants and contributions	-	1,267,992	-	-
Total governmental activities program revenues	<u>\$ 1,590,976</u>	<u>\$ 3,596,006</u>	<u>\$ 2,800,271</u>	<u>\$ 2,555,888</u>
Business-type activities				
Charges for services				
Water and sewer	\$ 5,573,405	\$ 5,236,681	\$ 5,045,190	\$ 5,054,315
International Bridge	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	127,000	1,518,832	432,157	-
Total business-type activities program revenues	<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>\$ 8,661,871</u>	<u>\$ 12,175,237</u>	<u>\$ 10,012,615</u>	<u>\$ 10,344,355</u>

TABLE 2
(continued)

2017	2018	2019	2020	2021	2022
\$ 2,396,171	\$ 2,655,049	\$ 2,688,139	\$ 3,225,235	\$ 2,567,053	\$ 5,430,882
3,521,271	3,534,571	4,247,051	4,083,960	4,309,957	5,168,342
2,318,032	3,624,035	3,747,715	3,910,665	4,003,988	4,137,370
353,023	365,175	396,328	329,714	431,480	983,925
1,182,640	796,618	1,015,067	532,138	783,442	446,345
-	-	-	-	-	-
-	-	-	302,008	178,588	622,233
1,885,115	1,630,176	272,612	263,091	255,087	910,600
<u>\$ 11,656,251</u>	<u>\$ 12,605,625</u>	<u>\$ 12,366,911</u>	<u>\$ 12,646,811</u>	<u>\$ 12,529,595</u>	<u>\$ 17,699,697</u>
\$ 9,351,572	\$ 6,583,271	\$ 6,863,105	\$ 6,842,476	\$ 7,014,916	7,728,362
2,724,840	1,996,385	3,373,337	3,351,392	3,311,948	8,571,236
-	-	-	-	2,010	141,192
<u>12,076,412</u>	<u>8,579,657</u>	<u>10,236,442</u>	<u>10,193,867</u>	<u>10,328,874</u>	<u>16,440,790</u>
<u>\$ 23,732,663</u>	<u>\$ 21,185,282</u>	<u>\$ 22,603,353</u>	<u>\$ 22,840,678</u>	<u>\$ 22,858,469</u>	<u>\$ 34,140,487</u>
\$ 2,005,593	\$ 2,306,326	\$ 2,479,445	\$ 2,688,968	\$ 3,512,675	\$ 3,241,762
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	2,631,564.00
-	-	-	-	-	-
<u>\$ 2,361,902</u>	<u>\$ 2,776,527</u>	<u>\$ 2,876,409</u>	<u>\$ 4,507,779</u>	<u>\$ 4,353,014</u>	<u>\$ 5,873,326</u>
\$ 5,237,910	\$ 4,608,339	\$ 4,655,536	\$ 4,880,132	\$ 5,864,531	6,693,058
2,205,195	2,414,556	2,323,632	1,601,587	1,600,760	2,347,337
-	-	-	-	26,573	398,214
-	-	-	-	4,787	-
59,552	-	10,714	-	-	-
<u>7,502,657</u>	<u>7,022,895</u>	<u>6,989,882</u>	<u>6,481,719</u>	<u>7,496,651</u>	<u>9,438,609</u>
<u>\$ 9,864,559</u>	<u>\$ 9,799,422</u>	<u>\$ 9,866,291</u>	<u>\$ 10,989,498</u>	<u>\$ 11,849,665</u>	<u>\$ 15,311,935</u>

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

**TABLE 2
(continued)**

	2013	2014	2015	2016
NET (EXPENSES)/PROGRAM REVENUES				
Governmental activities	(3,923,823)	(3,003,513)	(5,887,277)	(8,703,815)
Business-type activities	(1,646,746)	(432,682)	(3,083,099)	(1,565,034)
Total primary government net expenses	<u>\$ (5,570,569)</u>	<u>\$ (3,436,195)</u>	<u>\$ (8,970,376)</u>	<u>\$ (10,268,849)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
GOVERNMENTAL ACTIVITIES				
Taxes				
Property taxes general purposes	\$ 5,038,673	\$ 5,442,523	\$ 5,574,392	\$ 5,338,779
Sales taxes	999,188	1,052,265	1,252,446	1,415,593
Franchise taxes	751,686	762,260	775,496	908,670
Hotel occupancy tax	115,573	127,324	119,071	139,300
Investment earnings	6,027	3,893	3,994	12,338
Miscellaneous	125,706	579,510	87,101	192,322
Special item	-	-	-	-
Transfers	(1,942,184)	(2,094,974)	(1,610,089)	2,377,478
Total governmental activities	<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	7,178	12,570	21,157	53,921
Miscellaneous	-	1,291	26,589	-
Special items	-	-	-	-
Transfers	1,942,184	2,094,973	1,610,089	(2,097,479)
Total business -type activities	<u>1,949,361</u>	<u>2,108,834</u>	<u>1,657,835</u>	<u>(2,043,558)</u>
Total primary government	<u>\$ 7,044,030</u>	<u>\$ 7,981,634</u>	<u>\$ 7,860,245</u>	<u>\$ 8,340,921</u>
CHANGES IN NET POSITION				
Governmental activities	\$ 1,170,846	\$ 2,869,288	\$ 315,133	\$ 1,680,665
Business- type activities	302,615	1,676,152	(1,425,264)	(3,608,592)
Total primary government	<u>\$ 1,473,461</u>	<u>\$ 4,545,439</u>	<u>\$ (1,110,132)</u>	<u>\$ (1,927,928)</u>

TABLE 2
(continued)

2017	2018	2019	2020	2021	2022
(9,294,349)	(9,829,098)	(9,490,502)	(8,139,032)	(8,176,581)	(11,826,371)
(4,573,755)	(1,556,762)	(3,246,560)	(3,712,148)	(2,832,223)	(7,002,181)
<u>\$ (13,868,104)</u>	<u>\$ (11,385,860)</u>	<u>\$ (12,737,062)</u>	<u>\$ (11,851,180)</u>	<u>\$ (11,008,806)</u>	<u>\$ (18,828,552)</u>
\$ 5,215,690	\$ 5,177,715	\$ 5,281,998	\$ 5,450,826	\$ 6,217,376	\$ 6,448,669
1,461,161	1,677,546	1,812,547	2,125,248	2,545,393	3,790,287
917,579	917,579	961,712	970,218	970,218	970,218
140,980	118,465	132,860	109,589	141,802	133,783
60,419	93,633	100,619	71,840	67,277	56,510
43,365	122,679	43,706	52,561	1,043,666	74,449
-	-	-	-	-	(26,994,187)
721,780	1,906,943	(126,495)	2,386,995	(704,334)	1,763,018
<u>8,560,974</u>	<u>10,014,561</u>	<u>8,206,947</u>	<u>11,167,277</u>	<u>10,281,398</u>	<u>(13,757,253)</u>
71,515	42,557	58,656	-	1,291	9,280
19,469	268,421	752,640	6,100	144,986	227,126
-	-	-	4,304,373	-	27,223,511
<u>(2,638,566)</u>	<u>(1,627,578)</u>	<u>266,495</u>	<u>(2,246,997)</u>	<u>958,001</u>	<u>(1,380,938)</u>
<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>26,078,979</u>
<u>\$ 6,013,391</u>	<u>\$ 8,697,961</u>	<u>\$ 9,284,738</u>	<u>\$ 13,230,753</u>	<u>\$ 11,385,676</u>	<u>\$ 12,321,726</u>
\$ (733,375)	\$ 185,463	\$ (1,283,555)	\$ 3,028,245	\$ 2,104,817	\$ (25,583,624)
(7,121,337)	(2,873,362)	(2,168,769)	(1,648,674)	(1,727,947)	19,076,796
<u>\$ (7,854,712)</u>	<u>\$ (2,687,900)</u>	<u>\$ (3,452,324)</u>	<u>\$ 1,379,571</u>	<u>\$ 376,870</u>	<u>\$ (6,506,828)</u>

TABLE 3

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

	2013	2014	2015	2016	2017
Revenues					
Taxes	\$ 6,809,260	\$ 7,332,268	\$ 7,885,911	\$ 7,854,097	\$ 7,754,697
Licenses and Permits	134,634	165,471	134,150	123,668	132,297
Charges for Services	1,269,626	1,308,877	1,427,198	1,717,025	1,757,255
Fines and Forfeitures	98,188	175,558	137,876	197,220	112,585
Intergovernmental	320,909	377,508	1,055,328	462,983	359,766
Investment Earnings	6,027	3,893	3,994	12,338	39,680
Other	137,014	335,480	137,820	170,719	60,419
Total revenues	8,775,657	9,699,056	10,782,277	10,538,050	10,216,700
Expenditures					
General Government	1,209,763	1,414,959	2,542,486	2,093,850	2,358,471
Public Safety	2,119,400	2,357,686	2,800,668	3,028,591	3,346,955
Public Works	1,523,106	1,685,840	2,151,430	2,033,080	1,984,262
Culture and Recreation	646,579	631,467	785,679	808,693	284,427
Health and Welfare	164,762	238,260	250,941	279,247	1,179,068
Economic Development	-	-	-	-	-
Tourism Development	75,771	306,797	231,556	532,522	-
Capital Outlay	838,933	117,424	2,624,627	2,318,183	3,470,039
Debt Service:					
Principal	394,091	454,184	473,227	552,616	302,161
Interest	97,824	86,879	272,411	1,160,861	1,755,084
Issuance charges	-	-	-	-	134,509
Total Expenditures	7,070,230	7,293,496	12,133,024	12,807,642	14,814,975
Excess of revenues over (under) expenditure:	1,705,427	2,405,560	(1,350,747)	(2,269,592)	(4,598,275)
Other Financing Sources (Uses)					
Transfers in	269,558	291,192	256,393	3,296,932	1,939,643
Transfers out	(2,084,532)	(2,386,167)	(1,866,483)	(919,454)	(1,217,863)
Bond proceeds	-	-	4,875,401	-	1,988,781
Lease/Loan proceeds	351,753	-	760,000	-	-
Other	-	544,628	-	-	3,685
Total other financing sources (uses)	(1,463,221)	(1,550,346)	4,025,312	2,377,478	2,714,246
Net change in fund balances	\$ 242,206	\$ 855,214	\$ 2,674,564	\$ 107,886	\$ (1,884,029)
Debt service as a percentage of noncapital expenditures	7.99%	7.88%	8.04%	17.21%	18.35%

Source: Comprehensive Annual Financial Reports

TABLE 3

2018	2019	2020	2021	2022
\$ 7,945,925	\$ 7,393,901	\$ 8,859,342	\$ 9,681,315	\$ 9,776,475
186,350	141,632	141,968	301,594	314,176
1,927,564	2,030,994	2,364,805	3,058,420	2,650,965
189,504	179,470	182,195	152,661	120,608
473,109	154,000	1,818,811	840,339	598,973
93,633	26,083	71,840	67,277	47,891
93,547	90,016	50,483	989,322	15,976
10,909,632	10,016,097	13,489,444	15,090,928	13,525,064
2,617,688	2,441,057	3,183,944	2,521,446	2,760,465
3,311,500	3,449,858	3,729,219	4,034,189	4,992,787
3,211,853	2,981,093	3,367,448	3,477,852	3,678,667
288,628	794,612	254,318	354,808	922,312
788,046	296,213	521,686	769,536	445,648
-	-	-	-	-
-	-	302,008	178,588	-
3,230,235	681,253	594,911	1,937,755	170,387
521,138	200,658	704,646	796,429	558,722
1,664,416	37,810	284,873	276,305	28,209
-	-	-	-	-
15,633,504	10,882,554	12,943,053	14,346,908	13,557,197
(4,723,872)	(866,457)	546,391	744,020	(32,133)
2,159,935	-	3,125,431	317,030	403,857
(252,992)	-	(738,436)	(1,021,364)	(25,219)
-	-	-	-	-
105,986	579,157	452,291	194,824	-
24,527	11,725	4,830	86,305	16,276
2,037,456	590,882	2,844,116	(423,205)	394,914
\$ (2,686,416)	\$ (275,575)	\$ 3,390,507	\$ 320,815	\$ 362,781
17.62%	2.34%	8.21%	8.77%	4.38%

TABLE 4

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	336,460	170,620	170,460	4,285
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	1,893,052	2,349,252	2,636,498	2,590,168
Total General Fund	<u>\$ 2,229,512</u>	<u>\$ 2,519,871</u>	<u>\$ 2,806,958</u>	<u>\$ 2,594,453</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	1,793,223	2,441,399	2,765,496	3,179,016
Committed, reported in capital project and special revenue funds	177,467	94,146	2,157,526	2,064,395
Total all other governmental funds	<u>\$ 1,970,690</u>	<u>\$ 2,535,545</u>	<u>\$ 4,923,022</u>	<u>\$ 5,243,411</u>

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

TABLE 4

2017	2018	2019	2020	2021	2022
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31,352	61,733	19,392	12,405	16,146	30,571
-	-	-	-	-	-
-	-	-	-	-	-
2,692,718	2,717,629	2,484,394	3,529,814	4,030,591	4,378,947
<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>	<u>\$ 4,409,518</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,406
-	-	(44,867)	7,767	7,767	171,767
				-	
413,305	(11,169)	2,577,379	2,371,081	2,481,331	1,723,086
				-	
2,816,460	499,226	(2,278,891)	234,615	2,848	5,248,491
<u>\$ 3,229,765</u>	<u>\$ 488,057</u>	<u>\$ 253,621</u>	<u>\$ 2,613,463</u>	<u>\$ 2,491,946</u>	<u>\$ 7,238,750</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
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	2,567,053	4,309,957	4,003,988	431,480	783,442	-
2022	5,430,882	5,168,342	4,137,370	983,925	446,345	-

Source: Audit Exhibit 1-B

TABLE 5

Tourism Development	Interest & Fiscal Agent Fees	Water and Sewer	City International Bridge Fund	Brush Collections	Totals
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	3,311,948	2,010	\$ 22,858,469
8,675	1,524,158	7,728,362	8,571,236	141,192	\$ 34,140,487

TABLE 6

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

Fiscal Year	Program Revenues			General Revenues				Totals
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Interest	Miscellaneous	Transfers	
2013	8,445,921	88,950	127,000	6,905,120	13,205	125,706	0	\$ 15,705,902
2014	8,570,860	817,553	2,786,824	7,384,372	16,463	580,802	0	\$ 20,156,874
2015	9,155,567	424,890	432,157	7,721,405	25,151	113,690	0	\$ 17,872,860
2016	9,120,940	469,733	753,684	7,802,342	66,258	192,322	0	\$ 18,405,279
2017	9,445,242	359,766	59,552	7,735,410	131,934	62,834	0	\$ 17,794,738
2018	9,245,658	473,109	80,655	7,891,305	136,190	670,465	0	\$ 18,497,382
2019	9,458,613	396,965	10,714	8,189,117	100,619	43,706	0	\$ 18,199,734
2020	9,170,687	1,818,811	0	8,655,881	77,940	4,356,934	139,998	\$ 24,220,251
2021	11,004,539	845,126	0	9,874,789	68,568	1,188,652	253,667	\$ 23,235,341
2022	12,680,371	2,631,564	0	11,209,174	65,790	301,575	382,080	\$ 27,270,554

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)
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
2022	9,776,475	314,176	598,973	2,650,965	120,608	63,867	\$ 13,525,064

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	Debt Service	Totals
2013	1,209,763	2,119,400	1,523,106	646,579	164,762	0	64,410	\$ 5,728,020
2014	1,405,244	2,357,686	1,685,840	631,467	238,260	0	135,776	\$ 6,454,273
2015	2,533,486	2,800,668	2,151,430	785,679	250,941	0	122,187	\$ 8,644,393
2016	2,030,020	3,028,591	2,033,080	808,693	279,247	0	185,179	\$ 8,364,812
2017	2,358,471	3,346,955	1,984,262	1,179,068	284,427	0	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
2022	2,760,465	4,992,787	3,678,667	922,312	445,648	170,387	586,931	\$ 13,557,197

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
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
2022	3,922,525	3,270,106	294,198	(199,004)	25,680	1,807,684	2,848	\$ 9,124,037

Source: Trail 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
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
2022	545,031	477,655	1,242,660	275,685	1,244,264	-	267,655

TABLE 10

Water/Sewer Operations Contractor	Debt Interest and Fees	Non- Departmental	Depreciation and Amortization	Transfers Out	Totals
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
-	481,062	941,798	2,252,293	1,015,832	\$ 8,743,935

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
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
2022	2021	0.602621	0.175917	0.778538	\$ 756,328,814

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
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
2022	0.602621	0.175917	0.778538	0.5750	1.19900	0.12640	0.21000	0.17150	3.060438

<http://www.hidalgoad.org/rates.html>

TABLE 13

CITY OF DONNA, TEXAS
SCHEDULE OF INSURANCE IN-FORCE
SEPTEMBER 30, 2022
(Unaudited)

<u>Type of coverage</u>	<u>Insurer</u>	<u>Policy Number</u>	<u>Policy From</u>
Real and Personal Property	Texas Municipal League Intergovernmental Risk Pool (TML-IRP)	9424	10/1/2021
General Liability	TML-IRP	9424	10/1/2021
Errors and Omissions	TML-IRP	9424	10/1/2021
Automobile Liability	TML-IRP	9424	10/1/2021
Automobile Physical Damage	TML-IRP	9424	10/1/2021
Mobile Equipment	TML-IRP	9424	10/1/2021
Boiler & Machinery	TML-IRP	9424	10/1/2021
Workers' Compensation	TML-IRP	9424	10/1/2022
Law Enforcement Liability	TML-IRP	9424	10/1/2021
Public Employee Dishonesty	TML-IRP	9424	10/1/2021
Forgery or Alteration	TML-IRP	9424	10/1/2021
Computer Fraud	TML-IRP	9424	10/1/2021
Tax Assessor/Collector Surety Bond	Victor Insurance Managers Inc.	61BSBBX5218	10/1/2021

Note 1: Liability Insurance Annual Aggregate \$1,000,000.00

TABLE 13

Period		Per Occur	Annual
<u>To</u>	<u>Details and Coverage</u>	<u>Liability</u>	<u>Premium</u>
		<u>Limits</u>	
9/30/2022	Fire, windstorm, valuable papers, accounts receivable, data processing equipment	31,240,724	\$ 74,092
9/30/2022	General, products, personal	1,000,000	\$ 4,757
9/30/2022	Public officials and employee liability, claims made	1,000,000	\$ 8,115
9/30/2022	All owned and leased vehicles	1,000,000	\$ 51,748
9/30/2022	Schedule of vehicles	1,000,000	\$ 31,229
9/30/2022	Schedule of Mobile equipment	N/A	\$ 7,008
9/30/2022	Replacement cost	100,000	INCLUDED
9/30/2022	Includes volunteer firemen	N/A	\$ 236,210
9/30/2022	Law enforcement liability	1,000,000	\$ 29,305
9/30/2022	Public officials and employee dishonesty, claims made	100,000	\$ 1,463
9/30/2022	Loss resulting from forgery, alteration of covered documents	100,000	\$ 167
9/30/2022	Loss of money, securities and property	100,000	\$ 1,227
9/30/2022	Employee Dishonesty	250,000	<u>\$ 1,000</u>
		Total	\$ 446,321

**CITY OF DONNA, TEXAS
VALUATION, EXEMPTION AND DEBT OBLIGATIONS**

TABLE 14

2022 Market Valuation Established by Hidalgo County Appraisal District (1)		1,014,014,130
Less Exemptions/Reductions at 100% Market Value:		
Over 65 and Disabled	4,601,705	
Disabled Veterans Exemptions	7,689,474	
Productivity Loss	38,819,188	
Abatement Value Loss	489,840	
Exempt Property	173,908,563	
CHODO (Partial)	313,605	
Freeport	464,330	
Value Loss to 10% Cap	<u>31,398,611</u>	<u>257,685,316</u>
2021 Net Taxable Assessed Valuation		\$ 756,328,814
General Obligation Debt Payable from Ad Valorem Taxes (as of September 30, 2022)		
Limited Tax Refunding Bonds, Series 2012	1,895,000	
2015 Certificate of Obligations	3,100,000	
2016 Certificates of Obligation	5,375,000	
2017 Certificates of obligation	7,545,000	
2019 Limited Tax Refunding	3415000	
2022 PPFCO'S	5,190,000	
2022 G O REFUNDING	<u>26,175,000</u>	
Funded Debt Payable from Ad Valorem Taxes		\$ 52,695,000
Less: Self-supporting Debt		
Limited Tax Refunding Bonds, Series 2012 (4)	1,394,720	
2016 Certificates of Oligation	5,375,000	
2017 Certfcates of Obligation	6,036,000	
2019 Limited Tax Refunding	<u>3,415,000</u>	<u>16,220,720</u>
Net Funded Debt Payable from Ad Valorem Taxes		\$ 36,474,280
Interest and Sinking Fund Balance (as of September 30, 2022)		\$ 1,689,156 ⁽³⁾
Ratio Funded Debt to Net Taxable Assessed Valuation		6.97%
2022 Estimated Population -	16,821	
Per Capita Taxable Assessed Valuation -	\$44,963	
Per Capita Funded Debt -	\$3,133	

Preliminary values, subject to change. Texas Comptroller of Public Accounts, Property Tax Division.
This amount is self-supporting debt of the Water and Sewer Fund.
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,									
	2022		2021		2020		2019		2017	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	(1) Amount	% of Total	(1) Amount	% of Total
Real, Residential, Single-Family	376,784,775	40.47%	328,061,122	37.01%	302,157,252	35.75%	285,500,740	34.32%	285,715,761	34.78%
Real, Residential, Multi-Family	27,709,417	2.98%	26,395,628	2.98%	24,864,853	2.94%	22,708,216	2.73%	22,662,177	2.76%
Real, Vacant Lots/Tracts	34,861,505	3.74%	44,261,873	4.99%	37,347,650	4.42%	38,964,821	4.68%	36,724,640	4.47%
Real, Acreage (Land Only)	1,320,607	0.14%	1,139,815	0.13%	1,407,579	0.17%	31,181,613	3.75%	32,005,712	3.90%
Real, Farm and Ranch Improvements	7,174,749	0.77%	203,533	0.02%	5,412,452	0.64%	4,537,858	0.55%	4,316,576	0.53%
Real, Commercial	179,859,818	19.32%	193,391,250	21.82%	184,291,018	21.80%	172,996,168	20.80%	159,270,946	19.39%
Real, Industrial	8,300,499	0.89%	8,246,993	0.93%	8,209,147	0.97%	8,318,925	1.00%	7,650,342	0.93%
Real and Tangible Personal, Utilities	15,029,517	1.61%	13,848,687	1.56%	15,511,840	1.84%	13,990,663	1.68%	13,590,483	1.65%
Tangible Personal, Commercial	70,387,532	7.56%	63,335,655	7.15%	59,386,628	7.03%	56,581,181	6.80%	55,731,957	6.78%
Tangible Personal, Industrial	3,834,582	0.41%	3,403,142	0.38%	4,772,018	0.56%	4,871,655	0.59%	3,936,664	0.48%
Tangible Personal, Mobile Homes	19,664,998	2.11%	17,066,782	1.93%	15,098,052	1.79%	16,371,508	1.97%	17,155,113	2.09%
Tangible Personal, Other	318,912	0.03%	-	0.00%	285,491	0.03%	0	0.00%	0	0.00%
Residential Inventory	-	0.00%	142,709	0.02%	529,741	0.06%	129,644	0.02%	141,832	0.02%
Special Inventory	11,081,903	1.19%	9,346,014	1.05%	8,981,709	1.06%	6,669,409	0.80%	22,567,107	2.75%
Total Exempt Property	174,712,008	18.77%	177,461,045	20.02%	176,941,760	20.93%	168,966,237	20.31%	160,100,643	19.49%
Total Appraised Value Before Exemptions	931,040,822	100%	886,304,248	100%	845,197,190	100%	831,788,638	100%	821,569,953	100%
Less: Total Exemptions/Reductions	(174,712,008)		(177,461,045)		(176,941,760)		(210,830,754)		(206,875,614)	
Taxable Assessed Valuation	<u>756,328,814</u>		<u>708,843,203</u>		<u>668,255,430</u>		<u>620,957,884</u>		<u>\$ 614,694,339</u>	

Category	2017		2016		2015		2014		2013	
	(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	257,449,645	38.32%	263,974,593	38.32%	232,715,920	37.66%	226,023,847	38.29%	201,742,850	37.18%
Real, Residential, Multi-Family	17,624,811	2.43%	16,745,089	2.43%	15,553,440	2.52%	13,158,922	2.23%	23,090,738	4.26%
Real, Vacant Lots/Tracts	34,999,359	4.95%	34,078,081	4.95%	28,894,099	4.68%	27,078,216	4.59%	23,364,004	4.31%
Real, Acreage (Land Only)	34,446,966	5.12%	35,302,387	5.12%	29,269,963	4.74%	29,558,232	5.01%	28,478,703	5.25%
Real, Farm and Ranch Improvements	4,177,140	0.55%	3,810,198	0.55%	1,725,635	0.28%	2,823,281	0.48%	1,784,229	0.33%
Real, Commercial	143,116,996	16.67%	114,814,401	16.67%	97,476,460	15.77%	89,881,308	15.22%	82,050,572	15.12%
Real, Industrial	7,048,036	0.93%	6,406,260	0.93%	5,320,988	0.86%	6,957,060	1.18%	6,633,333	1.22%
Vehicles	10,686,308	1.39%	9,602,363	1.39%	9,068,913	1.47%	7,357,074	1.25%	6,194,219	1.14%
Real and Tangible Personal, Utilities	53,623,429	4.89%	33,660,310	4.89%	32,060,521	5.19%	30,615,834	5.19%	22,411,992	4.13%
Tangible Personal, Commercial	3,696,110	0.55%	3,756,615	0.55%	4,021,892	0.65%	3,741,642	0.63%	2,914,628	0.54%
Tangible Personal, Industrial	16,831,327	2.50%	17,228,199	2.50%	17,260,965	2.79%	13,319,570	2.26%	12,393,515	2.28%
Tangible Personal, Mobile Homes	0	0.00%	0	0.00%	261,069	0.04%	0	0.00%	216,027	0.04%
Tangible Personal, Other	141,832	0.14%	959,510	0.14%	1,418,732	0.23%	1,323,011	0.22%	1,802,726	0.33%
Residential Inventory	5,042,275	0.69%	4,777,819	0.69%	3,957,785	0.64%	3,028,712	0.51%	1,910,198	0.35%
Special Inventory	152,692,288	20.87%	143,730,746	20.87%	139,013,094	22.49%	135,496,610	22.95%	127,570,687	23.51%
Total Appraised Value Before Exemptions	741,576,522	100%	688,846,571	100%	618,019,474	100%	590,363,319	100%	542,558,421	100%
Less: Total Exemptions/Reductions	(194,398,952)		(188,903,673)		(177,910,555)		(170,848,721)		(163,227,474)	
Taxable Assessed Valuation	<u>\$ 547,177,570</u>		<u>\$ 499,942,898</u>		<u>\$ 440,108,919</u>		<u>\$ 419,514,598</u>		<u>\$ 379,330,947</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
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	7,322,000	1.34%	266
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
2022	2021	16,821	756,328,814	44,963	* \$ 52,695,000	6.97%	3,133

(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
2013	2012	0.706169	0.546207	1.252376	4,750,650	90.00%	109.00%
2014	2013	0.762395	0.380026	1.252376	5,253,900	89.00%	106.00%
2015	2014	0.762395	0.380026	1.142421	5,027,897	95.00%	116.00%
2016	2015	0.791292	0.191536	0.982828	4,913,579	92.00%	112.00%
2017	2016	0.740318	0.139682	0.880000	4,815,162	91.00%	111.00%
2018	2017	0.725352	0.073503	0.798855	4,910,516	90.00%	110.00%
2019	2018	0.711131	0.087724	0.798855	4,960,553	92.00%	110.00%
2020	2019	0.693987	0.094868	0.788855	5,274,566	92.00%	105.00%
2021	2020	0.638454	0.150401	0.788855	5,591,745	94.00%	108.00%
2022	2021	0.602621	0.175917	0.778538	5,888,307	97.00%	111.00%

(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
TOP TEN PRINCIPAL TAXPAYERS
FOR FISCAL YEAR ENDING 09/30/2022
(Unaudited)**

Taxpayer	2022			2013		
	Taxable Assessed Valuation	Ranked	% of Taxable Assessed Valuation	Taxable Assessed Valuation	Ranked	% of Taxable Assessed Valuation
Wal-Mart Real Estate Business	\$ 19,459,579	1	2.22%			
MHC Victoria Palms LLC.	12,633,479	2	1.44%	7,601,143	1	2.00%
Packaging Corporation of America	11,365,750	3	1.30%	1,841,647	9	0.49%
Wal-Mart Property Tax Department	5,851,697	6	0.67%			
AEP Texas Inc.	10,232,020	4	1.17%	3,352,150	2	0.88%
Ron Hoover Companies of South TX	5,771,876	7	0.66%			
Love's Travel Stops & Country Stores	5,520,873	8	0.63%			
Shops at 493 Lot 9	8,777,956	5	1.00%			
CPI Donna	4,486,792	10	0.51%			
Rentals Donna Park One	4,837,533	9	0.55%			
BH Hester Donna LLC				3,288,164	3	0.87%
Bland Farms LLC				2,240,527	4	0.59%
W Silver Reclcling Inc				2,130,910	5	0.56%
D & J Investments				2,193,063	6	0.58%
H.E. Butt Grocery Company				2,194,472	7	0.58%
MHC Victoria Palms II LLC.				1,856,570	8	0.49%
First National Bank				1,837,655	10	0.48%
Totals	\$ 88,937,555		0.1015	\$ 28,536,301		7.52%

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	
9/30/2023	1,640,000	1,803,537	3,443,537	
9/30/2024	1,700,000	1,754,159	3,454,159	
9/30/2025	1,820,000	1,702,218	3,522,218	
9/30/2026	1,555,000	1,649,570	3,204,570	
9/30/2027	1,610,000	1,596,632	3,206,632	16%
9/30/2028	2,390,000	1,534,612	3,924,612	
9/30/2029	2,475,000	1,453,922	3,928,922	
9/30/2030	2,560,000	1,371,730	3,931,730	
9/30/2031	2,650,000	1,280,070	3,930,070	
9/30/2032	2,755,000	1,179,782	3,934,782	40%
9/30/2033	2,850,000	1,080,012	3,930,012	
9/30/2034	2,675,000	983,825	3,658,825	
9/30/2035	2,675,000	895,667	3,570,667	
9/30/2036	2,445,000	807,954	3,252,954	
9/30/2037	2,080,000	731,464	2,811,464	64%
9/30/2038	1,600,000	674,062	2,274,062	
9/30/2039	1,655,000	618,862	2,273,862	
9/30/2040	1,715,000	561,764	2,276,764	
9/30/2041	1,775,000	502,597	2,277,597	
9/30/2042	1,835,000	439,229	2,274,229	81%
9/30/2043	1,905,000	373,720	2,278,720	
9/30/2044	1,970,000	305,711	2,275,711	
9/30/2045	2,045,000	233,412	2,278,412	
9/30/2046	2,120,000	158,361	2,278,361	
9/30/2047	2,195,000	80,557	2,275,557	100%
	<u>52,695,000</u>	<u>23,773,424</u>	<u>76,468,424</u>	

City of Donna, Texas
Direct and Overlapping Debt Table
As of 9/30/2022

TABLE 20

Taxing Jurisdiction	Debt Outstanding 9/30/2022	Estimated % Applicable	City's Overlapping Bonded Debt
<u>Overlapping:</u>			
Donna Independent School District	\$ 52,580,000	40.40%	\$ 21,242,320
Hidalgo County	\$ 367,135,000	1.95%	\$ 7,159,133
Hidalgo County Drainage District No. 1	\$ 240,946,000	2.02%	\$ 4,867,109
South Texas College	\$ 112,069,693	1.83%	\$ 2,050,875
Total Overlapping Debt			\$ 35,319,437
<u>Direct Debt</u>			
City of Donna		100.00%	\$ 52,695,000
Total Direct and Overlapping Debt			\$ 88,014,437

Total Direct and overlapping Debt % of A. V. 9.94%

Total Direct and Overlapping Debt per Capita: \$ 5,446

** 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.*

Source: The Municipal Advisory Council of Texas

TABLE 21

CITY OF DONNA, TEXAS
GENERAL FUND REVENUES, EXPENDITURES HISTORY

	Fiscal Year Ended September 30,					
Revenues	2022	2021	2020	2019	2018	2017
Taxes	\$ 9,776,475	\$ 8,391,548	\$ 7,963,906	\$ 8,236,530	\$ 7,144,525	\$ 6,599,758
Licenses and Permits	314,176	301,594	141,968	141,632	186,350	132,297
Charges for Service	2,650,965	2,962,485	2,272,675	2,106,228	1,853,071	1,684,416
Fines and Forfeitures	120,608	130,237	97,337	231,585	187,932	109,792
Intergovernmental	598,973	815,782	1,818,811	396,965	224,494	111,151
Interest	47,891	66,993	28,822	100,619	21,467	10,695
Other Revenues	15,976	989,122	35,507	106,901	92,216	39,159
Total Revenues	\$ 13,525,064	\$ 13,657,761	\$ 12,359,026	\$ 11,320,460	\$ 9,710,055	\$ 8,687,268
Expenditures						
Current:						
General Government	\$ 2,760,465	\$ 2,515,873	\$ 3,174,999	\$ 2,448,057	\$ 2,571,612	\$ 2,335,716
Public Safety	4,995,832	3,997,801	3,666,777	3,632,363	3,180,302	3,197,662
Public Works	3,678,667	3,462,201	3,888,313	2,981,093	3,211,853	1,984,262
Culture and Recreation	922,312	347,824	254,318	296,213	288,628	253,176
Health and Welfare	445,648	769,536	521,686	925,954	752,492	913,637
Capital Outlay	167,342	1,926,383	-	-	-	-
Debt Service:						
Principal Retirements	558,722	330,989	245,086	639,258	89,978	86,961
Interest, Fiscal & Issuance Charges	28,209	37,065	32,872	300,763	19,492	22,509
Total Expenditures	\$ 13,557,197	\$ 13,387,672	\$ 11,784,051	\$ 11,223,701	\$ 10,114,357	\$ 8,793,923
Excess/(Deficiency) of Revenues Over (Under) Expenditures	(32,133)	270,089	574,975	96,759	(404,302)	(106,655)
Other Financing Sources/Uses						
Operating Transfers In	403,857	6	-	70,000	563,193	738,676
Operating Transfers Out	(25,219)	(158,000)	-	(196,495)	-	(400,000)
Sale of Capital Assets	-	45,265	440,767	-	-	-
Other Revenues	-	36,570				
Loan and Lease Proceeds	16,276	194,824	14,924	595,922	109,535	3,685
Total Other Financing Sources/Uses	\$ 394,914	\$ 118,665	\$ 455,691	\$ 469,427	\$ 672,728	\$ 342,361
NET CHANGE IN FUND BALANCE	362,781	388,754	1,030,666	566,186	268,426	235,706
FUND BALANCE BEGINNING	4,046,737	3,534,452	2,503,786	3,267,419	2,724,070	2,594,453
Prior Period Adjustment	-	123,531	-	-	-	-
Fund Balance Ending	\$ 4,409,518	\$ 4,046,737	\$ 3,534,452	\$ 3,833,605	\$ 2,992,496	\$ 2,830,159

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
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
2022	6,261,087	106.33%	0.8278	372

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, 2022 are shown below:

Name	Carrying Amount	Market Value
Non-Interest Bearing Cash Accounts	\$ 4,314,238	\$ 997,249
Money Market Fund available from Trustee	59,252	59,252
Local Government Investment Cooperative (LOGIC) (1)	1,615,622	1,615,622
Investments held: Certificates of Deposit	-	-
Less: Statement of Fiduciary Net Assets	14,775	14,775
Total	\$ 6,003,887	\$ 2,686,898

(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 2022 AND 2013**

TABLE 24

Employer	2022		2013	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Donna I.S.D.	2,394	1	2,500	1
American Investigations & Security Intl.	333	2	-	
Idea College Prep	167	3	170	2
Sunshine Paper Corp.	152	4	-	
Walmart Super Center	136	5	-	
Southern Steel Fabricators	130	6	-	
HEB Donna	110	7	115	3
Magic Valley Produce	100	8	-	
Whataburger	71	9	58	9
Cortez Auto Sales	60	10	-	
Bland Distribution	-		100	4
Packaging Corp of America	56		-	
Paramount Citrus	-		79	6
City of Donna	-		100	5
Victoria Palms Resort	-		71	7
McDonalds	-		60	8
Rio Valley Canning	-		47	10
Total	<u>3,709</u>		<u>3,300</u>	

Source*TWC*

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*

To the Honorable Mayor and Members
Of the City Council
City of Donna, Texas

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

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

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

Cascos and Associates, PC
Brownsville, Texas

March 30, 2023



Cascos & Associates, PC

Certified Public Accountants
Audit/Accounting/Tax/Consulting

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

To the Honorable Mayor and Members
Of the City Council
City of Donna, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Donna, Texas (The "City")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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



Cascos & Associates, PC
Brownsville, Texas

March 30, 2023

CITY OF DONNA, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

I. Summary of the Auditors' Results

Financial Statements

Type of auditors' report issued in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified: None

Significant deficiencies identified that are not considered to be material weaknesses: None

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified: No

Significant deficiencies identified that are not considered to be material weaknesses: No

Type of auditors' report on compliance with major programs: Unmodified

Any audit findings which are required to be reported in accordance with 2 CFR 200.516(a)? No

Major programs are as follows:

CFDA Number:

Name of Federal Program or Cluster:

21.027

COVID-19 – American Relief Plan Act (ARPA)

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low risk auditee: No

II. Financial Statement Findings

None.

II. Federal Award Findings and Questioned Costs

None.

CITY OF DONNA, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

(1)	(2)	(3)	(4)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA/ Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Pass through Office of the Governor</i>			
US Border Patrol / Stone Garden Grant	97.067	EMW-2021-SS-0062	<u>163,860</u>
Total Passed through Office of the Governor			<u>163,860</u>
Total U.S. Department of Homeland Security			<u>163,860</u>
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed through Hidalgo County</i>			
COVID-19 - American Recovery Plan Act	21.027	N/A	<u>2,031,183</u>
Total Passed through Hidalgo County			<u>2,031,183</u>
Total U.S. Department of the Treasury			<u>2,031,183</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Direct Grants</i>			
Border Star Grant (LBSP)	16.738	2013-BL-ST-0016	<u>77,000</u>
Crime Victim Assistance	16.575	2020-V2-GX-0004	48,525
Victims of Crime Act Formula Grant	16.575	2020-V2-GX-0004	<u>50,260</u>
			<u>98,785</u>
Total U.S. Department of Justice			<u>175,785</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,370,827</u></u>

CITY OF DONNA, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

1. GENERAL

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal award programs of the City of Donna, Texas (the "City") for the year ended September 30, 2022. The City's reporting entity is defined in Note 1 of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING AND PRESENTATION

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The City's significant accounting policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements.

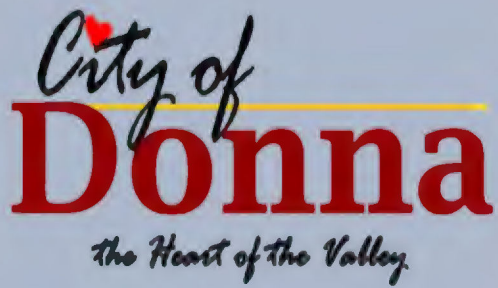
The Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some of the amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

3. PASS-THROUGH EXPENDITURES

None of the federal programs expended by the City were provided to subrecipients.

4. INDIRECT COSTS

The City did not elect to use the de minimis cost rate of 10% as described at 2 CFR §200.414(f) - Indirect (F&A) costs.



2022 – 2023

Fiscal Year Budget

307 South 12th Street Donna, Texas 78537

www.CityofDonna.org



Donna Alliance International Bridge

City of Donna

Fiscal Year 2022-2023

Budget Cover Page

This budget will raise more revenue from property taxes than last year's budget by an amount of \$457,552, which is a 7.54 percent increase from last year's budget. The property tax revenue to be raised from new property added to tax roll this year is \$175,052.

The members of the governing body voted on the proposal to consider the budget as follows:

FOR:	Rick Morales	Mayor	
	Richie Moreno	Councilman	Place 1
	Jose G. Garza, Jr.	Councilman	Place 2
	David Moreno	Councilman	Place 3
	Oscar Gonzalez	Councilman	Place 4

AGAINST: None

PRESENT AND NOT VOTING: None

ABSENT: None

Property Tax Rate Comparison:

<u>Tax Rate</u>	<u>2022-2023</u>	<u>2021-2022</u>
Property Tax Rate:	\$0.747937/100	\$0.778538/100
No-New Revenue Tax Rate:	\$0.713091/100	\$0.719619/100
Effective M&O Tax Rate:	\$0.558789/100	\$0.582246/100
Rollback Tax Rate:	\$0.747937/100	\$0.778541/100
Debt Rate:	\$0.169591/100	\$0.175917/100

Total Debt obligation for the City of Donna secured by property taxes: \$0



City of Donna Officials



Mayor

Ricardo Morales

City Council Members



Councilman

Ricardo Moreno-Place 1



Councilman

Joey Garza Jr-Place 2



Mayor Pro Tem

David Moreno-Place 3



Councilman

Oscar Gonzalez-Place 4

City Manager

Carlos Yerena

Director of Finance

David R. Vasquez

Deputy City Secretary

Belinda Tosca



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CITY OF DONNA, TEXAS

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Donna
Texas**

For the Fiscal Year Beginning

October 01, 2021

Christopher P. Morill

Executive Director

HISTORY OF DONNA, TEXAS

The City of Donna is off U.S. Highway 83 and State Spur 374, fourteen miles southeast of McAllen in southeastern Hidalgo County. It is in territory that was granted to Lino Cabazos as part of the La Blanca



land grant on May 19, 1834, by the Mexican State of Tamaulipas. The Cabazos family inhabited the area for at least twenty years after taking possession of the land, and their descendants continued to live in the area into the twentieth century.

Thomas Jefferson Hooks arrived in the Lower Rio Grande Valley in 1900 and the following year moved his family to Run in southeastern Hidalgo County. In May 1902 he helped to form the La Blanca Agricultural Company, which purchased 23,000 acres fronting the river two miles east and two miles west of the site of present Donna and extending north eighteen miles. He gave part of his purchase to his twenty-one-year-old daughter, Donna Hooks Fletcher, a divorcée. She settled in the area and established the Alameda (Grove) Ranch. Fletcher stocked the ranch with Jersey cattle purchased from the Lassater Ranch in

Falfurrias and ran a successful butter business. In 1904, The St. Louis, Brownsville, and Mexico Railway reached the area, and a town was formed that July. In 1907, the town was given a depot station that was named Donna in the honor of Donna Fletcher, who was postmistress when the Donna post office was opened in 1908. That year the first store in west Donna was established by Ed Ruthven, and the community was recognized as the Texas station that shipped the most produce in a year. A 500-ton-capacity sugar mill was built in Donna that year. The town grew slowly because of the lack of available potable water. *Portreros* brought water from as far away as Lyford and Mission to each home in Donna. A barrel



of water cost 50 cents, and the water had to be boiled before it could be used for drinking or cooking. By 1908, a water tower and a filtration plant provided potable water for Donna residents. By 1912 the town was divided into Donna and East Donna. East Donna, the Mexican side of town, had a post office named Beatriz, after Beatriz Hooks. Electricity came to Donna in 1916. The Donna Light and Power Company was incorporated by A.F. Hester, Sr., T.J. Hooks, Dr. J.B. Roberts, and twenty stockholders.





In 1915 Donna had a population of 1,500, a bank, a hotel, four churches, two cotton gins, the sugar mill, a weekly newspaper named the Donna Dispatch, published by B.L. Brooks. A Legion Hall was built in 1920, making Donna American Legion the first Legion Post in the world to own its Legion Hall. Donna had an estimated population of 1,579 in 1925. By 1936 it had a population of 4,103, a railroad stop, multiple dwellings, and 110 businesses.

The citizens of Donna first started using the motto "The City with a Heart in the Heart of the Rio Grande Valley" to promote the city in the 1940's. By 1945 the town had a population of 4,712 and seventy-eight businesses and continued to be a citrus and vegetable growing center. In 1953 Donna had three gins, three wholesale groceries, hardware and farm implements dealers, a wholesale

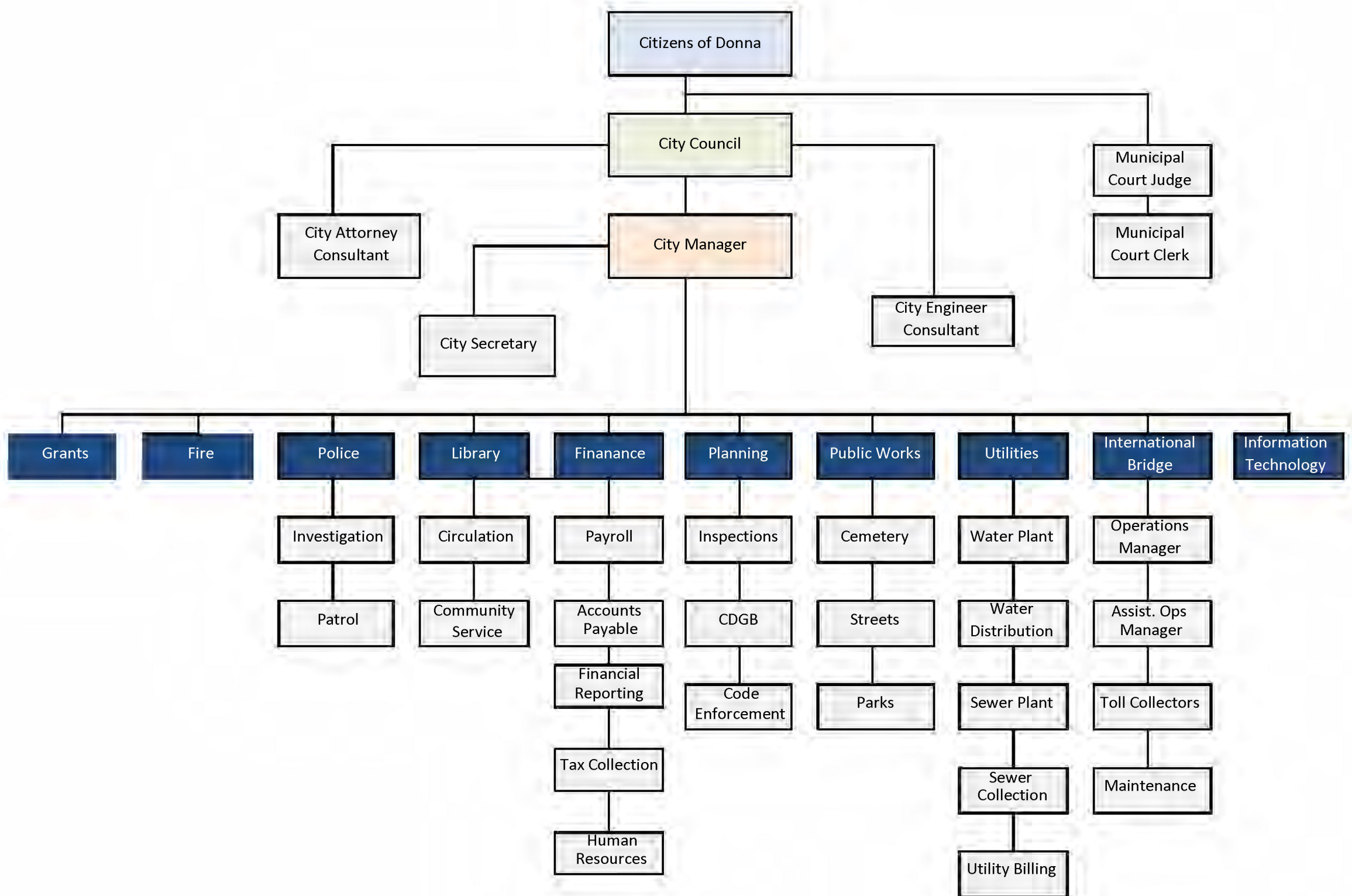
distributor for feed mills, and the Donna News. The American Legion Hall was designated a historical landmark in 1964. In 1967 Donna reported 110 businesses (including eight manufacturers), ten churches, a bank, a library, and a newspaper.

From 1920 through the mid-1960s Donna had segregated schools. A third school for migrant students was in operation through the 1970s. The justification for its operation was that migrant children needed more attention because of their parents' work. It was opened to children in the third to eighth grade and had a separate campus. Donna had a population of 8,982 and 122 businesses in 1978. After the 1970s the economy in Donna continued to be based on fruits, vegetables, and the tourist trade. In 2000 Donna had a population of 14,768 and 369 businesses.





Organizational Chart Fiscal Year 2022-2023



BUDGET AND FINANCIAL POLICIES

BUDGET CALENDAR

CITY MANAGER'S BUDGET MESSAGE

ECONOMIC OUTLOOK

STRATEGIC BUSINESS PLANS

MAJOR GOALS

**CITY'S LOCATION IN RELATION TO STATE
OF TEXAS**

BUDGET AND FINANCIAL POLICIES

Article IX of the City Charter sets forth the basic budget policies for the overall management of the City. The annual Budget shall be prepared in accordance with State Law.

- The City's primary objective for all operating budgets is to adopt a balance budget where revenues equal or exceed expenditures. The budget document shall contain a budget message prepared by the City Manager outlining the proposed financial plan for the City.
- No later than August 18th, the City Manager prepares a recommended budget to be submitted to the Council estimating revenues and expenditures for the next fiscal year. The Council shall order a public hearing on the budget and shall cause to be published, at least ten days prior to the date of such hearing, the time and place thereof. At the time and place so advertised, the Council shall hold a public hearing on the budget as submitted, at which all interested persons shall be given an opportunity to be heard.
- The budget shall be carefully itemized and the proposed figures shall be compared with actual figures from the preceding year.
- At least thirty days prior to the adoption of the tax rate, the City Manager submits a recommended budget proposal to the City Council. Upon completion, the budget is filed by the City Secretary for media and public inspection.
- The City Council adopts the budget prior to the beginning of the fiscal year. This budget is based on various meetings with department leaders for their input on the programs and projects planned for next fiscal year.

BUDGET BASIS OF ACCOUNTING

The budget basis of budgeting (modified accrual, accrual) should be identified for each category of fund represented (governmental, proprietary, and fiduciary) that the City has adopted is the modified accrual basis for all governmental fund types and the accrual basis has been adopted for proprietary fund types.

The end product of the budget process is the budget document, which consists of three main parts, a budget message, a series of revenue/expenditures tables and appropriate descriptive materials as well as the budget adoption ordinance.

The budget is structured according to codes and classifications contained in the City's accounting system. Since the budget is a planning document, it does not include all the detailed information encompassed by the accounting system.

All budgets are built around four basic components: Funds, Departments, Revenues, and Expenditures. Although the City's accounting system will provide locally-adapted definitions of these elements, the following general descriptions may be helpful.

FUNDS

A “Fund” is an accounting device used to classify City activities for management purposes. A fund can be thought of as a bank account into which revenues are deposited and from which expenditures are paid for a specific purpose. Funds are generally classified in the following manner:

GOVERNMENTAL FUNDS

1. General Fund - The General Fund is used to account for all financial resources not covered under another fund. Examples of activities under this fund are general administration, recreation, libraries, police services, fire services. Its revenues are generally unrestricted which means that they may be used for any approved governmental purpose.
2. Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. Examples of such funds are Hotel Occupancy Tax, Fire Equipment Service Fee, and the Texas Confiscated Money Forfeitures Fund, and the Tax Increment Reinvestment Funds.
3. Debt Service Fund – The Debt Service Funds is used to account for financial resources that are restricted, committed or assigned to expenditures of principal and interest of long-term debt.
4. Capital Project Funds – Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of major capital facilities or other capital assets.

FIDUCIARY FUND

Trust and Agency Funds – Trust and Agency Funds are used to account for collections and disbursements earmarked for employees’ payroll, pensions, insurance, and other restricted purpose.

PROPRIETARY FUNDS

1. Enterprise Funds – To account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user chargers, i.e., Utility Fund and International Bridge Fund.
2. Internal Service Funds – To account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis, i.e., Employee Insurance Trust Fund.

The beginning and ending point of budgeting is a fund balance or retained earnings. In general, the budgeted beginning balance represents the funds left over from the prior fiscal year. The budgeted ending balance represents the funds being estimated at the end of the current fiscal year.

ROLE OF DEPARTMENTAL DIRECTORS

The involvement of departmental directors in the budget process is essential. The departmental directors are the best source of information regarding service needs in the department. The departmental directors are also the best qualified to identify opportunities for budget cutbacks. From the perspective of the departmental directors, the budget process is a useful way to advise the City Manager and City Council about the accomplishments, special problems, and propose alternative for improving the quality of services for the citizens of the City.

REVIEW OF DEPARTMENTAL REQUESTS

In the course of reviewing the departmental budget requests, the City Manager should bear in mind the following concerns:

- Do the proposed performance and service levels justify the budget request? Could the requested funds be put to better use in another department? Are certain budget requests totally without justification or merit?
- Are the spending requests credible? Are they padded or based on false assumptions?
- Is the proposed approach to a particular service the best way to achieve the stated objective based on the department's previous budget and work programs? Is attainment of each stated objective likely? Should a funding increase proposed by one department be approved, instead of another department that has a better performance record?
- If choices must be made between competing budget requests, what is of relative importance or value to the community of the new spending program proposed by the various departments? If cutbacks in exiting services are necessary, which service should be eliminated first?
- By spending more on a particular service during the next fiscal year, will the City save money in the long run?
- What considerations have the department heads given to reducing the cost of existing programs through better personnel utilization, improved work methods and mechanization?

CITY COUNCIL ACTION ON THE BUDGET

The City Manager presents the recommended budget to the City Council at a regular meeting. Copies are filed with the City Secretary for media and public inspection.

The basic issues in the budget for the City Council are:

- Does it meet the needs of the community adequately, or at least as adequately as available finances will permit? Are there some services which would be reduced or eliminated in order to provide funds for more important programs?
- Does the budget provide balance between services, especially between more essential and less essential services?
- Are the administrative controls in place to assure that adequate results will be produced, and proper standards of service maintained?
- Do revenue estimates appear to be realistic? Have all expenditures and foreseeable contingencies been included?
- Is the budget economical in all respects, and oriented toward obtaining the greatest value per dollar expended?
- Is the budget consistent with the ability and willingness of citizens to support it?
- Is it consistent with the City's long-term policies for the development of the community?

BUDGET AMENDMENT PROCESS

Article IX Section 7 of the City Charter states that, if at any time during the fiscal year, the City Manager shall ascertain that available revenues will be less than total appropriations for that year, he shall reconsider the allotments of each department and revise them as to prevent the making of expenditures in excess of available revenues. At the close of each fiscal year, any encumbrance balance of an appropriation shall revert to the fund which appropriated and may be re-appropriated by City Council. City Council may transfer any unencumbered appropriation balance from one department to another. The City Manager shall have the authority without City Council approval, to transfer appropriation balances from one expenditure account to another within a single department of the City.

REVENUE POLICY

Tax Collections

Our City will pursue a vigilant tax collection effort by subcontracting with an attorney-at-law that specializes in comprehensive collection services, while remaining cognizant of the need to treat our residents with the uppermost respect.

Revenue Diversification / Unrestricted Fund Balance

The City strives to maintain a diversified and stable revenue base to protect public services from short-term fluctuations in any one revenue source. The City has chosen to manage these fluctuations by creating a fund balance policy. The Reserve Policy states the following:

- **REVENUE POLICY (Continued)**

- Established reserves shall help protect the City from innumerable hardships due to unforeseen emergencies.
- Fund Balance shall equal not less than 25% of the operating budget.

Fees and Charges

User fees will be imposed to cover the cost of services provided for unique or narrow segments of the community. Fees may be set at levels sufficient to cover the entire cost of service delivery. Our City charges customers a pass-through user fee when they pay their taxes or utility bills by credit card.

The City maintains the water distribution system and the sewer collection systems. To insure that the enterprise funds remain self-supporting, rate structures will fully fund the direct and indirect cost of operations, capital plant maintenance, debt service, depreciation, and moderate system extensions.

One-Time Revenues

It is the general policy of the City to use major one-time revenues to fund capital improvements or reserves. The use of one-time revenues to fund ongoing expenditures is discouraged.

Unpredictable revenues are budgeted conservatively, and any amount collected in excess of the budget is generally carried forward in the fund balance.

All potential grants shall be carefully examined for matching requirements. Some grants may not be accepted if the local matching funds cannot be justified. Grants may also be rejected if programs must be continued with local resources after grant funds are exhausted.

EXPENDITURE POLICY

High priority is given to the expenditures that will reduce future operating costs, such as increased utilization of technology and equipment and proven business methods.

An appropriate balance will be maintained between budget dollars provided for direct public services and dollars provided to assure good management and legal compliance.

All department heads share in the responsibility of looking at and understanding the City's long-term financial viability, its general spending trends, its projected incomes, and educating themselves, division head, and employees on the necessary short and long-term balance between revenues and expenditures. Budget-to-Actual Variance reports are disbursed to department heads monthly to ensure the City doesn't exceed budgeted expenditures. Department heads are trained by the finance staff on how to read and monitor their department's budgets.

INVESTMENT POLICY

The City of Donna recognizes that effective cash management is good fiscal management. Investment earnings are a source of revenue for the City. Therefore, it is the City's policy to consider safety and risk of investment, allow for anticipated cash flow requirements and invest all available funds in conformance with these legal and administrative guidelines, while seeking to optimize investment earnings.

Investments shall be made with the primary objectives of:

- Safety and preservation of principal
- Maintenance of liquidity
- Responsiveness to the public trust
- Diversification of investments
- Optimization of investment earnings

Investments updates are taken to City Council on a quarterly basis. The Investment Policy complies with Chapter 2256 (Public Funds Investment Act) of the Government Code. The policy is reviewed and updated annually before being presented to City Council.

PROCUREMENT POLICY

On July 16, 2019, the City adopted an updated procurement policy. The primary governing authority for the City of Donna's Purchasing Policy shall be the City's Charter in conjunction with Local Government Code Chapter 252, "Purchasing and Contracting Authority of Municipalities." All procurement activity shall be governed by the Purchasing Policy, in accordance with applicable state and local government codes. The Finance Department shall from time to time review the Purchasing Policy and the City's resolution shall record any changes made to the Policy. All department heads receive a copy of the procurement policy and are expected to comply with the policy.

DEBT POLICY

GENERAL OBLIGATION BONDS:

The existing debt obligation and individual issues are described in this section.

Existing debt levels reflect twenty-five years of remaining payments with additional debt capacity as the structure declines gradually after 2034. The final debt service payment will be in the year 2047.

The Debt Service rate portion (\$.169591) of the total tax rate (\$.747937) represents 22.67% is dedicated for existing debt levels.

The City Assessed Value for Tax Roll 2022 was valued at \$876,001,059. The City's total debt is \$52,695,000 or 6% of Assessed Value.

The State of Texas statutes do not prescribe a debt limit; however, by custom a practical economic debt limit of 6% of the assessed valuation is used.

DEBT POLICY (Continued)

The state of Texas limits the ad valorem tax rate to \$2.50 per \$100 valuation. Donna's adopted rate of .747937 is well below the state limit.

The City of Donna's Financial Policies address General Obligation Debt Management as follows:

- Long-term debt will not be used to finance recurring maintenance or other operating costs. The life of the bonds shall not exceed the useful life of the projects financed. The City will only issue long-term debt for capital projects that cannot be financed by current revenues.
- Full disclosure of operations will be made to the bond rating agencies. The City staff will assist the financial advisors and/or bond counsel in preparing the necessary materials for presentation to the bond rating agencies.
- The city will issue bonds with an average life of twenty (20) years or less in order to reduce interest cost and maintain future flexibility by paying off debt earlier.

BOND RATING:

The City's current bond rating as of the last issuance on February 10th 2022 for the G O Refunding Bond Series 2022 was rated as follows:

G.O. & REVENUE BONDS

Standard and Poor's

A/Stable

REVENUE BONDS:

The City's Revenue Bonds are comprised of Water and Wastewater supported revenue bonds in the Utility Fund.

The existing debt structure will continue through year 2037.

Water & Wastewater System

Revenue Certificates are direct obligations of the City payable as to principle and interest from a combination of (i) a valorem levied annually, within the limits prescribed by law, against all taxable property in the City and (ii) a limited pledge of net revenues of the City's Waterworks and Sewer System, as provided in the Ordinance.

DEBT POLICY (Continued)

The City of Donna's Financial Policies also address revenue bond issued in debt management as follows:

- Long-term debt will not be used to finance recurring maintenance or other operating costs. The life of the bonds shall not exceed the useful life of the projects financed. The City will only issue long-term debt for capital projects that cannot be financed by current revenues.
- When appropriate, self-supporting revenues will pay debt service in lieu of tax revenues.
- The City has both revenue bonds and other indebtedness of the Utility Fund. The City strives to maintain at least 1.5 debt to revenue ratio coverage ratios although bond covenants require 1.25 for all indebtedness as a practical coverage.
- The City will issue bonds with an average life of twenty (20) years or less in order to reduce net interest cost and maintain future flexibility by paying off debt earlier.

FUND BALANCE POLICY

- The General Fund shall maintain a minimum fund balance of 90 days of operating expenses.

INDEPENDENT AUDIT

At the close of the fiscal year, the Council shall engage an independent certified public accounting firm to audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented components units, each major fund, and the aggregate remaining fund information at September 30th. In addition, the firm will audit the City's compliance over major federal award programs. The firm will ensure the audit is conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards applicable to financial audits contained in Government Auditing Standards.

COVID-19

In the past 2 years the City of Donna has received 2 grants to help with Covid-19 expenditures, Cares Act and American Rescue Plan. The funds have been used to purchase personal protective equipment and to host community clinics that help with vaccine distribution and Covid-19 testing. The second allocation of ARPA fund received October 2022 are designated for the construct a city park.



Budget Calendar FY 2022-2023



April 2022:

1) Budget Calendar is created to set deadlines and is submitted to City Council.

June 2022:

- 1) Distribute budget packets/forms to Department Directors.
- 2) Completed Department goals, capital & personnel requirement forms due.
- 3) Submit Department goals, capital & personnel summary to City Manager.
- 4) Meet with Department Directors & assist them with the completion of their goals.
- 5) Department's detailed proposed budget submission to Finance.
- 6) Discuss City's Strategic goals with City Council.

July 2022:

- 1) Submit preliminary budget to City Manager.
- 2) Review and revise preliminary budget.
- 3) Receipt of Certified Appraisal Roll.
- 4) Perform calculation of effective tax rate.

September 2022:

- 1) 2nd Public Hearing held over tax increase, if the City proposes a tax rate that will exceed the rollback rate of effective tax rate (whichever is lower) during a City Council Meeting.
- 2) 72-Hour Notice for meeting at which governing body will adopt tax rate.
- 3) Hold Public Hearing to adopt Tax Rate.
- 4) Adopt Budget & Tax Rate Ordinance during a City Council Meeting.
- 5) 2nd Reading of 2022-23 Budget & Tax Rate Ordinance.
- 6) Public notice to public inspection of the Adopted Budget and the file adopted budget with County Clerk and State Comptroller.

August 2022:

- 1) Submit effective tax rate schedule and fund balances to City Council.
- 2) Finalize preliminary budget totals.
- 3) Public Notice of Proposed Tax Rate for 2022-2023.
- 4) Public hearing held on tax increase, if City Council proposes a tax rate that would exceed the rollback rate of the effective tax rate.

THE BUDGET PROCESS

The City Budget is a plan for utilizing the City's available funds during the fiscal year to accomplish the established goals and objectives. The budget process for developing, adopting, and implementing the budget includes the following:

April

A budget calendar is created to set deadlines and provide milestones to ensure the City remains on schedule.

Budget Calendar is submitted to City Council.

June

Budget packets are disbursed to department directors. A trended revenue and expenditure report is included to help illustrate the amount of funds spent on each budget line (current year) as well as to help plan for the upcoming budget year. Department Directors must access the next fiscal year's plan in terms of upcoming projects to be undertaken and must estimate the resources needed to complete task. Personnel costs are often the biggest challenge. Directors are asked to provide line-item detail budgets in the preliminary stage to help substantiate requests. The line-item detail provides a breadcrumb trail for future analysis related to reporting budget verses actual variances. The finance director along with the city manager is challenged to balance the wants and needs of each department director and the financial capabilities of the city. The ultimate goal is to keep the tax rate as low as possible and continue to provide high quality services to the residents of Donna. At this time, the City's strategic goals are also discussed with City Council.

July

The Director of Finance and the City Manager in close collaboration will evaluate every department's position in the current fiscal year (actuals vs budget) before setting the budget tentatively for the next fiscal year. Appropriations for each department are determined by the goals set forth by the City Manager. A draft of the budget is assembled in summary format. Towards in end of July, Hidalgo County Appraisal District releases assessed values. A calculation of the tax rate can now be undertaken.

August

The month of August is a busy time for the Finance department. Final changes to the proposed tax rate will drive the changes to the operating budget. The staff in Finance works diligently to complete the annual budget book.

September

The proposed tax rate and the operating budget are submitted to City Council for approval through ordinance. Towards the end of the month, once all requirements are completed, the adopted budget is posted to the city web-site and a copy of the budget is filed with our city secretary. The budget becomes effective October 1st.





September 30, 2022

Honorable Mayor and City Council
City of Donna
Donna, TX 78537

Re: 2022-2023 Budget

Dear Honorable Mayor and City Council:

It's an honor to present the operating budget for fiscal year beginning October 1, 2022 through September 30, 2023. As you will see in the combined revenue and expenditure and changes to fund balance schedule, the combined revenues and transfer in amount to \$33,381,325. The combined expenditures and transfers out amount to \$32,423,943 which represents an increase of \$5,791,379 or a 22% change from fiscal year 2021-2022 adopted budget, primary due to the addition of a one hundred thousand dollar capital lease being budgeted and a capital project that began during fiscal year 2021-22 with a balance of 5,243,959. This budget document has been prepared in compliance with the state laws of Texas, Donna's City Charter, and the standards established by the Governmental Accounting Standards Board. Copies of this budget are available for public review at the City Secretary's office, Donna Public Library, the Hidalgo County Courthouse after October 1, 2022, as well as the City's web site, www.cityofdonna.org.

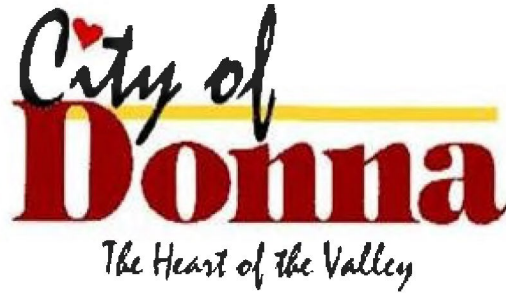
The Annual Budget is more than a projection of revenues and expenditures/expenses for the coming year; it is a financial plan of action which will provide services to the citizens of Donna that are realistic, feasible, and cost-effective. It not only addresses the existing level of services/necessities, which our citizens have come to expect and deserve, but also addresses adequate compensation to all our city employees. In addition, the annual budget serves as a blueprint for the implementation of plans and programs intended to establish service delivery levels sufficient to meet the City's goals and objectives for the 2022-2023 fiscal year. Furthermore, the budget serves as a guide for our financial control and the implementation and improvements of policies and procedures mandated by the City Council.

Each year the Mayor, City Council, and City Staff all take the responsibility very seriously to present a budget that focuses on the needs of our city and meets the diverse needs of our citizens, as well as demonstrating good stewardship of public funds. The Fiscal Year 2022-2023 budget is formulated to provide the necessary funding to maintain acceptable levels of services in all areas. Each fund includes a summary presenting its purpose, both goals & objectives and performance indicators for prior, current, and future fiscal years. The proposed budget remains basic to the provision of services determined by the City Council to be essential to the community. The following pages will describe our economic outlook, budget highlights, and detail information on specific revenues and funds.



307 South 12th Street Donna, Texas 78537
Phone Number: 956-464-3314 Fax: 956-464-9923





2022-2023

ECONOMIC OUTLOOK



As we come to the end of another year in Donna's history, we look with pride at the legacy we are leaving as we contribute to our city's growing and ever-changing landscape. With a focus on enhancing the quality of life for our Donna families, we have gone back to the basics – improving streets, drainage, water, and wastewater infrastructure to entice developers and business to choose the City of Donna for their next venture.

The City consists of 8.3 square miles of mixed-use property. We offer low cost of living, an excellent education system, and warm weather year-round making it a great place to live, work, and play.

Over the last year, we welcomed several major businesses, such as Five Below, Burlington, DD's Discount, Ross, Dollar Tree, Rack Room Shoes, Panda Express, which will bring hours of enjoyment– as well as sales tax dollars – to our community and our local economy.

The City of Donna has experienced significant growth increasing from 14,700, in 2010, to a population of 16,400 as per the 2020 Census count. To meet the growing residential demand, we have welcomed five new residential developments La Villita, Deer Field, Red Oak, Santa Barbara, and Hacienda San Miguel Apartments - consisting of over 360 new residential lots and 140 affordable housing units.

People and businesses that invest in “The Heart of the Valley” help our community thrive and entices other to do the same. Below is an overview of the many projects and events that were completed this year.

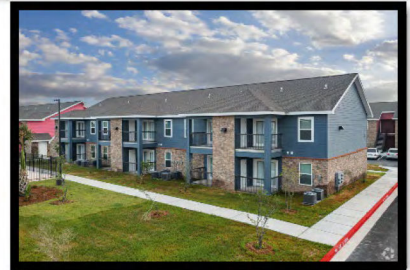
Furthermore, we have made large investments in the City's infrastructure including drainage, roads, water, and sewer services. These efforts were made to update our antiquated utility system to better compete with surrounding cities and to attract new businesses to our community. Below is a summary of our efforts over the last year.

CAPITAL PROJECTS

Governments are starving for capital to keep revenue growing during these unprecedented times. Economic developers must provide adaptive financial sourcing in response to the massive disruption of COVID-19 and the skyrocket cost of labor and materials. The City of Donna has used new revenue sources and grant funds to help safeguard the fiscal wellbeing of our community through various new capital projects.

Hacienda San Miguel Apartment Complex

The Hidalgo County Housing Authority in collaboration with the City of Donna has completed construction on Hacienda San Miguel a Section 8 Complex consisting of 140 apartment units. The groundbreaking was held in December 2020 and the project was completed in June 2022. Divided into two phases; phase one consisted of 68 units, club house, and pool; phase two consisted of 72 units, 10 storage and 10 garage units. All partners involved are excited to bring 140 new, affordable two- and three-bedroom apartments to the mid-valley.



Hidalgo County Urban County Program

The Hidalgo County Urban County program awarded the City a \$257,604 grant (FY2020-2021) to help fund resurfacing of Miller Avenue, South 26th Street, Lissner Avenue, and South Avenue. The project was completed in the summer of 2022, overseen by SAMES Engineering with labor being completed inhouse by our Public Works Department.



The Hidalgo County Urban County program awarded the City a \$270,886 grant (FY2021-2022) to help fund resurfacing of Champion Avenue from FM 493 to Victoria Road; reimburse Hidalgo County for resurfacing of Ponciano Drive; and to provide support to two local nonprofits. This project is expected to commence in November 2022.

The Hidalgo County Urban County program awarded the City a \$257,515 grant (FY2022-2023) of which will be allocated in February 2023.

Wastewater Treatment Plant Expansion

The City of Donna has qualified for more than \$40M in funds needed for the expansion of our Wastewater Treatment Plant. The Texas Water Development Board has ranked our project #12 in the entire state! This project will be a testament to the growth of our City and its utility system. The project is expected to begin in early 2023.



Donna City Cemetery Improvements

Cemetery roads provide visitors with access to various locations within the cemetery. Additionally, cemetery roads provide the City with the ability to service and maintain the grounds or prepare areas for burial. After years of maintenance, the City has repaved the entire subdivision for easier access.



Utility Payment Kiosk

The City installed a new kiosk at City Hall to make payments even more convenient for residence. The outdoor kiosk will provide easy-to-use, 24/7 self-service payment options for drive-in customers. Kiosks provide real-time account lookup and instant payment posting for both credit and debit cards. By scanning your utility bill, you are able to access your account and make your utility payment.



BUSINESS IS BOOMING IN THE HEART OF THE VALLEY

Despite the COVID-19 crisis, many businesses have moved forward with opening their doors, leading to store fronts popping up along major corridors like the Expressway, Salinas Blvd, and Business 83. The business environment has been fueled by a population growth and a higher demand for local services. Additionally, the availability of vacant commercial lands across the area makes the City a great place to start or grow business. Below is a summary of recently opened businesses.

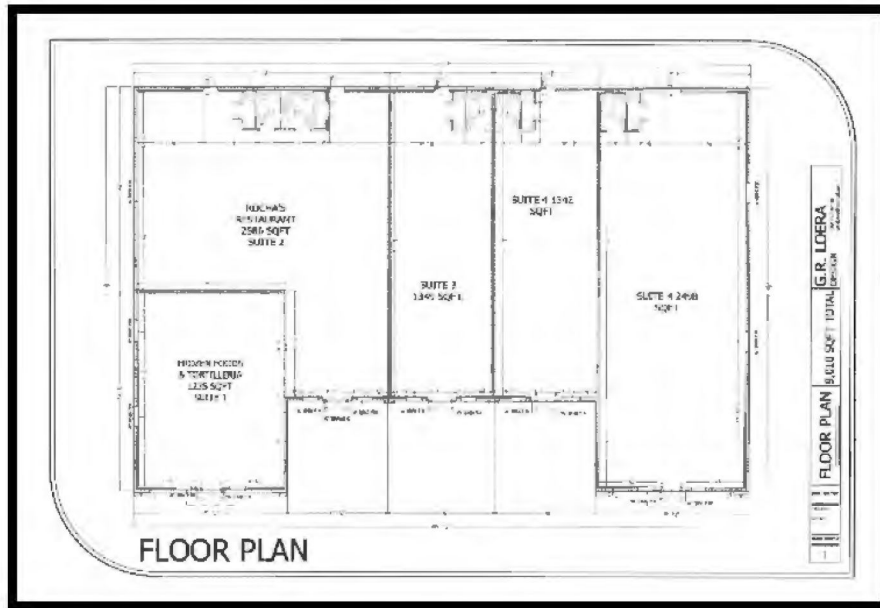
Ashley Pediatrics & Dr. Bose Community Center

This Pediatric Clinic opened its doors in 2016, due to massive remodeling a ribbon cutting was held to celebrate its expansion and the introduction of the Dr. Bose Community Center. The Bose Community Center offers free classes in GED, ESL, Computer, Cake decorating, Arts and Crafts, continuing education CNA, Phlebotomy, EKG, PCT, MA, and MOS.



Trevika Plaza

In early March 2022, construction began at 600 N Main Street behind CVS. The 9,000 sq foot plaza with five suites is to be occupied by a day care, a bakery, and a snack shop. The remaining of suites are pending leases.



Hester Plaza

In early March 2022, construction began at 200 North D Salinas (next to Victoria Steel). The 9,000 sq foot plaza with five suites is to be occupied by Dollar and More, Lash Out, Taqueria Jalisco. The remainder of suites are pending leases.



Panda Express

Development of this project started in November 2021 with construction of this 2,381 sq ft. building commencing in April 2022. The building seats approximately 48 people and is uniquely designed both inside and out. From light fixtures to its stunning murals - this Panda Express sets itself apart from our neighboring businesses. The building has an estimated value of \$750K and estimate gross sales of \$995K, which will make for a great addition to our City as it increases local taxes, jobs, and supports agriculture in our area. The City of Donna is glad that Panda Express is the first pad site to be occupied within the Walmart subdivision.



SHOPS AT 493

Shops at 493 is the largest retail business center in the City of Donna. Since its opened in March 2022, Five Below, Burlington, DD's Discount, Ross, Dollar Tree, Rack Room Shoes, have brought hours of enjoyment, and sales tax dollars, to our community and local economy.

Stores have reported record sales at this location compared to other regional outlets. According to our most recent collections report from May-July 2022, Donna received \$506,459 dollars in sales tax and is expected to continue climbing in the upcoming holiday months. Total

sales tax revenue for the three months ending in July 2022 was up 21.3 percent compared with the same period a year ago. Sales tax is the largest source of funding for the city budget, accounting for 35.2 percent of all tax collections.



For those interested in moving their business to Donna, Shops at 493 is an amazing location. The retail center has over 250,000 square feet of retail space and eight pads. It is adjacent to Donna's 186,000 square-foot Walmart Supercenter, Panda Express, Quick Quack Carwash, Wing Stop and Circle K. The intersection of Expressway 83 at FM 493 has 113,416 vehicles per day and easy Interstate access.



LOT 1 - In early 2017, the first pad site (Lot 1) was sold to Circle K in the amount of \$1,083,578. Circle K completed construction of its 3,000 square foot travel center in November 2017. The travel center is expected to generate approximately \$3.5 million in sales per year.



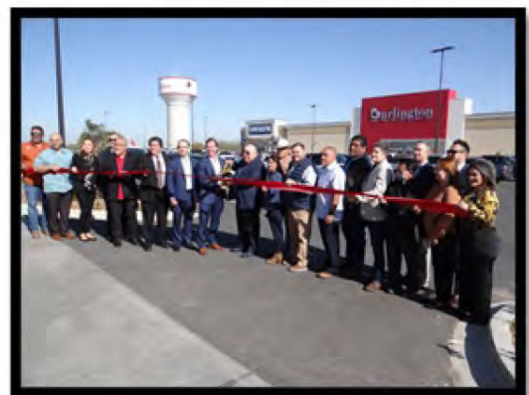
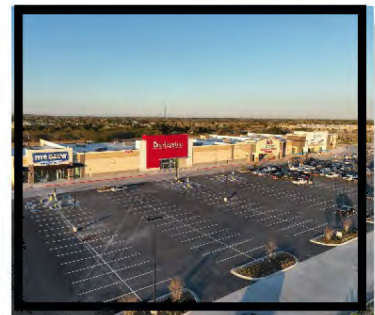
LOT 2 - In April 2018, the second pad site (Lot 2) was sold to Shops at 493-

Lot 2 Ltd. for \$737,906.40 and developed into four (4) suites totaling 11,150 square feet and valued at \$1.5 million. Three of the suites have been leased out for the development of a Rodeo Dental, King Nails, and Wingstop. These three businesses attributed in creating over 35 new jobs.

LOT 8 - In February 2022, Lot 8 was sold to Shops at 493-Lot 8 Ltd. for \$436,577.60 to start construction of Quick Quack Carwash. The building is valued at \$500,000 and uses a recollimated water system to ensure car washes are environmentally friendly. Car washes are completed in less then 3 minutes and includes a full-service cleaning area to rewash and vacuum.



Lot 9 & 10 - In 2020, the City was able to close on a purchase and sales agreement for the development of Lot 9 & 10 at the Shops 493 at approximately \$2 million. Construction commenced June 2021 and construction was completed in March 2022. Businesses that occupy the site include Five Below, Burlington, DD's Discounts, Ross, Dollar Tree, and Rack Room Shoes.





Lot 11 & Detention Pond - In 2017, the City purchased the elevated storage tank and detention site from the EDC for \$566,280. The water tank will hold over 1 million gallons and increase water pressure for residents throughout the city. The detention area will collect excessive water runoff from the proposed businesses at the Shops. The tank began operation in July 2019.



The COVID-19 pandemic has spread with alarming speed, infecting hundreds, and bringing economic activity to a near-standstill as we impose tight restrictions on movement to halt the spread of the virus. Despite these circumstances the City of Donna continues to provide adaptive financial sourcing in response to the massive disruption in the form of grants and citizen assistance.

The economic condition in Donna has improved and expected to continue in the new year with the commercialization of the bridge and new commercial projects developing along main corridors in our city. By highlighting our major achievements and assets, such as improved infrastructure and gateway to global trade via our International Bridge, we continue to recruit major employers to our city. Together, the City and DEDC are dedicated to increasing our economic base in order to improve the quality of life for our citizens and business community.

FISCAL YEAR 2022-2023 BUDGET HIGHLIGHTS

General Fund

- Property tax rate set at **\$.747937**, a \$.03 decrease from prior year
- Assessed Valuation increased to \$876,001,059 up sixteen (16) percent over prior year.
- 3 % increase in employees' health insurance rates.
- Hospitalization indemnity Insurance plan provided for all fulltime employees.
- Dental and Life insurance provided for all full-time employees.
- First year funding for 2nd Crime Victim Liaison position in Police Department.
- Third year funding for 1st Crime Victim Liaison position in the Police Department.
- Double digits forecast in Sales Tax Collections for fiscal year 2022-23.
- \$400,000, Budgeted for street construction and resurfacing.
- \$296,372 budgeted in Police Department overtime \$196K from grants \$100K from General Fund.
- New positions budgeted for Fiscal Year 2022-23, two (2) Laborer positions for Public Works department and one (1) administrative assistant for the Parks & Recreation department.
- Capital Outlay budgeted in fiscal year 2022-23, One Base radio station at Fire Department and one John Deere 6160 Tractor for Public Works department.
- 3% COLA budgeted for all City Employees plus an additional \$1.00 Per hour for all non-exempt employees.

Special Revenue Funds

- ARPA Funding of \$1.532M for New Park and \$4K per Employee for hazard pay.
- Hotel Occupancy Tax Revenues projected at \$146,852.
- American Legion sponsorship funding of \$7,500 in the Hotel Occupancy Tax Fund.
- A transfer to Debt Service fund of \$62,615 from the Fire Fee Fund for its share of 2015 bond issue.

Debt Service Funds

- Interest and Sinking tax rate were set at \$.169591 by a combination of
- \$62,615 Transfer-In from the Fire Fee for its share of the 2015 C O bond issue.
- \$125,230 Transfer-In from DEDC (4A) for its share of the 2015 C O bond issue.
- \$125,230 Transfer-In from DCOD (4B) for its share of the 2015 C O bond issue.

Enterprise Funds

- Passenger Toll rate expected to stay at \$4.00 per passenger crossing during fiscal year 2022-23.
- Bridge passenger toll revenues are projected at \$2,399,125 or approximately 598,791 passenger crossings. Bridge travel restrictions were lifted in November 2021.
- Budgeted one custodian position for the International Bridge.
- Water & Wastewater estimated revenues are projected at \$6,864,377, servicing over 5,000 residential and commercial customers.
- No increases in the City's water, sewer, and refuse disposal rates.
- Capital outlay funded in the Water and Sewer Fund (1) Dump truck, rehab water tower on North 4th street, and manhole replacements
- Personnel request for the Water & Sewer Fund, One full-time laborer in Water Distribution Department and 1 part-time position to full-time in the Utility Billing Department.

CITY OF DONNA STRATEGIC BUSINESS PLAN

GOAL 1. Promote an unsurpassed quality of life in Donna

Goal #1 relates to creating a top quality city in which to live. "Quality of Life" continue to play a decisive role in which people choose to live, as evidenced by explosive growth in cities worldwide.

Num.	Objective/Funding Source	Dept. / Agency	Time- line	Total Project Cost	Estimate 2022-2023	Budget 2022-2023	Status/Rational
Strategy 1.1 Expand Venues for family gatherings & recreation							
1.1.1	General Park Upgrades	Parks and Recreations	2023-24	\$ 2,382,583		ARPA Grant \$2,024,163 : General Fund \$358,420	ARPA Funds / General Fund
Strategy 1.2: Promote a Strong Arts and Culture Community							
1.2.1	Attract Promotion of Live and Family Friendly Holiday Events (Halloween, X- Mas, Chisolm Trail, Viva Donna Etc.) - Operations	City Mgr.	Annual	\$ 56,254	0	\$ 56,254	Halloween, Christmas, Easter, and other city park events
1.2.2	Promotion of Donna Fletcher Museum-Operations	City Mgr.	2023-24	10,000	0	15,000	Upgrade 2nd Floor walls and ceilings
Strategy 1.3: Maintain visual attractiveness of key corridors and venues							
1.3.1	Weedy Lots Program	Economic Develop	Ongoing	50,000	0	50,000	Identify weedy lots around city limits
1.3.2	Demolition Wipeout Continue to remove abandoned building - Operations	City Mgr.	Ongoing	Program	Program	Program	Identify additional buildings in key corridors for removal
Strategy 1.4: Regional Leader in sustainability							
1.4.1	Develop a plan to take over solid waste services of the city. Plan well in-progress.	Public Works & Code Enforcement	Target Date 10-1-2024	\$ -	Program	\$ 3,889,000.00	PPFCO's is funding source.
1.4.2	Establish quarterly community trash cleanups - Operations	Public Works & Code Enforcement	Ongoing	Program	Program	Program	Partner with non profits to hold events.

CITY OF DONNA STRATEGIC BUSINESS PLAN

GOAL 1. Promote an unsurpassed quality of life in Donna

Goal #1 relates to creating a top quality city in which to live. "Quality of Life" continue to play a decisive role in which people choose to live, as evidenced by explosive growth in cities worldwide.

Num.	Objective	Dept. / Agency	Time- line	Total Project Cost	Estimate 2020-2021	Budget 2021-2022	Status/Rational
Strategy 1.5: Promote Improved health of Donna Citizens							
1.5.1	Develop new walking trail system in parks	Planning	2023-2024	Program	Program	ARPA Grant \$2,024,163 : General Fund \$358,420	ARPA Funds / General Fund
1.5.2	Improve municipal pool - Operations	Public Works	Ongoing	Program	Program	Program	Budget for overlapping of pool.
1.5.3	Promote more mobile clinics	Planning	Ongoing	Program	Program	Program	Waive park rental fee for events
1.5.4	Grow number of running/walking event in conjunction with Donna ISD - Grants	Planning	Ongoing	Program	Program	Program	Waive park rental fee for events
1.5.5	Purchase Ferrera 77' Rear Mount Ladder Truck	Fire	2023	\$ 942,780	Program	\$ 942,780	Delivery date FY'23

GOAL 2. Strengthen Donna's dominance as the retail destination of the region

Goal #2 relates to the City of Donna's General Fund & the health of local state tax generators (local business).

Strategy 2.1: Establish Donna bond with shoppers from South Texas and North Mexico

2.1.1	Continue efforts to establish north bound commercial traffic; secure grant funds	Bridge	Ongoing	\$ 59,738,203		Revenue bonds being sought in FY'23 from the open market	TXDOT Grant \$16 million, additional funding being sought
2.1.2	Continue efforts to target entertainment options	Donna EDC	Ongoing	Program	Program	Program	

Strategy 2.2: Bring Key "Destination" retail to the City.

2.2.1	Development of Shops 493 - EDC funds	Donna EDC	2021-24	\$ 12,000,000	Program	380 Agreement in the works	To be completed March 2024
2.2.2	Leverage city incentives to recruits top retailers - EDC	Donna EDC	Ongoing	Program	Program	Program	Matching grant programs, 380 agreements, etc.

CITY OF DONNA STRATEGIC BUSINESS PLAN

GOAL 3: Diversify and strengthen the local economy in order to sustain a strong tax base and quality of city services long term

Goal #3 is about diversification of not only the local economy, but the city's revenue as well. By increasing jobs and wages related to education and medical, city can become less dependent on sales tax and more property tax orients.

Num.	Objective	Dept. / Agency	Time- line	Total Project Cost	Estimate 2020-2021	Budget 2021-2022	Status/Rational
Strategy 3.1 Strategically bring new industry to the region							

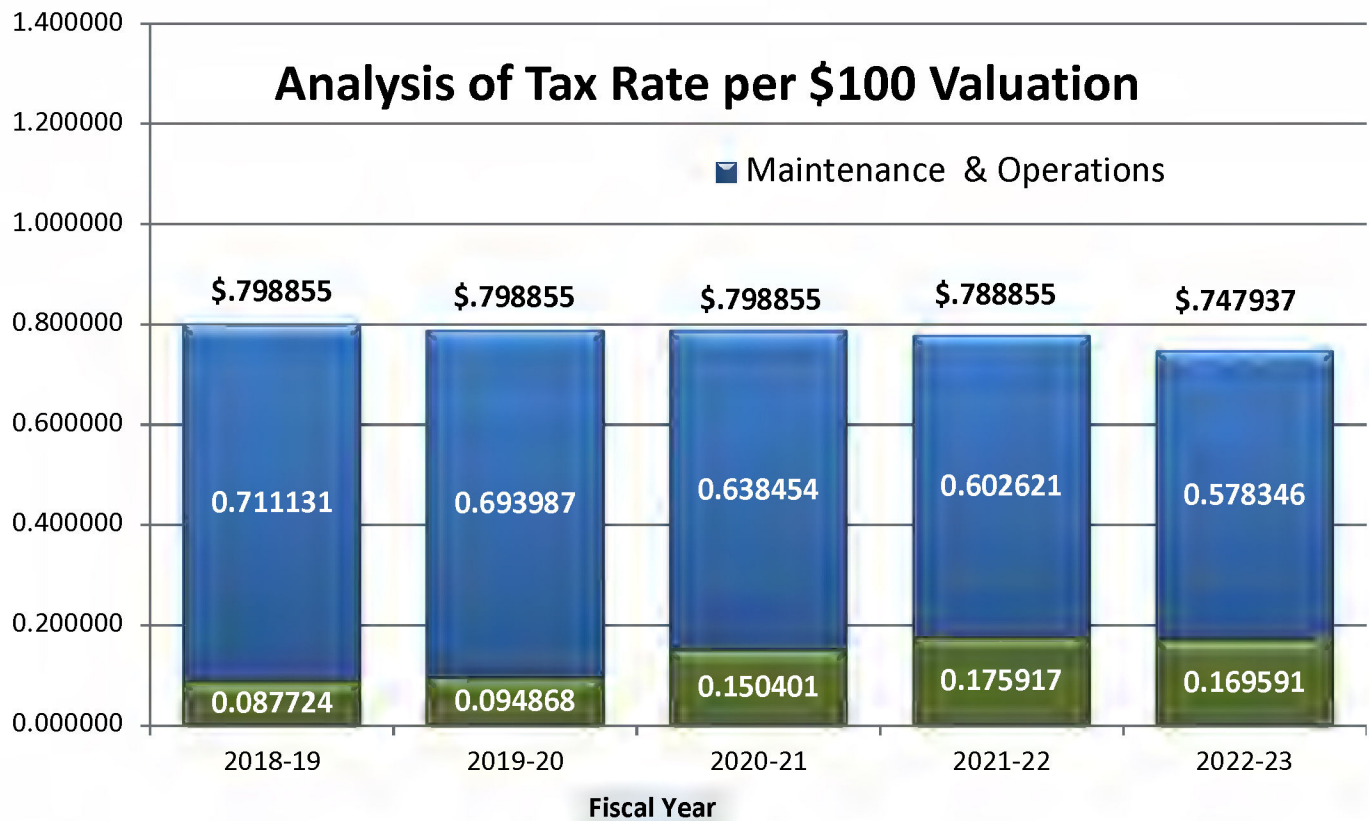
3.1.1	Continue support of Donna Economic Development Corporation	EDC	Ongoing	Program	Program	Program	Focus on industry recruitment, international manufacturing, job training, and business expansion
3.1.2	Continue effort to bring bridge commercial traffic; secure grant to facilitate truck traffic	Bridge	Ongoing	Program	Program	Program	Work to enhance and expand commercial business and international trade
3.1.3	Attract manufacturing company's near bridge	EDC/ Bridge	Ongoing	Program	Program	Program	EDC Programs, lobbying
Strategy 3.2 Promote the development an long term revitalization of the city's strategic core							
3.2.1	Hurricane Dolly Water Plant Improvements - Capital Dollars	Utilities	Ongoing	\$ 3,000,000	Program	\$ -	Use FEMA Grant
3.2.2	Donna Wastewater Treatment Plant Rehab and Capacity Upgrades	Utilities	FY'23-24	\$ 38,640,330	Program	TBD	State Fiscal Year 2023 Clean Water State Revolving Fund
Strategy 3.3 Adopt policies and programs which encourage public-private-sector, growth and prosperity and good governance							
3.3.1	Review ordinances and identify code/ordinance items which can be improved to improve ease of compliance and update international building code	Planning	Ongoing	Program	Program	Program	Already adopted several changes to ordinance
3.3.2	Continue EDC efforts to assisted those wishing to form new business (revolving loan fund)	Donna EDC	Ongoing	Program	Program	Program	Ongoing program to reach out to prospective business
3.3.3	Stormwater Public Education & Outreach - Operations	Planning	Ongoing	Program	Program	Program	Educate the public about stormwater infrastructure and ensure storm sewers are kept free of debris and pollutants

Strategy 3.3 Adopt policies and programs which encourage public-private-sector, growth and prosperity and good governance							
3.3.1	Launch Utilities Kiosk machine	Utilities/ IT	Ongoing	Program	Program	Complete	Reduce need for face to face customer services and long wait lines.
3.3.2	Accept credit/debit cards payment in all departments	Information Technology	Ongoing	Program	Program	Program	Reduce need for face to face customer services and long wait lines.
3.3.3	Hold Employee health fair to encourage increased health screening and health awareness levels - Operations	Human Resources	Ongoing	Program	Program	Program	Reduce long term employee related health costs
3.3.4	Use social media to improve marketing and promotion of city event and capital projects	Human Resources	Ongoing	Program	Program	Program	Social media to promote programs, events, functions, and department accomplishments

Notes: City Council meets in the month of June to prioritize city projects for the near future.

GENERAL FUND

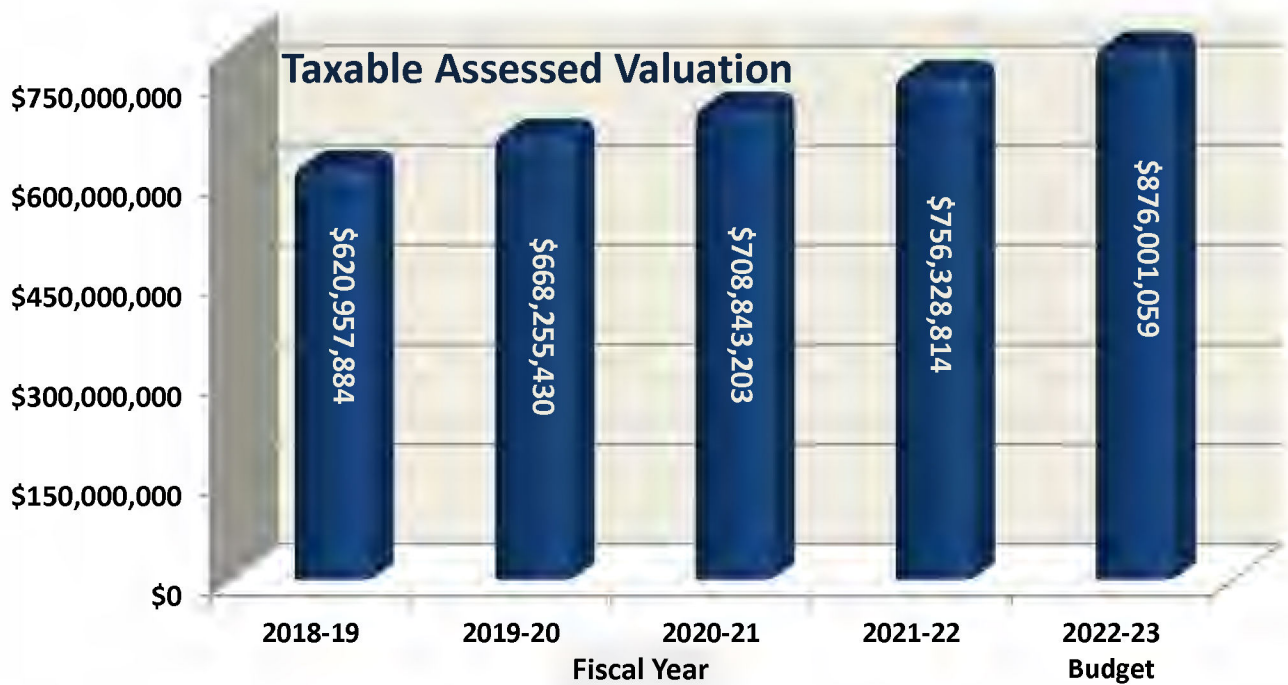
The 2022-2023 Proposed Budget was prepared on an ad valorem property tax rate of \$.747937 per \$100 of assessed taxable value. The assessed taxable value is up \$119,672,245 or 16 % from prior year. The assessed taxable value has increased in the last eight (8) consecutive years. Our appraisal and tax valuations are computed by the Hidalgo County Appraisal District. The City's no new revenue tax rate is \$.713091.



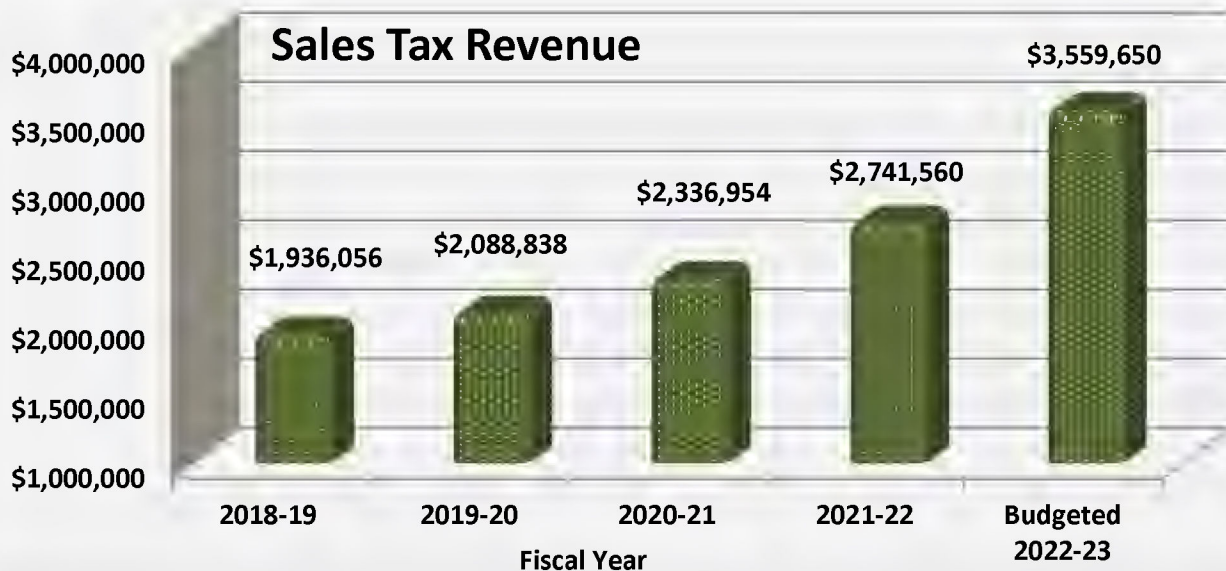
Property Tax Rate

The tax rate for fiscal year 2022-2023 set at .747937 represents a decrease of \$.03 from prior year. The projected General Fund revenues for Fiscal Year 2021-202 are \$13,259,496 or 5.5% above actual revenues for 2021-2022, which is mainly due to an increase in sales tax collections, an increase in charges for services, and grants.

The largest revenue sources in the General Fund consist of taxes from property, sales, and franchise taxes. These three taxes comprise 72% of the General Fund revenues. The assessed taxable valuation has increased an average of \$41,780,061 over the last five years. Assessed valuations for Tax Levy Year 2021 increased by \$119,672,245 or 16% above prior year, mainly due to an increase in commercial and residential property valuations.

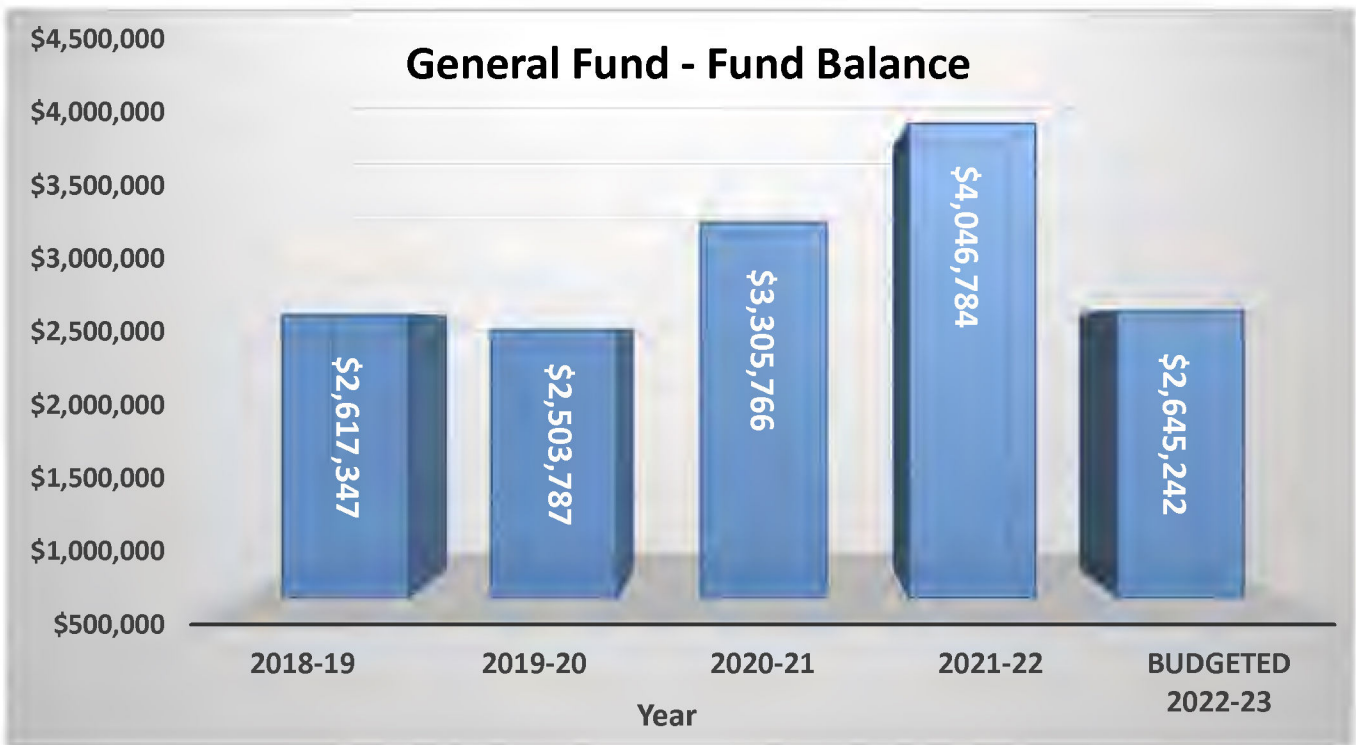


Property taxes continue to be our greatest revenue source immediately followed by Sales Tax. Sales tax revenues are projected at \$3,559,650 for 2022-23. The Sales Tax Revenue is projected to increase by 13 % from current year. The projection is aggressive due retail development. The contributions of Walmart's sales taxes to the city have helped boost our General Fund revenues since opening its doors in 2015-2016. The sales tax impact from Walmart was a factor in lowering the property tax rate. Donna EDC purchased 25 acres along Interstate 2 and FM 493 for the development of a retail center. Since the purchase of the 25 acres, three of (7) lots have been officially sold.



Franchise Taxes are the City’s third largest revenue source. Franchise Taxes are based on a percentage of utility company revenues and are projected at \$1,449,376 for fiscal year 2022-2023.

The total proposed expenditures for 2022-2023 related to the General Fund are categorized as follows: Personnel Services \$8,897,026; Supplies and Materials \$624,595; Property and Infrastructure \$596,954; Equip. Rental & Repairs \$405,945; Other Services and Charges \$2,722,280; Capital Outlay \$95,000; and Debt Service at \$291,696 and Transfers out at \$358,420.



The General Fund Balance is projected to be \$4,358,178 or approximately 31% of operating expenditures. In 2015-2016, the City officially adopted a Fund Balance policy equivalent to no less than 25% of budgeted expenditures. The excesses fund balance above the 25% will be kept in reserves or could be subject to capital projects determined by City Council.

HOTEL OCCUPANCY FUND

The City of Donna has been imposing a tax on room rates on hotels/motels located within the boundaries of the City. Funds are utilized specifically for promotion of tourism and preservation of historical objects that attract residents and visitors to the City. Anticipated hotel tax revenues for 2022-2023 are \$146,852 a very conservative amount due to the Covid-19 Pandemic. Contribution to the first United States American Legion Post #1920 is \$7,500. The city budgeted \$103,159 for salaries of the Tourism & Promotion department.

DEBT SERVICE FUND

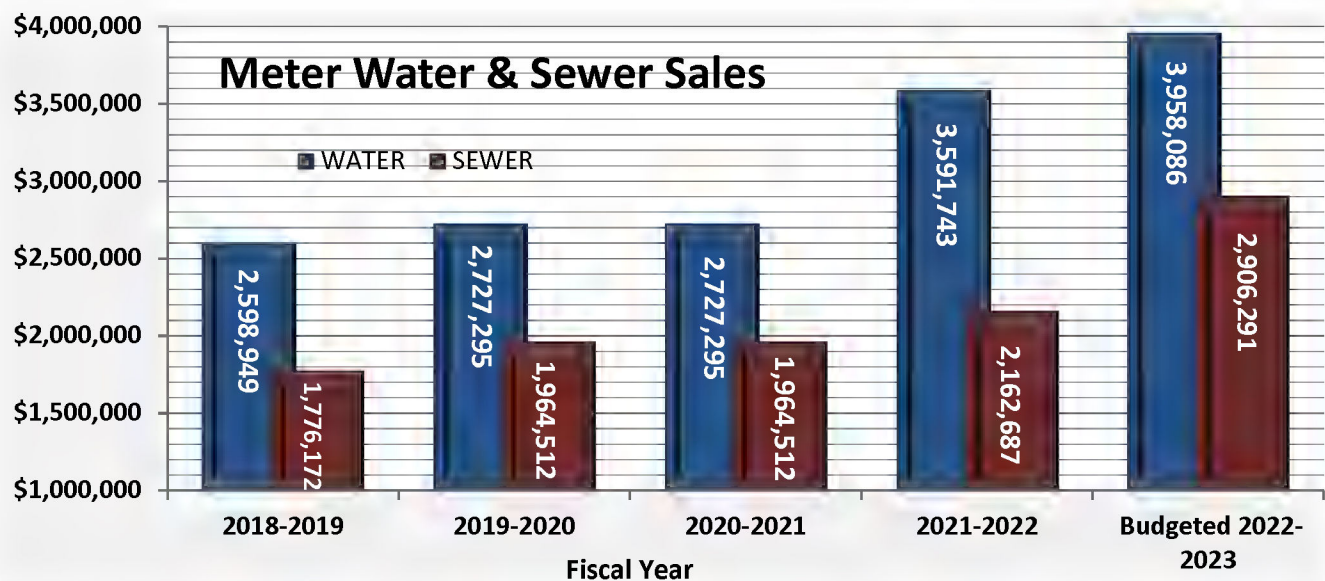
The Debt Service Fund accounts for resources accumulated and payments made for the principle and interest on long-term tax supported general obligation debt. The Debt Service requirements for outstanding General Obligation Bonds for Fiscal Year 2022-2023 will amount to \$1,823,491. The Debt Service Fund will be funded by an ad valorem property tax rate of \$.169591/100 of assessed value and Transfers-In from the Economic Development Corporation of Donna (4A), the Development Corporation of Donna(4B) and the Fire Fee fund in the amounts of \$125,230, \$125,230 and \$62,618 respectively.

The current property tax collection revenue is calculated at 95% of the total current tax levy. Delinquent property tax collections are projected at \$59,497. The city budget for the delinquent taxes is based on prior year's history and current trends. The City of Donna adopted a formal debt policy to include debt limits the latter part of September 2017.

UTILITY FUND

The total projected Utility Fund revenues for Fiscal Year 2022-23 are \$6,883,597. Water and Sanitary Sewer operating expenses are estimated at \$6,883,597. Projected expenditures include \$1,667,501 for Debt Service and \$1,680,768 in Other Services & Charges.

The Water and Sanitary system was contracted and operated by a third-party utility company dating back to 2000. In October 2014 the City took over operations of the City's water and sanitary system. Fiscal year 2022-23 marks a nine-year period that the city officially took over operations of its water and sanitary system.



BRIDGE FUND

The Bridge Fund collects tolls from passenger traffic at the Donna-Rio Bravo International Bridge. Projected revenues from passenger traffic are \$2,399,125. Projected passenger crossings are 599,781 (1,643

vehicles per day). In March of 2020, the passenger crossings declined due to the Covid-19 Pandemic and the travel restrictions imposed by the United States government. Fiscal Year 2020 and 2021 saw declines of 32% each fiscal year in passenger crossings compared to pre-pandemic timeframes.

The Donna-Rio Bravo International Bridge will soon prove to be a very wise investment. This coming fiscal year, South-Bound Inspection Facilities were completed to allow for South bound empty commercial vehicles to cross into Mexico thereby increasing toll revenues for the City of Donna. The construction for this project officially started September 2019 and is now complete. The Texas Department of Transportation is also investing \$13.6 million on the FM 493, the road leading to the bridge. This road expansion of 8 miles will allow for a more efficient, convenient and safe route for intercity as well as international travelers. On the Mexico side, road infrastructure leading to our land Port of Entry has also been completed named Libramiento II Sur which will attract travelers from Mexican states of Tamaulipas, Nuevo Leon, and Coahuila.

U.S. Customs and Border Protection on April 18, 2017 accepted the Donna Project into the Donation Acceptance Program (DAP) which allows for the planning and building of the fully loaded Northbound Commercial Truck facilities. The project will be on fast track because it has also been accepted to become a Model Port for non-intrusive inspection, (NII). We are excited to be the Pilot Project for this state-of-the-art technology which will process a commercial truck within 6 minutes from entry to exit due to the 100% x-ray technology.

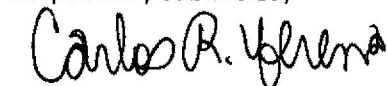
The City of Donna has already begun to receive interest from investors that conduct business with Mexico. Companies that are involved include logistics, transportation and even fueling stations for commercial vehicles which have purchased property within Donna city limits. All these investments will increase ad valorem and sales taxes along with employment opportunities for citizens in Donna. The future is continuing to look very bright and favorable for the City of Donna.

SUMMARY

The Budget process and preparation of the 2022-2023 -budget has taken numerous hours and challenges in order to meet the current and future financial constraints of the city. As part of one of the fastest growing MSA's in the country, the Donna economic sector continues to grow. As there is growth, the demands for services and their related costs also continue to grow. Staff will continue to work together to maximize operational efficiencies and meet the desired objectives. Through guidance and instruction from the City Council and on-going master planning efforts, we envision that the 2022-23 Budget will meet the City Council's goals for service to the citizens of Donna.

The staff and I look forward to continuing to work alongside the City Council and the community to meet the challenges of the 2022-2023 Fiscal Year. In closing, I would like to express my appreciation to the Finance Department for their numerous hours spent assembling the budget / policy document.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Carlos R. Yarena".

Carlos Yarena, City Manager

MAJOR GOALS FOR FISCAL YEAR 2022-2023

- Obtain the financing for the North-Bound fully loaded Commercial Inspection Facility. In November 2022, the City of Donna will seek Revenue Bonds in the open market.
- Sell the vacant lots at the Shoppes at 493 along Interstate 2. Close on a sale of lots which are projected to bring in 5 large retail stores. Schedule to be completed retail stores in March 2022 (on-schedule)
- Increase public safety by providing the Police Department the necessary equipment and technology to monitor and fight crime in our community.
- Apply and obtain grants for improvements to city parks, the fire department, the police department, and other areas of the city.
- Provide residents with City sponsored events; Chisholm Trail Event, Halloween Night Festival and National Night Out Festival.
- Improve drainage system to eliminate drainage issues within the City.
- Promote the Donna Industrial Park to attract business to the Industrial Park.
- Continue to promote the International Bridge through advertising in local and International Markets.



City of Donna's Location in Relation to the State of Texas



The City of Donna lies in the southern region of the state in an area referred to as “The Rio Grande Valley”. The City of Donna was incorporated in 1913, and its Charter was adopted on February 7, 1957. Its form of Government is Home Rule i.e., Mayor/City Council-City Manager. Currently the population of Donna is estimated at 26,500.



PROJECTED FUND BALANCES

**COMBINED SUMMARY OF REVENUES AND EXPENDITURES/EXPENSES
AND CHANGES IN FUND BALANCES
FISCAL YEAR 2022-2023**

	GENERAL FUND	SPECIAL REVENUE			
	GENERAL FUND	HOTEL/MOTEL TAX FUND	FIRE EQUIPMENT SERVICE FEE	TEXAS CONFISCATED	AMERICAN RESCUE PLAN FUND
ESTIMATED FUND BALANCE/NET POSITION 9/30/2022	4,358,178	(12,518)	56,411	(3,786)	0
<u>REVENUES 2022-2023</u>					
PROPERTY TAXES	5,090,925				
OTHER TAXES	5,009,026	146,852			
LICENSES & PERMITS	255,972				
INTERGOVERNMENTAL	405,614	10,000	78,527		2,024,163
CHARGES FOR CURRENT SERVICE	2,107,730	23,818			
RENTALS	838,301				
FINES & FORFEITURES	127,460			8,000	
MISCELLANEOUS	56,888	100	100		
TOTAL REVENUES	13,891,916	180,770	78,627	8,000	2,024,163
<u>OTHER FINANCING SOURCES</u>					
OTHER FINANCING SOURCES	100,000				
TRANSFERS IN					358,420
TOTAL OTHER SOURCES	100,000	0	0	0	358,420
TOTAL REVENUES	13,991,916	180,770	78,627	8,000	2,382,583
<u>EXPENDITURE/EXPENSES 2022-2023</u>					
PERSONNEL SERVICES	8,897,026	103,159			850,000
SUPPLIES & MATERIALS	624,595	215	16,000	4,000	
PROPERTY AND INFRASTRUCTURE	596,954				
EQUIPMENT RENTAL & REPAIRS	405,945				
OTHER SERVICE & CHARGES	2,722,280	77,396		2,500	
CAPITAL OUTLAY	95,000			1,500	1,532,583
DEBT SERVICE	291,696				
EXPENDITURE/EXPENSES	13,633,496	180,770	16,000	8,000	2,382,583
<u>OTHER FINANCING USES</u>					
TRANSFERS OUT	358,420		62,615		
TOTAL OTHER FINANCE USES	358,420	0	62,615	0	0
TOTAL EXPENDITURES/EXPENSES	13,991,916	180,770	78,615	8,000	2,382,583
REVENUES OVER/(UNDER) EXPENDITURES	0	0	12	0	0
ESTIMATED FUND BALANCE/NET POSITION 9/30/2023	4,358,178	(12,518)	56,423	(3,786)	0